Co-creation in the innovative sharing economy
An analysis using the example of AirBnB

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Abstract

The global economic system is in a transition state and collaborative consumption in the so-called sharing economy becomes a major factor within which value is co-created by empowered "produsers". The interplay between market participants constantly switching between the roles of providers and receivers is subject to new dynamics in a highly competitive sharing economy space. Additionally, the sharing economy affects factors increasing the degree of flexibility, leading to a new competitive edge. On the contrary, this flexibility also causes vulnerability of the market participants and instability in the sharing economy. The sharing economy comprises diverse ways of exchange ranging from monetized sharing (pseudo-sharing) and un-monetized sharing (rather true sharing). Hence, reciprocity, expectations among the market participants and market logics result in new hybrid forms. The sharing economy's accommodation segment serves to illustrate the putatively diametrically opponent ideas of sharing and the economy - using the example of the market platforms AirBnB and CouchSurfing.

A literature review on the topics of value creation, co-creation and the sharing economy has been performed. Its findings have been confronted and enriched by qualitative expert interviews' insights and the single embedded case study applied. Based on the literature a new theoretic model has been created which explains how co-creation of value in the sharing economy works. The interviews and market information helped modifying the new theoretic model. Hence, money is found to be a way value exchange is organized, a resource as input to value co-creation as well as a driving force. Thus, money is clearly a differentiating variable in the sharing economy – differentiating AirBnB from CouchSurfing.

Co-creation in the sharing economy is the future which is still to be co-designed. In order to grow sustainably, there are still e.g. governmental regulations to be put into place as well as certain restraints to be removed. The internet facilitates pre-requisites enabling co-creation, such as Dialogue, Access, Risk, Transparency, Trust and Smart phones connecting the market participants. Value is co-created in a forum market through the interaction between consumer networks and nodal firms. This value co-creation is guided by culture and ethics, sharing types and motivations as well as resources as input and value drivers. Finally, the market centers around the consumer experience equaling free floating value at the heart of co-creation.
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1. Introduction

1.1 Motivation & research question

Motivation

The sharing economy as part of changing economics and society impact the parameters for new businesses and their relative success (Belk, 2014). In a global marketplace innovative internet-related technologies bypass the traditional capitalist markets and access to goods and services becomes valued over ownership in a reciprocity system (Sahlins, 1972, pp. 191-196). The result of this transition might be a civil society centered around social capital – the community – organized through social businesses (Gold, 2004).

Ongoing trends show that this might become a “third industrial revolution”, facilitated by zero marginal costs. Value is redefined and redistributed (Rifkin, 1996). Consequently, this “economy of communion” (Gold, 2004) and “culture of giving and sharing” brings along plenty of opportunities, building networks, making better use of existing resources (Olson, 2015, p. 16) and generating (economic) growth (Ramaswamy, 2004) (Scaraboto, 2015); but also faces some major challenges, e.g. it remains to be defined how to categorize and regulate income generated (Malhotra, 2014) or how to ensure safety (Möller, 2016, p. 46) (Christie, 2016). Subsequently, it affects the dynamics in the economy, culture and community of self-interest-driven and at the same time empathic humans who take on a more proactive role in co-creation of value (Scaraboto, 2015). As “produsers” (Bollier, 2016) the consumers switch between the roles of givers and receivers, whereby diverse forms of exchange are combined in hybrid ways (Scaraboto, 2015), ranging between truly sharing acts and solely economically motivated acts (Belk, 2014, p. 1597). Nodal firms and these proactive consumers become more and more convergent in a market where value is created through their interaction (Prahalad, 2004, p. 7).

Research question

The accommodation segment of the economic phenomenon of the sharing economy helps illustrating how co-creation of value takes place following new market logics. Existing literature theorizes about how value is created in firms traditionally. Porter (1985) creates models showing the firm as a superior value-creating market player. In Penrose’s (2009) theory of a firm’s growth
the company stays in this superior role and exclusively growths and hence creates value from within based on resources available inside the firm.

The internet is opening up a new market space which operates as a parallel sphere to a firm’s physical value chain (Rayport, 1995). Hence, in nowadays online society value creation is driven by efficiency, complementarities, lock-in and novelty, all of which add up to the total value created (Amit, 2001). The market becomes more demand-side focused (Rayport, 1995, p. 85), the consumers find their needs to be satisfied by customized offers (Amit, 2001, p. 506) and thus the consumer becomes an empowered co-creator of value (Ramaswamy, 2004). The consumer experience gains importance (Prahalad, 2004, p. 7) over the actual service or product on offer (Bowman, 2002, p. 15) in a forum market made up of networks of consumers and firms (Ramaswamy, 2004).

Now turning to the sharing economy phenomenon literature states the following. Sharing has a longstanding history in human nature (Dowling, 1968) and sharing in itself is found to be an altruistic act (Price, 1975). When exchanging goods distinct types of reciprocity apply (Sahlins, 1972, pp. 193-195). With regards to this, the sharing economy is revolutionizing the market and reciprocity expectations with its destabilizing character (Scaraboto, 2015). Subsequently, under consideration of the literature, the central problem stated is:

**How does co-creation of value work in the sharing economy?**

The accommodation segment of the sharing economy is used to investigate upon the case. Moreover, the case study at hand introduces monetized sharing at AirBnB and non-monetized sharing at CouchSurfing as two diametrically opposed examples which are investigated on by conducting exploratory expert interviews. In this context, it is attempted to theorize on value co-creation in the sharing economy leading to the creation of a model enriched by the primary research’s findings and market information.

AirBnB, in differentiation from CouchSurfing, is a special monetary compensation involving sharing case because it represents a popular and successful example of how the sharing economy is executed in new dynamic hybrid ways. It is a controversial case positioned on the edge to traditional capitalistic forms of consumption (Belk, 2014, p. 1597).
1.2 Definition of important terms

- **Value chain**: the value chain disaggregates a firm into its strategically relevant activities in order to understand the behavior of costs and the existing and potential sources of differentiation (Porter, 1985, p. 34)

- **Co-creation**: following the service-market logic (Lusch, 2006), interaction between market participants of equal status (Ramaswamy, 2004, pp. 31-32, 122-123) of convergent roles (Prahalad, 2004, p. 7), whereby the consumer becomes a co-creator (Lusch, 2006) or creator of value (Grönroos, 2013, p. 138) facilitated by dialogue (Ramaswamy, 2004, pp. 122, 125)

- **Sharing economy (SE)**: participants in the sharing economy “advocate shared ownership and use, reuse and resale of goods, and optimizing use of assets by renting or loaning out durable goods and spaces” whereby their consumption practices are transformed (Schor, 2015, p. 411) into collaborative consumption (Belk, 2014), “Internet mediaries [...] match demand and supply in real time on a global scale” (Malhotra, 2014, p. 24)

- **Collaborative consumption**: “is people coordinating the acquisition and distribution of a resource for a fee or other compensation.” (Belk, 2014, p. 1597), other authors include true sharing, adding gift giving and marketplace exchange with no distinction made between the three (Botsman, 2010, p. vx) and again others say that whether the individuals collaboratively consuming something actually intended to do so by making a joint effort for the acquisition and distribution of a service or product or not does not make a difference as long as they these individuals simply jointly consume something it is collaborative consumption (Felson, 1978)

- **Hybrid economies (of collaborative networks)**: “These networks are characterized by complex interactions between social and commercial interests (Jenkins, Ford, and Green 2013) and by the aggregate efforts of interdependent participants who switch between the roles of consumer and producer as they engage in social and economic activities directed toward value creation.”; “[...]the hybrid status of these economies is constantly under threat of destabilization by the struggle between competing performativities of market and nonmarket modes of exchange.” (Scaraboto, 2015, pp. 152-153)
1.3 Structure of the thesis
Figure 1 visualizes the thesis’ structure. After the introduction the theoretic framework based on three thematic pillars (value creation, co-creation & sharing economy) is explained resulting in the creation of a new theoretic model attempting to frame how value co-creation in the sharing works. Subsequently, this thesis’ methodology is elaborated on. The findings, discussion, conclusions as well as implications follow in the next building block which leads to a modification of the new theoretic model before an overall summary is formulated. The last chapter presents limitations and further research.

2. Theoretic framework

2.1 Value creation
Porter on value creation

The idea of value creation is traditionally rooted in theories of authors such as Porter (1985, p. 38) who created models explaining the creation of value in a capitalistic economic system on a broader scale and specifically on firm level. In this context, value is defined as the total revenue a company generates by setting a price for the products produced. Thereby, profit is made once the
value demanded per product is higher than the costs connected to it. Moreover, this value created for the buyer should favorably be bigger than what it costs to create this value.

Any firm’s strategic activities can be displayed in a “value chain” showing the origin of the firm’s costs as well as the actual and possible future ways of differentiation. Porter (1985, p. 34) states that there are nine activities that make up a firm’s value chain that are all interconnected to one another in a particular way.

The generic value chain is made up of both primary and support activities which add to the firm’s profit margin and in this way create revenue and subsequently value. The firm’s primary value creating activities include the inbound logistics, operations, outbound logistics, marketing and sales and activities related to service. Other than that, the firm’s infrastructure is made up of the following support activities: human resource management, technology development and procurement (ibid, 1985, pp. 34-38).

According to Porter (1985, pp. 34-38) this “value chain” of a firm is part of a “value system” which includes value creating activities performed by suppliers and further downstream activities at the sales channels. Furthermore, the value chain of the buyers makes up an important part of this value system, too. This buyers’ value chain needs to be in accordance with the offer made by a firm to fully satisfy and comprehend the buyers’ needs and deliver value. In order to establish a competitive advantage over competitors a firm should be aware of its surrounding value system. This way differentiation of value offered is assured.

In a value system a firm’s value chain is also referred to as business unit describing the firm’s activities in a specific industry. Sometimes one firm is active in several industries, engaging in several business units in interrelated industries at the same time. The firm can extract value from these diversified activities for itself or in collaboration with other firms resulting in a stronger position of the firm in the value system (ibid, 1985, p. 34).

Penrose’s resource-based view of a firm

Penrose, another well-known theorist, refers to the value creation in an implicit manner theorizing about the growth of a company which is indeed closely knit to the creation of value (Amit, 2001, p. 497). Penrose’s (1960, p. 22) resource-based view of a firm suggests that all growth of the firm
originates from its resources available inside the firm. These resources are for instance knowledge and capabilities of the firm’s employees.

Penrose’s theory becomes highly relevant in the context of this thesis as it presents an approach towards identification of the origin of value created by a growing firm. The theory explains where growth and value come from. Thus, it is stated that growth takes place based on the resources inside the firm. From a traditional point of view this approach helps understanding where value originates from, as this growth associated value created often remains difficult to grasp in its intangible nature. Hence, the insights given by traditional theories like Porter’s or Penrose’s theory facilitate understanding (less traditional) theoretic approaches concerned with value co-creation as can be seen in the following subchapter (2.2), where amongst others consumers are assigned a much more proactive and empowered role consequently co-creating value which may possibly result in the growth of a firm.

Based on Penrose’s (2009, pp. xx, xvii) theory, firms represent a collection of resources that are administrated and coordinated in a productive manner (productive resources) to facilitate the growth of the firm by producing goods or services in order to create value e.g. in the form of monetary profit. Just like Porter, Penrose sees the firm and the market as two different arenas of economic activity. Thereby, the administrative character of organizing a firm’s resources together with “authoritative communication” defines the boundaries between the firm and the market.

The resources of a firm are never identical with another firm’s resources. This is due to differences in the resources and how these are used as different “productive services” (ibid, 2009, p. xviii) towards creation of products, profits and value. Consequently, every firm represents a unique mix of resources employed. One of the key resources are the managerial resources which coordinate and manage the other resources of a firm towards potential growth. Depending on the combinations of resources, making use of market opportunities and a firm’s unused resources, new growth can be generated. Subsequently, unused resources (for instance of technogical or entrepreneurial nature) mean potential expansion (Penrose, 1960, p. 1). Following this train of thought a firm is defined by its resources rather than its products and diversification is a vital part of the firm’s expansion.
New knowledge, which is also a new resource, is created inside the firm. This knowledge can either be acquired objectively - through transmission – or be created through experience – hardly transmittable. In these economies of growth profit, growth and survival of firms can be assured if stable bases are built from which to grow and innovate further (Penrose, 2009, pp. xix-xx).

Seen the ideas of Porter and Penrose the value created is still closely associated with a product producing firm. Nonetheless, there are also firms that sell services. Porter’s value chain has been criticized by Stabell and Fjeldstad because of this as it does not seem to capture very well where value is produced in a service context (Fjeldstad, 1998).

**Value definition in strategy**

Value creation still appears hard to capture. Bowman and Ambrosini (2002, pp. 1-15) generally differentiate between “use value” and “exchange value” in value creation in their article about a coherent definition of value in strategy as elaborated on in the following.

Use value is subjectively assessed by customers and the value customers assign to what a company has to offer whereas exchange value refers to the value which is realized at the point of sale meaning the monetary value that is paid for a product or service. New “use values” originate from labor executed by employees of a company affecting the company’s profit. The reason for different companies reaching different levels of monetary profitability is the difference in labor performance of those companies. Thus, the ultimate determinant of value capture places the power relationship between the demand and supply side. Moreover, the possession of a good or reception of a service satisfies certain consumer needs and can therefore be of value as well as define the relative product value.

Consumers value the satisfaction they expect to get through consumption of a particular product. Bach states that this is what makes them spend their money as cited in Bowman’s article. These expectations raise the use value, the customer expects a “consumer surplus” (high perceived value for money) by buying a product at a certain exchange value. So a company should try to increase the perceived use value in order to realize higher exchange values and more profit. This indicates that although labor is the source of the value it is not fixed but subjective in its nature and depends much on the actual bargaining power of the parties involved in a value exchange. In this
interplay profit can be translated into value captured by the company. Thus, a company’s employees producing a product clearly build the basis of value to be created but profits are made through expectation building and marketing raising the perceived consumer surplus.

Recapitulating the theory of Bowman and Ambrosini, it can be stated that there is perceived value (use value/consumer surplus) influenced by a firm’s product on offer and its competitors’ alternatives and the realized exchange value as part of the value capture - value capture referring to the realization of exchange value by economic actors such as firms, customers, resource suppliers and employees. Seen all this nevertheless, “markets are dynamic and unpredictable” (ibid, 2002, p. 13) and a lot of the future costs and profit cannot be foreseen exactly, nor by managers neither by entrepreneurs. It is always an estimation that helps enacting business and producing value in practice which is relatively subjective in its nature until value is captured and profits are made.

The virtual value chain

Nowadays the market place is globalized and co-exists virtually in addition to the physical one. In their article about the virtual value chain Rayport and Sviokla (1995, pp. 75-85) take into consideration how a company can create additional value when moving some of its activities from the physical “market place” to the online “market space” in order to exploit the virtual value chain. This virtual value chain can be considered as a parallel space which co-exists in addition to the physical value chain in the market place.

In the virtual value chain the value present is information and each part of this stream of information holds the potential of being translated and transformed into a new product or service offer. Therefore, it is crucial for the company to build relationships with its customers to find out about the customer’s needs and value opportunities. Based on the physical value chain the virtual value chain makes it possible to gather, organize, select, synthesize and distribute information from the customers in order to adapt the company’s offer according to its customers’ demands. Consequently, the virtual market space enables firms to create value and gain from value in a new way which makes it easy for them to repeat transactions innumerous times. The virtual value chain model presented very clearly demonstrates the shift from a supply-centered approach towards more and more focus on the customer-side.
Value creation in e-business

After elaborations on the theories of value creation in traditional literature as Porter (1985) and Penrose (2009), vocabulary to describe the value and value exchange has been established (Bowman, 2002). All of these ideas presented are based on “offline realities”. Nevertheless, the emergence of the internet has changed the rules of value creation as seen in the text passage presenting the market space and the virtual value chain (Rayport, 1995, p. 85).

Thus, e-business became a substantial value-creating part in today’s business world. Zott and Amit (2001, p. 504) define four different value drivers in e-business that show where value originates from. These four sources of value in e-business are captured as efficiency, complementarities, lock-in and novelty, all of which add up to the total value created which is shown in the centre of its four drivers. So the value referred to represents the sum of all value created through e-business, independent of the actor that created the value (e.g. the firm, customer, etc.). The four sources of value creation (if present) hold the potential of boosting the value created in e-business immensely (fig. 2).

![Figure 1. Sources of value creation in e-business](image)

Figure 1. Sources of value creation in e-business

Figure 2: Sources of value creation in e-business (Amit, 2001, p. 504)

Efficiency increases when costs per transaction decrease. The transaction is a means of exchange transacting value between the market participants taking on the roles of buyers and sellers. If the costs per transaction decrease, this means that the quantity of transactions realized have less effect on the company’s financial result as less costs are created at the expense of the company’s
profit. Thus, valuable savings can be made if costs per transaction can be reduced and efficiency can be achieved. One way to increase efficiency is to reduce asymmetric information for the supply and demand side. The company should engage in information management in order to provide real-time and the most complete sets of information possible. The internet’s broad reach helps distributing this improved information (ibid, 2001, pp. 494, 503).

Above that, the enriched and more up-to-date information can lower the buyer’s costs associated with searching, selecting and bargaining. The buyers can make better informed decisions from a broader selection of alternatives. Moreover, the buyers benefit from simplified transactions in economies of scale. The aggregated demand means costs are lowered for production of goods (for the firm) and so the price per unit of a product will be cheaper for the buyer and at the same time still profitable for the seller (the firm) (ibid, 2001, p. 504).

In addition to improved efficiency the extent to which a firm is considering and offering complementarities to its own product(s) can enhance value created in e-business. As Brandenburger and Nalebuff (2011, p. 18) define it: “A player is your complementor if customers value your product more when they have the other player’s product than when they have your product alone”. Thus, the presence of complementarities enables additional value creation. Offering complementarities in the online business in addition to the actual product is a common practice and complementary products or services are offered either vertically or horizontally. Horizontally, a supplement or useful additional equipment for a certain product could be offered and vertically, after sales services are good examples of complementarities. Moreover, complementarities exist between the online and offline sphere. So a product that was bought online can for instance be picked up or returned in a physical store of the same company. Business partners can advertise online and offer their complementarities in that same physical shop of the company – all of which is resulting in more added value created through the online business (Amit, 2001, p. 505).

Furthermore, e-businesses may as well spot and leverage complementarities in their own internal activities as well as in technologies they are using to connect the technology of another company to theirs and jointly create more value. To build complementarities can also result in higher levels of efficiency for the buyer as he reduces the search costs and time to e.g. find two products or
services he would have otherwise needed to research about for a long(er) time (ibid, 2001, p. 505).

The third element that is adding value is called “Lock-In” in the model of Amit (2001, pp. 504-507) which refers to the value created through loyalty and retention of customers and strategic partners of a company. If a company manages to create this lock-in with customers and partners its opportunity costs are reduced, meaning it does not have to pay extra to spot new opportunities or possible new customers or partners. In this case, the customers and partners have become loyal and do not want to switch to competitors anymore. This level of lock-in can be reached through loyalty programs rewarding the respective customers or partners for their loyalty by offering them benefits. In addition to loyalty programs companies can construct dominant design proprietary standards for their offer guiding the customer through the process and offer. Other than that, companies need to engage in relationship building to create trust and loyalty reflecting safety and reliability. The more familiar a customer is with the interface of an online business webpage the more unlikely it is that this customer will be willing to get used to the functions of another company’s webpage. Customer loyalty rises consequently. Furthermore, lock-in is enhanced if the offer of an online business matches the need of the customer. Amit (2001, p. 506) differentiates between two different forms this offer-need-matching can be realized: either initiated by the firm (personalization) or initiated by the customer (customization).

Either way interaction between the e-business and customer makes more accurate matches possible. The customer who knows that he will find precisely what he is looking for or can create this value through the e-business himself (value co-creation with an empowered customer is touched upon here) will also become a loyal customer. Moreover, this satisfied customer will give positive feedback about the particular e-business e.g. through ratings. Other potential customers will be affected by such a rating and may become new loyal customers for the e-business. In this way, companies generate virtual communities of consumers also called networks. These networks create externalities (effects), meaning that “the value created for customers increases with the size of the customer base” (ibid, 2001, p. 507). Joining the network becomes more attractive for a potential new member but also for other firms who would like to complement the offer of a particular e-business. Network externalities can have an either direct or less direct effect.
Additionally, customers or strategic partners of a firm may as well “Lock-Off” if the network externality linked to a specific e-business is “negative” – meaning not as effective, attractive, interesting or relevant anymore – which can be expressed in a declining number of network members and vice versa. The value drivers efficiency, complementarities and lock-in are strongly interconnected and reinforce one another in the dynamic setting of e-business. If value creation is building upon these three driving forces the network effects can multiply positively boosting the value created (ibid, 2001, p. 507).

Last but not least the value driver “Novelty” closes the value creation circle around wealth created between the interdependent value drivers. In e-business the novelty character is key to value creation, since new products or services usually once were of novelty qualities. In the virtual market novelty triggers another additional meaning. There are new transaction structures, new combinations of already existing functions and new participants such as newly created networks that make up for something “new” and innovative with respect to the rest of the market. Being a first mover with a new business model facilitates the establishment known for a new market niche setting new standards and in this way creating loyal customers (ibid, 2001, p. 508).

Novelty and lock-in are linked as innovations attract attention and therefore maintain customers once convinced. Those convinced customers tend to return in increasing numbers due to an innovation’s success and strong brand. Novelty and complementarities are also intertwined, because a large number of innovations originate from new combinations of elements. Novelty and efficiency also match in a way that innovations often represent more efficient solutions (ibid, 2001, p. 508).

2.2 Co-Creation of value

Following the development of more customer-focused markets (Rayport, 1995) and the idea that customers can customize products according to their needs (Amit, 2001, p. 506) customers are now transformed into co-creators of value (Ramaswamy, 2004). This value co-creation can be described as a form of open innovation. As defined by Chesbrough (2006, p. xxiv), open innovation is a concept that sees the company as an entity that is able to source ideas and innovation from inside and outside its own organizational boundaries in order to succeed in the market and
technologically. A company opens up and gives the customers space and resources which facilitate their interaction and subsequently the creation of value (Ramaswamy, 2004, p. 123).

**Co-Creating unique value with customers**

Prahalad and Ramaswamy shed a lot of light into the new theoretic field of co-creation. Their work presents a holistic approach of co-creation of personalized consumer experiences (Frow, 2008, p. 84). Furthermore, it is said that innovation will take place in the co-creation of experience environments, relating to spaces that allow for the consumers to co-design their own experiences through interaction (Grönroos, 2013, p. 133). Companies will no longer only produce and deliver products and services but they will find partners in the proactive customers enabling them to better serve their customers’ needs by involving them into the value creation process making the resulting experience a source of unique value for all parties involved (Ramaswamy, 2004, p. intro).

Thus, new strategic positioning is needed and any company should define its means of interaction with and coordination of co-designing customers. In this new sphere companies compete based on co-created experiences of unique value. In order to embrace all the opportunities that lie within it, companies need to reconsider and restructure on a functional and organizational level as well as the infrastructure and management will need to undergo major changes (ibid, 2004, p. intro).

In contrast to the traditional theories on value creation of Porter (1985) and Penrose (1960, 2009) in co-creation the market becomes a vital part in value (co-)creation (Ramaswamy, 2004) facilitated by the virtual market space (Rayport, 1995). Traditionally the market is separate from the firm and the consumer. Value creation processes take place inside the firm. The firm and the consumer only meet in the market to interact which results in value extraction for the firm and in a consumer experience of the customer (fig. A1: The traditional concept of a market (Ramaswamy, 2004, p. 120)). Prahalad and Ramaswamy (2004) challenge these ideas about the market and the roles of the actors within. From their point of view, the market is no longer only a place of exchange of goods and services and where companies target customers. The market is viewed as a space of value co-creation through the interaction between the firm and the consumer. Value is extracted by both the consumer and the firm. The market is essential to co-creation of experiences of unique value in between a firm and an individual at a certain point in time (fig. 3).
Without co-creation experiences there is no unique value creation process (ibid, 2004, pp. 121-122).

Figure 3: The emerging concept of a market (Ramaswamy, 2004, p. 122)

This co-creation experience is at the heart of the value creation in the new market, an experience environment co-designed by the consumer and the firm. The empowered consumer’s individual constraints and choices decide about what he is willing to pay for a co-created experience as part of the new co-creation market rules (ibid, 2001, pp. 121-122). So value is no longer solely monetary and based on the exchange of goods because a lot of old and new market dynamics play a part in it (Bowman, 2002). This means that consumers and companies collaborate and compete in the market’s experience environment. They co-create value but compete on the extraction of economic value (Ramaswamy, 2004, p. 122).

These new dynamics transform the market into a forum where a dialogue between all kinds of actors takes place (ibid, 2004, p.122). Other than in the literature about value creation and value capture the market referred to is “more experience-based” (Bowman, 2002, p. 15) and less “product-centered” (Prahalad, 2004, p. 7). This forum’s conversation is led by the firm, the firm’s employees, the consumer, as well as the consumer communities and networks of firms (Ramaswamy, 2004, pp. 122, 125). The market as a forum calls for a new understanding and consideration of the fact that every interaction between the forum’s parties is different to one another (heterogeneity of interactions). The interactions differ with respect to a consumer’s sophistication, eagerness to engage in dialogue, tolerance for irritants and willingness to switch suppliers and products (ibid, 2004, pp. 125-127).
A company has to be prepared for this heterogeneity of interactions (ibid, 2004, pp. 125-127) “to facilitate truly personalized co-creation experiences for every consumer” (ibid, 2004, p.125). This is why the infrastructure of the company needs to mirror that the company is socially and technically prepared to allow for personalization of the experience (ibid, 2004, p. 102). Furthermore, co-shaping of expectations and the co-shaping of the experience itself become important imperatives for the firm and its counterpart the proactive consumer on the path to the “experience of one” (ibid, 2004, p. 122).

Amit (2001, pp. 503-509) already mentioned the new network character of firms, consumers and strategic partners in the model of sources of value in e-business. Ramaswamy (2004, pp. 31-32, 122-123) however, builds upon the idea of value co-creation which has only been touched upon in (Amit, 2001, p. 507). Following Ramaswamy (2004, pp. 123-125) the networked consumer communities play a vital role as driving force in the experience networks of co-creation. The “consumers influence one another’s experience” and the interconnected consumers as part of such communities are in dialogue with several firms and reference groups simultaneously. These reference groups can also change over time depending on the consumption of the individual consumer. Following from this, these networked consumer communities represent interaction partners for firms to position at least equal or even superior level influencing the supply and demand as “co-creators” in the forum market (ibid, 2004, pp. 31-32, 122-123). Thus, the roles of the consumer and the firm develop into being more and more convergent (Prahalad, 2004, p. 7).

This new kind of consumer demands for a new type of manager who involves and interacts with the individual customers and the consumer communities (Ramaswamy, 2004, p. 125). Moreover, a manager should strive for building a “nodal firm”. This is a firm that provides leadership with its technical and intellectual capabilities in order to build a well-functioning experience network. Furthermore, a nodal firm provides incentives that foster the ties between the companies that take part in the experience network. Big firms or companies with a new business concept are perfect examples of nodal firms (ibid, 2004, p. 109).

Seen this, Amit’s (2001) model on value creation in e-business shows a rather company centered view, where companies are claimed to be “generators of virtual consumers communities” also called networks. In contrast to this, Ramaswamy (2004, p. 125) suggests a personalized
“consumer-centric network” (ibid, 2004, pp. 107-109) that is to a substantial part run by the consumers who are independent “originators” of the market’s dialogue and choose a firm rather than the other way around in order to find and create value. They take on more and more powerful roles as amongst others aggregated customers interact in communities. They can even become investors and have much more power and a larger say in negotiations (ibid, 2004, p. 123). Thus, a (nodal) firm has to watch after these new market dynamics to take active part in the market dialogue. It needs to be able to reconfigure resources rapidly and integrate various infrastructure elements for networks centered around the consumer facilitating the co-creation of experiences (ibid, 2004, pp. 107-109).

Furthermore, a nodal firm has no ownership over the resources that are used in this process. These resources are accessed and controlled but actually not owned by the nodal firm. Hence, these new managers will have to know how to access and control resources without owning them (ibid, 2004, p. 109). Once more the idea of open innovation becomes relevant in this context since “the new manager” needs to search for competence and access it inside as well as outside the company (Dahlander, 2010, p. 699) in order to locate it and construct an experience network around it (Ramaswamy, 2004, p. 109).

Prahalad and Ramaswamy (2004) define four building blocks that enable co-creation, which they abbreviate as the “DART”-formula: Dialogue, Access, Risk assessment and Transparency (fig. 4).

The dialogue enhances the exchange of knowledge and sharing of ideas of qualitative value. This informs both the consumer and the company about what is considered valuable and secures that all parties involved know about each other’s perceptions. Access means the access for consumers to the experience environment in which value is co-created. In the DART-formula, access does not only refer to a customer’s ownership of a certain product but all the interactions he engages in the experience network environment that lets him co-create value. In co-creation risk is assessed in more detail by the proactive co-creating consumer. This means that the consumer will ask for more risk-related information but at the same time also take on more responsibility for risks involved in the value co-creation process. Lastly, transparency of information needs to be given in order to create trust and facilitate co-creation between the consumer and the firm (Ramaswamy, 2004, pp. 31-32).
Combining the four components of the DART-formula in specific ways enables companies to build new and important capabilities. Matching access and transparency, this enables the consumer to make better informed choices as he has access to all information and parts of the experience environment of value co-creation. Confronting dialogue and risk assessment helps co-designing policies through dialogues between the consumer or consumer communities and the company(ies) in the network experience space. Through the combination of access with dialogue new communities can develop and existing communities can be managed.

![DART-formula: Building blocks of interactions for value co-creation (Prahalad, 2004, p. 9)](image)

The spectrum of co-creation experience shows an increasing degree of complexity of the consumer-firm interaction at the same time as the uniqueness of value increases. Moreover, the new experience environment enables co-creation through personalization, multiple firms and multiple communities being part of it (Ramaswamy, 2004, p. 11). Through consumer-to-consumer interaction in these communities consumers “co-shape” (ibid, 2004, p. 125) their experience and learn about new value co-creation opportunities (learning). This conversation also provides learning for the experience environment facilitating firm (Prahalad, 2004, p. 6). Consequently, there is a new frontier in what quality management means in this new forum market. The aspect of co-creation moves the definition of quality away from the standard path and solutions. It gives quality a deeper and more verified meaning with regards to what quality defines, what its goals are and how its methodology and outcomes are assessed always incorporating the proactive consumer as a determinant of the new frontier (Ramaswamy, 2004, p. 114).

**Critical thoughts on Prahalad and Ramaswamy’s theory**

Prahalad and Ramaswamy’s theory on unique co-created value also has its weak points as many companies find it difficult to put it into practice, which might also be the case because these
companies themselves are actually not consequent in its application. Therefore, many firms still hold on to traditional ideas about the role models of a consumer and company.

Many companies already try to focus on the customer experience and try to involve the consumer more but e.g. self-check outs still do not fully empower the customer to co-create. They actually remain service and product-centered and consequently company-centered (Prahalad, 2004, p. 8). As long as “products can be commoditized but co-creation experiences cannot” (ibid, 2004, p. 9), they run the risk of only representing one product out of a vast choice of products with little or no differentiation in its features for the customer. After all, the company may miss out on opportunities of co-creation of unique value with the customer. In order to diminish this risk companies should focus on individualized interactions with the consumer (heterogeneity of interactions), resulting in experiences (of unique value). This asks for more than predetermined solutions for the consumer’s problem or need. The empowered consumer chooses the way of interaction in the networked experience environment as facilitated by the company. The company needs to be aware of its new role (ibid, 2004, p. 10).

Another critical observation of this theory states that it mirrors a very optimistic view on the market as a forum and the more a company opens up trying to personalize experiences in order to create unique value together with the consumer or even large consumer communities it also runs the risk of its processes to break down (Prahalad, 2004, p. 9). Then again if it manages to actually co-create unique experiences it will benefit largely from this as well as the consumer will (Ramaswamy, 2004). The company will no longer run the risk of commoditization (Prahalad, 2004, p. 9) and might co-create and facilitate consumer communities of “stable” lock-in characterized by their loyalty (Amit, 2001).

Managing the co-creation of value

Adding up to Prahalad and Ramaswamy’s (2004, p. 109) ideas of a “new” manager and his qualifications required Payne also wrote about managing the co-creation of value. Payne’s (2008, p. 83) article mentions Vargo and Lusch’s “service-dominated logic” as another highly relevant term in the context of co-creation. It stands in contrast to the “goods-dominated logic”, which sees value as part of a tangible product only useful when acted upon (Lusch, 2006, p. 8) and the
value vanishing once the product is consumed. The service-dominated-logic refers to value being intangible and freed when a product or service is used or consumed (ibid, 2006, p. 6).

Looking at how value is co-created through the service-dominated logic as well as how to manage it, is highly relevant in the context of value co-creation. The consumer gets actively involved in the value creation process and is declared to be at the same level of importance as the company when co-creating value (Payne, 2008, p. 83). In the resulting value co-creation model Payne, however, does not go so far as to assign the consumer a co-creating role. This activity is only named under the supplier’s (company) activities as “co-creation opportunities” (ibid, 2008, p. 86) (fig. A2). Moreover, the idea of managing the co-creation process still indicates a slightly firm-dominant view in comparison to Prahalad and Ramaswamy’s (2004) view of the empowered consumer’s and the company’s role in consumer-centered experience environments (Payne, 2008, p. 86). Payne’s (2008, p. 85) co-creation model is less holistic (Frow, 2008, p. 84) than the theory of Prahalad and Ramaswamy’s (2004) and focuses on processes involved in co-creation.

Payne suggests three different interconnected categories of processes: The customer value-creating processes, the supplier value-creating processes, and the encounter processes — the processes and practices of interaction and exchange that take place within customer and supplier relationships and which need to be managed in order to develop successful co-creation opportunities. Just like in Prahalad and Ramaswamy’s (2004, p. 6) theory both the customer and supplier experience learning as part of the value co-creation (Payne, 2008, pp. 85-86).

Nonetheless, although less empowered, the consumer is still defined as an essential part in value co-creation in Payne’s article. With reference to Vargo and Lusch (2006, p. 6) it is stated that there is no value until an offer is used by the consumer (service-dominated logic) (Payne, 2008, p. 84). Moreover, just like in Prahalad and Ramaswamy’s (2004) theory the experience of the consumer is of high importance in the value determination according to Payne (2008, p. 84) referring to Holbrook. Payne (2008, p. 87) describes in more detail than Ramaswamy’s (2004) theory how the co-creation experience affects the consumer cognitively, emotionally (mostly not goal-oriented) and behaviorally.

In order to achieve a competitive advantage a company has to develop its capacity to add to a customer’s resources or to provide the customer with tools that enable him to make better use of
his present resources (ibid, 2008, p. 86). Following this train of thought the customer experience clearly gives a new meaning to competing and companies need to embrace it. There is a consensus about the importance of the customer experience, as mentioned by Prahalad and Ramaswamy (2004), by Payne (2008) but also in Gentile’s (2007, p. 395) text about the components of the co-creation customer experience and how to sustain it (referring to LaSalle & Britton; Shaw, Ivens & Schmitt). Gentile et al. (2007, p. 397) define the customer experience as follows:

“The Customer Experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction [...]. This experience is strictly personal and implies the customer’s involvement at different levels (rational, emotional, sensorial physical and spiritual) [...]. Its evaluation depends on the comparison between a customer’s expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points [...].”

The definition does not explicitly include the creation of value but certainly does so implicitly - the experience defining the new edge in how to achieve a competitive advantage by co-creating unique value together with a customer. The customer experience opens up new opportunities in unique value creation leading away from potential product-bound commoditization in the new forum market (Prahalad, 2004, p. 9).

2.3 Sharing economy
After having examined traditional theories about value creation, the emergence of the internet and virtual markets, e-business has become a new and strong market space in which value is created. These virtual markets facilitate value co-creation in open innovation. The customer’s experience is at the core of co-creation as several authors agree upon. Value co-creation takes place between networked empowered consumers and firms interacting and trying to individualize the experience which is no longer product-bound. It is following the service-dominated logic revealing value when a service or product is used through interaction in the forum market.

All of these theoretic observations lead to the sharing economy, a field in which value co-creation and empowered customers make up for a new form of collaborative consumption within which access to goods or services is valued over ownership (Belk, 2014). The sharing economy will hereinafter be referred to as “SE”. Participants in the SE “advocate shared ownership and use,
reuse and resale of goods, and optimizing use of assets by renting or loaning out durable goods and spaces” whereby their consumption practices are transformed (Schor, 2015, p. 411). Moreover, “Internet mediaries now match demand and supply in real time on a global scale” (Malhotra, 2014, p. 24).

**Traditional sharing**

Sharing is nothing new by itself, actually sharing is something that is rooted in human nature and history (Belk, 2014, p. 1595). Sharing has always been a vital part in social life and hunter societies (Dowling, 1968). Sharing by itself is a topic that is anthropologic in its “social” nature. Price (1975) attempts to view sharing from an economic point of view and formulates the following definition of sharing in this context: Economic goods and services are distributed without any calculation of return in an intimate group of individuals. Price argues that sharing is an act of generosity and with no reciprocity - expectation to get something in return - involved. According to Price (1975, pp. 4, 8), sharing can only take place in “intimate economies“ which are small by size but personal. The members of such a system know each other well and have inter-relationships with each other. Sharing helps the group to unfold harmony and each member’s effectivity completing the intimate group.

Thus, sharing in itself takes place within intimate groups of people who know each other and it largely depends on emotional ties between the members of the group. These emotional ties also help bridging inequities. If the groups are too large sharing becomes difficult due to the lack of relationships (ibid, 1975, pp. 5, 7).

**Reciprocity**

Although Price explicitly distanced reciprocity from sharing, wanting something in return for a deed, good or service makes sense from an economic point of view based on exchange of values. In “stone age economics” Sahlins (1972, pp. 193-195) defines three distinct types of reciprocity: generalized, balanced and negative reciprocity.

Generalized reciprocity refers to transactions that are putatively altruistic and on the edge of assistance which is returned if possible and necessary (Sahlins, 1972, p. 193) (fig. 5). This form of reciprocity is closely related to helping and sharing as described before (Price, 1975). Nonetheless,
Price focuses on the idea that sharing is guided by moral values and bound to self-reinforcing social ties motivated to do good by sharing within an intimate group of people. Sahlins (1972, p. 194) adds on to this by stating that as part of this putatively altruistic sharing transaction something might be delivered in return – if possible and necessary.

Figure 5: Generalized reciprocity (Sahlins, 1972, p. 193)

Sahlins says that generalized reciprocity might as well include the implicit expectation of some kind of return which might not happen immediately at the point in time when the “assistance” is received. Nonetheless, this return of the transaction can happen once the receiver finds himself to be able (indicated as the dotted line: fig. 5) – which might as well never happen. This means that upon reception of a good it is possible that there is a counter obligation present. This counter obligation is not specified with regards to time, quality or quantity and is therefore “indefinite”. Hence, generalized reciprocity includes a diffuse obligation to reciprocate when necessary or possible between the two parties involved. A good example for this is helping a friend who might one day offer his help in return (ibid, 1972, p. 194).

Subsequently, these elaborations result in a more complete understanding of what sharing is. Sharing can be defined as an ethical act in order to be a good member of an intimate economy (Price, 1975), but sharing might also be performed with expectations of indefinite returns (generalized reciprocity) (Sahlins, 1972, p. 194). This more nuanced picture of sharing comes closer to how the SE functions partly based on an ethical motivation and the notion of possible return (see further explanations on the SE & motivation to share & sharing behavior (Hellwig, 2015)).

Sahlins continues describing a second type of reciprocity: the balanced reciprocity. This type of reciprocity seeks to balance the transaction between the giver and receiver out in order to make sure that investment and gain are of equal worth. Balanced reciprocity is a direct exchange of the “customary equivalent” without delay (fig. 6). It involves the exchange of money in trade associated involving buyer and seller relationships (Sahlins, 1972, pp. 194-195). Once more reciprocities as part of the SE can be related to the theoretic approach of the balanced reciprocity.
(see further explanations on the SE & collaborative consumption incl. compensation or a fee (Belk, 2014, p. 1597)).

Figure 6: Balanced reciprocity (Sahlins, 1972, p. 194)

Sahlins (1972, p. 195) also defined a third negative type of reciprocity which refers to transactions in which “exchange partners seek to get more than they give” (Belk, 2007, p. 127).

Commodity/marketplace exchange

After Price’s and Sahlins’ rather broad theories, Belk’s ideas on exchange involving money are more concrete (with reference to balanced reciprocity as mentioned before). Belk defines commodity exchange characterized by calculability as follows: “Weights, measures, and specifications together with fixed or explicitly bargained or auctioned prices help make clear exactly what we give and what we get in such exchanges” (Belk, 2010, p. 718).

Thus, money is a measurement which in exchange for goods makes sure that the relationship between the buyer and seller remains in balance. In contrast to Price’s altruistic sharing, the interactions involving money are about the rights on objects that one receives in exchange for the money. They are “impersonal” (Price, 1975, p. 8) and not about the relationships among and ties between people (Belk, 2010, p. 718).

Subsequently, both balanced reciprocity and commodity exchange have in common that once the payment is made and the goods of equal value are exchanged the buyer’s and seller’s relationship is in balance and they do not have any further touch points.

Sharing economy: collaborative consumption – hybrid economies – third industrial revolution

Belk already noticed that although giving and receiving is involved in sharing it might not be the same as giving and receiving in commodity exchange (also called market exchange/marketplace exchange) (Belk, 2007, p. 127). The new SE is applying several logics at the same time, thereby creating “hybrid” economies (Scaraboto, 2015) of collaborative consumption (Belk, 2014), which might have extreme effects as described in Rifkin’s third industrial revolution (Rifkin, 1996).
Collaborative consumption

There is lots of discussion about what the SE is and how to classify certain interactions or exchanges within. Some authors criticize its name claiming that “pseudo-sharing” (Belk, 2014, p. 1597) is actually taking place, because sharing itself is altruistic and therefore the term may be misleading and may not quite capture what the SE really refers to and includes. This is why Belk goes on by distinguishing the varieties of sharing and delimits it from gift-giving and marketplace (commodity) exchange in order to derive a clear basis for defining what collaborative consumption in the SE entails.

According to Belk (2014, p. 1597), sharing is “the act and process of distributing what is ours to others for their use and/or the act and process of receiving or taking something from others for our use.”, quoting an earlier piece of literature of his own. Further, just like Price (1975), Belk (2014, p. 1596) finds that sharing is non-reciprocal and motivated by altruistic beliefs and the need to survive. “Sharing in”, means that through the act of sharing something with someone, that someone becomes part of a group or a putatively intimate group. Sharing in mostly takes place among individuals that know each other. In contrast to that “sharing out” mostly applies to sharing between strangers and is normally a one-time-act of e.g. sharing information about what time it is when asked for it (ibid, 2014, p. 1596).

Generally, there is no debt involved in sharing as in reciprocal gift giving or marketplace exchange. It is important to notice that sharing is based on non-ownership of the things shared (by the recipient). Other than in both gift giving and marketplace exchanges ownership is transferred and reciprocity applies. Borrowing and lending are forms of sharing that can be classified as positioned on the edge of reciprocity, because there are expectations involved that the borrowed lent out (shared out) item or an equivalent will be returned. Belk also defines what can be shared, this includes tangibles but also intangibles like time and ideas. Nevertheless, he continues stating that something intangible such as the place of birth although in common cannot be shared as this place is not shared by choice. Moreover, “demand sharing” and “open sharing” are commonly occurring types of sharing. Sharing on demand for instance refers to a child asking for food or time to be shared with it. Open sharing is closely related to sharing in and high levels of intimacy, which may need to be established before openly sharing everything with someone (ibid, 2014, p. 1596).
The internet facilitates and scales sharing in new ways through the web 2.0 and peer-to-peer sharing. In this context, for instance digital music is freely shared. Due to this, the music industry has lost substantial amounts of potential profit. Therefore, the industry fought against the free access trying to reinforce the intellectual property rights trying to suppress new “sharing market” dynamics (ibid, 2014, p. 1596) (read more about related downsides of the SE - where critical reflections are made - below).

Nevertheless, most non-market sharing websites represent true sharing with no compensation for the shared content and altruistically sharing peers involved. Exceptions to this are barter web pages which ask users to balance uploads and downloads and require them to upload content if they want to download content. Furthermore, websites on which something is “truly shared” (without any compensation for the sharer) are not all non-profit. Some websites make money through e.g. advertisements visible on their pages (ibid, 2014, p. 1596).

In addition to content shared online, goods are also shared online at no costs. An example for this is a sewing machine in one’s neighborhood which can be of shared use. This fosters intimacy (sharing in) and saves the recipient of having to make a possibly redundant investment in a sewing machine, consequently better leveraging the assets (sewing machines) present in the neighborhood (ibid, 2014, p. 1597).

So sharing changes the way in which consumption takes place. Access becomes valued over ownership and “Instead of buying and owning things, consumers want access to goods and prefer to pay for the experience of temporarily accessing them” as stated by Bardhi and Eckhardt (2012, p. 881). Finally, Belk (2014, p. 1597) formulates his understanding of collaborative consumption:

“Collaborative consumption is people coordinating the acquisition and distribution of a resource for a fee or other compensation.”

“Other compensation” includes exchanges with non-monetary compensation such as bartering, trading, and swapping, but excludes “true sharing” activities because there is no compensation involved. Other authors present broader definitions of collaborative consumption, Botsman and Rogers (2010, p. vx) for instance include “true sharing” (like CouchSurfing), also adding gift giving
and marketplace exchange whereby no distinction between the three is made (Belk, 2014, p. 1597). Felson and Speath (1978) are also not so rigorous on whether the individuals collaboratively consuming something actually intended to do so by making a joint effort for the acquisition and distribution of a service or product. Following their definition it makes up for collaborative consumption if these individuals simply jointly consume something (Belk, 2014, p. 1597).

Nonetheless, some sharing activities appear to be on the edge between true sharing and the SE. Although there is no reciprocity involved (non-compensated/non-monetized sharing (ibid, 2014, pp. 1596-1597), these sharing activities have a collaborative character (Scaraboto, 2015, p. 153). Thus, to exclude them as Belk does in defining collaborative consumption appears to be a critical point of discussion. In this context, the ambiguity of the SE and sharing activities that “cut across prototypical market logics” (Scaraboto, 2015, p. 153) becomes clearly visible. Scaraboto (2015, p. 153) captures this development perfectly by writing about selling, sharing, and everything in between renaming the phenomena of SE into “hybrid economies of collaborative networks“:

“These networks are characterized by complex interactions between social and commercial interests (Jenkins, Ford, and Green 2013) and by the aggregate efforts of interdependent participants who switch between the roles of consumer and producer as they engage in social and economic activities directed toward value creation.”

Confrontation of theoretic fields
This definition matches the theoretic fields of value (co-)creation and the sharing/hybrid economy. This concept can be linked to the co-creation of unique value as the hybrid economy’s participants are claimed to be “interdependent” (Scaraboto, 2015, p. 153) when striving for value creation. As explained earlier the consumers and companies interact in a “forum” market in order to mutually benefit from the unique co-created value (Ramaswamy, 2004). Therefore, they need one another to co-create - and these interactions can be complex and be motivated socially as well as commercially (Scaraboto, 2015, p. 153).

Collaborative consumption communities as part of the hybrid economy and co-creation of unique value (Scaraboto, 2015, p. 153) interact in dynamic ways, influencing each other’s experience and changing the circles of interaction among several communities between consumers and firms as
well as other stakeholders (Ramaswamy, 2004, pp. 123-125). Moreover, Scaraboto’s (2015, p. 153) definition of hybrid economies of collaborative networks builds upon Belk’s (2014, p. 1597) discussion on collaborative consumption which requires a group of people to be present and within which “sharing” or “pseudo-sharing” can take place.

Linking this idea to co-creation of unique value once more, exactly these “participants” (Scaraboto, 2015, p. 153) are referred to as the consumers or firms or communities of consumers or firms by Prahalad and Ramaswamy (2004) involved in co-creation of personalized consumer experiences (Frow, 2008, p. 84). This kind of “experience[s]” (Belk, 2014, p. 1597) also play a part in collaborative consumption when goods or services are temporarily assessed (rather than owned in the SE).

Scaraboto’s definition of hybrid economies of collaborative networks also includes that participants “switch between the roles of consumer and producer as they engage in social and economic activities” (Scaraboto, 2015, p. 153). Connecting this to the co-creation of unique value as elaborated on by Prahalad and Ramaswamy (2004) the collaboration and competition among consumers and companies results in an interesting twist in logics. There it says that consumers and companies collaborate and compete in the experience environment of the market. They co-create value but compete on the extraction of economic value (Ramaswamy, 2004, p. 122). If now the consumers and companies switch roles between consumer and producer and market and nonmarket modes of exchange this may result in as (Scaraboto, 2015, p. 153) puts it “unstable” new economies characterized by “zones of indeterminacy” while creating value (ibid, 2015, p. 152): “[...]the hybrid status of these economies is constantly under threat of destabilization by the struggle between competing performativities of market and nonmarket modes of exchange.” Performativity “concerns the ways in which utterances and doings have intertwined effects” as cited by MacKenzie et al. (2007). This theoretic concept refers to how statements are made and subsequently enacted – this way reinforcing what has been stated before. This enactment is therefore demonstrating a certain belief or identity. In this context, the enactment of new hybrid economies can be observed.
Back to the concept of hybrid economies

Scaraboto (2015, p. 153) continues by summarizing how and why resources are exchanged. Consumers exchange resources to acquire or access products and services, to dispose products, foster relationships or achieve other social and economic goals. The consumers do this along the twisted lines of new market logics destructing prototypical modes of market exchange and combining putatively controversial logics. Figure 7 visualizes how prototypical market logics of e.g. gift giving and capitalistic ideas of balanced reciprocity (commodity/marketplace exchange), which can clearly be differentiated, mix in the hybrid economy applying “diverse logics” (ibid, 2015, p. 160).

![Figure 7: The emergence of a hybrid economy (Scaraboto, 2015, p. 160)](image)

Motivation to share & sharing behavior

The reasons for engaging in the hybrid SE illustrate motives for doing so. Subsequently, different types of sharers in the SE can be defined based on their motivation to share and their sharing behavior. Following Hellwig (2015, p. 899) there are four different sharer types in the SE: sharing idealists, sharing opponents, sharing pragmatists, normative sharers. They show different behavior towards the following nine factors: perfectionism (related to objects to share), generosity, generalized reciprocity, tit-for-tat reciprocity (balanced reciprocity), perceived resource scarcity, integrated motivation, introjected motivation, extrinsic motivation and quantity of actual sharing behavior (fig. 8).
Perfectionism describes the sharer’s attitude towards shared objects. Perfectionists are concerned with losing them or that when returned they might be damaged. The idea of perfectionism is based on materialism as elaborated on by Belk and the lack of trust in another person using a shared object less careful or less skillful than the owner himself maybe causing damage. Thus, perfectionists are very skeptical when sharing those objects and expect them to be returned in the identical state as in which they have been given away (ibid, 2015, p. 895).

Apart from this, the levels of sharer’s generosity also vary substantially. Generosity in this context describes in how far a person is ready and willing to provide more of something shared than would be necessary or complies with expectations held towards that person (ibid, 2015, p. 894) (oxforddictionaries, 2016).

Other than that, the sharer’s attitude towards reciprocity may differ and he might expect to, on the one hand, get something in return of equivalent value when sharing an object (balanced reciprocity also called “tit-for-tat reciprocity”). On the other hand, the sharer might as well not expect to get anything in return or maybe receive something in return but not immediately and maybe not of the same value as when the shared object is provided (generalized reciprocity) (see earlier elaborations on Sahlins (1972)) (Hellwig, 2015, p. 895).

The sharer’s perception of resource scarcity from a subjective socioeconomic point of view is another attribute which differs between individuals. So the relative self-perception of one’s own financial situation is highly subjective and influences one’s relative willingness to share e.g. out of necessity or abundance. Nevertheless, it is also possible that an individual subjectively perceives his financial situation as well-off and stable and that is why he simply considers sharing as an option. Then again, a person that considers his resources to be very scarce may be threatened by the thought of having to share the little he has himself which might affect his willingness to share in turn (ibid, 2015, p. 896).

Referring to Deci and Ryan, Hellwig (2015) defines a last category of factors that influence sharers’ behavior. Subsequently, he subdivides the motivation to share into three different categories: integrated motivation, introjected motivation and extrinsic motivation. Integrated motivation affects the sharing individual at an emotional level (similar to emotional effects on the co-creating consumer in co-creation (Payne, 2008, p. 87)). Integrated motivation includes the respect,
compassion and sympathy between sharer and receiver as well as feelings like joy and fun while sharing. Introjected motivation normally originates from feelings of responsibility and a bad conscience of not demonstrating behavior in accordance with social norms and expectations. Not sharing what is possessed might appear to be unethical behavior. Hence, in order to avoid feeling this guilt associated individuals may feel motivated to share introjectedly. Moreover, the motivation to share may be extrinsic and thus based on goals and rewards which are located external to the sharer. An example for such external motivators is the urge to economize on time or money or strive for convenience. The scarcity of monetary resources may extrinsically influence an individual and be the motivation behind the act of sharing resources which also has to do with efficiency. Lastly, the sheer quantity of actual demonstrated sharing action (sharing behavior) of individuals distinguishes them from one another (Hellwig, 2015, pp. 895-896).

Figure 8: The four different sharing types – distinguished by their characteristics (Hellwig, 2015, p. 900)

Depending on the levels of occurrence of the nine factors which have just been described these factors distinguish the four sharing types. Thus, a more detailed explanation of how these four sharer types are characterized shall be given. Thereby, it will be stressed on the most distinguishing variables between the different sharer types. Figure 8 presents the standardized nine factors measured by occurrence average on the vertical axis and names the nine different factors on the horizontal axis.

As shown in figure 8, the first out of four sharer types, the sharing idealists show most “true” sharing behavior of all the four profiles. Therefore, sharing idealists are characterized by high
levels of generosity and generalized reciprocity. Thus, their perfectionism level related to shared objects is relatively low just like their score on balanced reciprocity. Sharing idealists demonstrate an integrated motivation to share. Hence, they are normally very little introjectedly or extrinsically motivated to share (Hellwig, 2015, p. 900). Furthermore, the idealists among the sharers least perceive their resources as scarce. This type of sharer often demonstrates behavior that can be classified as “sharing in” (Belk, 2014, p. 1596) as mentioned earlier (ch. 2.3 under “collaborative consumption”).

The second sharer type is labeled as the “sharing opponents”. In strong contrast to the idealists the opponents show the least actual sharing behavior and highest perfectionism scores of all sharer types. Moreover, sharing opponents score above average on balanced reciprocity. As could be guessed by the name only, sharing opponents are unmotivated to share in general. They score low on any of the three kinds of motivation (integrated, introjected & extrinsically motivation). Moreover, sharing opponents, just like the sharing idealists, do not perceive their resources as scarce, but this obviously does not necessarily make them want to share - to the contrary this group of sharers show “opponent” traits with regards to sharing (Hellwig, 2015, p. 901).

The third sharer type are the “sharing pragmatists”, just like the fourth and last sharing type, the “sharing normatives”, they show actual sharing behavior at an average level. They can, however, clearly be distinguished by looking at their motivation to share as will be clarified in the following. The sharing pragmatists show the lowest score of all types on generosity and generalized reciprocity. Additionally, sharing pragmatists have low object-related perfectionism scores. Moreover, the pragmatists score low on balanced reciprocity. As the pragmatists’ average score on actual sharing behavior indicated individuals of this sharer type do share, but when they do they are rather “sharing out” (Belk, 2014, p. 1596) (see ch. 2.3 under “collaborative consumption”). Therefore, sharing pragmatists are not very motivated to share integratedly or extrinsically but rather feel urged to do so introjectedly. Finally, sharing pragmatists do not need to share due to their average resource scarcity but rather approach the act of sharing pragmatically (Hellwig, 2015, p. 901).

The fourth and last sharer type describes the “sharing normatives”. Besides their average actual sharing behavior, sharing normatives show above average levels of generosity and generalized
reciprocity. In contrast to these “pro-sharing” characteristics, the sharing normatives also have an above average perfectionist level (related to objects) as well as they score much above average on balanced reciprocity. Moreover, this type of sharer is very motivated to share, be it integratedly, extrinsically or introjectedly. This high level of motivation to share clearly differentiates sharing normatives from the sharing pragmatists. Nonetheless, the sharing normatives appear to be especially introjectedly motivated in comparison to the scores on the other two types of motivation (which are nonetheless high). Hence, sharing normatives predominantly seek to share to comply with societal expectations. Lastly, sharing normatives, other than the sharing pragmatists, perceive their resources as scarce which might in turn affect their actual sharing behavior, resulting in the sharing normatives’ average score (on sharing behavior) (ibid, 2015, p. 901).

Critical reflections: Downsides of the sharing economy & future outlooks

After the different sharer types have been elaborated on a critical outlook on the SE shall be given, reflecting on its future considering its present downsides in contrast to its success and positive aspects.

Due to the SE’s hybrid character it remains difficult to grasp this phenomenon and what exactly is happening and how value co-creation takes place within. Nonetheless, there are externalities (effects) (Amit, 2001, p. 507) of the SE which allow painting a clearer picture. The positive effects include better and more sustainable leverage of existing possessions through shared distribution and use (collaborative consumption), as explained earlier by mentioning the sewing machine shared in the neighborhood so that not every household has to invest in one (Belk, 2014, p. 1597). Besides positive effects like better leverage of resources and stronger ties in communities there are also a few downsides to the new dynamic hybrid economy.

Thus, the SE’s negative externalities are going to be explained in the following. First of all, the SE’s accommodation tourists do not always respect the sensibilities of locals who live at the place they are visiting long-term. This can cause major conflicts because of for instance noise or dirt or simply because of the sheer (high) frequency of strangers entering, leaving and affecting the building and atmosphere. Other than that, referring to monetary sharing in the SE’s accommodation segment the short-term rentals push up the price levels for long-term rentals as on short-term the prices
per night add up to bigger monthly sums. This can harm locals with relatively low monthly income, who are in fact not even actively participating in the SE. They might not be able to afford the higher monthly rents anymore (Malhotra, 2014, p. 24).

Furthermore, sharing in the SE is full of biases. Putatively unjustified and illogical reasoning makes up for a substantial part of it, e.g. whom you are sharing with or who receives a good or bad review on their profile is very subjective (ibid, 2014, pp. 24-25). Moreover, sharing can “exploit loopholes to avoid rules and taxes” (ibid, 2014, p. 25) which is also referred to as the “skimming economy” (ibid, 2014, p. 25). In addition to this, the sharing economies tend to develop ad-hoc engagement that does not pay for health care or retirement. So there is lots of instability and risk involved for the individual that is accepting and engaging in sharing (paid for) economy activities. In the worst case there is no insurance (security) or pension account which is paid into as well as there is no lawfully based right to enforce these claims. Concluding on this, regulatory jurisdiction is still missing for a substantial part of the SE; although governments are already trying to establish valid regulations. Nonetheless, these also hold the potential of destroying or hindering the positive dynamics of “symbioses” in the growing SE (ibid, 2014, pp. 25, 27).

Furthermore, “sharing allows us to go long or short on physical assets” (ibid, 2014, p. 26). Thus, in the extreme case one does not own a lot anymore but rather assesses as a receiver, so one becomes what one can assess and GPD (Gross Domestic Product) is no longer a valid indicator for actual consumption anymore (Belk, 2014). This can lead to a dramatic shift as explained by theorist Jeremy Rifkin who sees a third industrial revolution emerging. He pictures the future of the SE as an environment in which hierarchies are flat within virtual companies. These companies are going to be run by small entrepreneurial elites at their core. Moreover, there is going to be a lot of freelance work whenever needed. So there is little paid work and work paid for only covers marginal costs (Malhotra, 2014, p. 25) but big social capital and sharing (Rifkin, 1996) as part of an “economy of communion” (Gold, 2004). The result of this transition might be a civil society centered around social capital – the community – organized through social businesses (social entrepreneurship) (Gold, 2004). Nevertheless, the question is whether this sharing will effectively be true or rather “pseudo-sharing” (Belk, 2014, p. 1597) if possibly predominantly based on balanced reciprocity.
The SE allows for sharing things that one does not own whereby individuals can maximize their (monetary) profit (Malhotra, 2014, p. 26) which can be argued not to be a fair and rather “anticompetitive” (ibid, 2014, p. 27) practice. In this context, risk is offloaded to other participants (ibid, 2014, p. 26) during the value co-creation as explained in the DART model earlier (Prahalad, 2004, p. 9). This leads to the conclusion that, the evolving SE still needs to find ways in which wealth and “pain” are going to be shared equally in order to grow sustainably (Malhotra, 2014, p. 27).

2.4 Model of co-creation in the sharing economy

After the literature review on the three thematic priorities value creation, co-creation of value and the SE it has become clear that in the SE new, innovative value co-creation processes take place in instable hybrid market surroundings. The two significantly destabilizing factors are the participants, constantly switching between the giver and receiver role, and the ways of exchange, combining traditionally considered opponent market logics in new ways. Based on this, value corresponding to the consumer experience is co-created facilitated by the internet and DART formula (Ramaswamy, 2004, pp. 31-32). Thus, following the discussion of existing literature a new model has been created by the author. It visualizes how value is co-created in the SE whereby elements of existing theories are combined in a new holistic way (fig. 9).

Figure 9: Co-creation of value in the sharing economy (own illustration)
The model consists of a socket element and the co-creation process visualized as an oval circle placed on top of the socket. All the elements are interconnected with one another. Moreover, the elements and subjections within this oval component represent an approach towards theorizing the interplay between the SE’s participants forming networks and exchanging value(s). With respect to this, all the lines in the model should not be understood as static but rather as permeable “membranes” within which value is free-floating in its (co-)creation.

In the following the build-up of the model will be explained in further detail. The socket of the model shows that co-creation is facilitated by the internet. Furthermore, co-creation is based on the preconditions that dialogue among the participants is made possible through open access and transparency in order to assess risk and consequently share it more equally. These elements of the new model form the socket on which co-creation takes place. It has been drawn upon the idea of the internet as a facilitator of the “market space” (Rayport, 1995) within which value co-creation takes place (DART model (Ramaswamy, 2004, pp. 31-32)).

Several authors agreed upon that the consumer experience was of major importance (Payne, 2008, p. 84; Gentile, 2007, p. 395) and central to value co-creation (Ramaswamy, 2004). Consequently, figure 9 shows the co-creation process centered around the (unique) value that corresponds to the consumer experience. By the new means of the forum market (ibid, 2004, p. 122) the consumer experience is the differentiating factor in the SE and the actual service or product becomes less important in value co-creation. This is because the consumer experience can be personalized (Frow, 2008, p. 84) and other than a product or service, cannot be commoditized (Prahalad, 2004, p. 9).

Individuals as actors in the forum market are subject to multiplying effects which leads to the formation of interdependent communities also called networks (Ramaswamy, 2004, pp. 122, 125). These individuals are shown in the upper half of the outer circle of the new model, whose actions are based on the online-sphere and the DART-socket. As described by Scaraboto (2015), there is no clear distinction between the consumer and supplier in this market. The consumers are empowered and all participants constantly switch between giver and receiver roles. This is shown in the lower part of the outer circle of the model using the symbol of a shopping cart (standing for consumers/receivers) and an industry-icon (representing a producer/firm/giver).
between roles is indicated by a double arrowed dart in between the two symbols. These two symbols of the shopping cart and the industry are also connected to the individual and networks with two double arrowed darts, one on each side of the outer circle of the model. This is meant to show that the roles taken on by the market participants are linked to the individuals/networks enacting them and vice versa. The companies as suppliers become “nodal firms” (Ramaswamy, 2004, p. 109) that facilitate the networks and value co-creation. As receivers they “consume” what the other market participants invest or share. So learning (Payne, 2008, pp. 85-86; Prahalad, 2004, p. 6) takes place on each end equally benefiting all participants.

The way exchange takes place between the forum market’s participants is characterized by hybrid logics resulting in various new combinations of putatively opposite logics (Scaraboto, 2015) and reciprocity (Sahlins, 1972; Belk, 2014). The ways of exchange are located between the actors and the core of the model. This shall demonstrate that the interacting actors (taking on certain roles in the market) influence the value co-creation at the core through their ways of exchange. Moreover, symbols of two extreme exchange cases are used to visualize this aspect because traditionally they can clearly be distinguished in their “pure” original form. The symbols used are firstly, a capitalist money bag standing for balanced reciprocity (Sahlins, 1972, pp. 194-195) or marketplace (commodity exchange) (Belk, 2014) and secondly, a giving/“truly” sharing (Belk, 2014, p. 1596) hand; representing a generosity-based act (Price, 1975) of generalized reciprocity (Sahlins, 1972, pp. 193-194).

In the innovative SE these forms blend resulting in multiple blurry hybrid forms of exchange. These hybrid forms of exchange are visualized as hybrid combining half of the money bag and half of a giving/sharing hand. This shows how the hybrid forms of exchange combine parts of their logics with one another in the hybrid SE (Scaraboto, 2015). In addition to the participants constantly switching roles between consumer and supplier this characteristic of the ways of exchange takes place is a second constantly destabilizing, challenging and dynamic element for all forum market participants and beyond.

Both, the participants as actors (outer circle) and the ways in which exchange/transaction takes place (middle layer around the core) add to the value created corresponding to the customer experience (core of the circular model). The actors are collaborating in this co-creation of value.
but simultaneously competing on that value’s extraction (Ramaswamy, 2004, p. 122). This collaboration and competition takes place between the outer and middle circle. By pointing in the direction several arrows indicate that collaboration and competition is affecting both, the ways of exchanges and the actors and roles they are taking on.

On the path to value co-creation SE participants take on different roles of “sharers” (sharing types), who can be differentiated by their characteristics including their motivation to share (Hellwig, 2015). These sharing types, shown on the left-hand side of the model, influence how value is co-created (indicated by an arrow pointing into the direction of the value) in the forum market of the hybrid SE. Therefore, the sharing types are connecting the outer two circles with the “value”-core.

In this context, four different sharing types are distinguished: sharing idealists, sharing opponents, sharing pragmatists and normative sharers. These show different behavior towards nine factors: generosity, generalized reciprocity and balanced reciprocity (referring to the middle layer of the model displaying the ways of exchange (Sahlins, 1972)). Moreover, the level of perfectionism (related to objects to share), perceived resource scarcity and the quantity of demonstrated sharing behavior influence the value co-creation. Finally, the motivation to share can be integrated, introjected or rather extrinsic which has an effect on the consumer experience corresponding value co-creation (Hellwig, 2015).

Positioned on the right-hand side of the model at the same level as the sharing types one can find the driving forces influencing the co-creation of value (Amit, 2001). An arrow is pointing into the direction of the value in the core to demonstrate this influence. Just like the sharing types, the driving forces connect the outer two circles of the model with the core. The drivers (driving forces) behind the co-creation process are variables that influence the value co-creation. As elaborated on in the article of Amit and Zott (2001), these interrelated variables include the level of efficiency and relative novelty as well as if an offer is complemented by useful information or a product that could add value when using the product or service of interest. Lastly, consumer experiences are sized by loyal relationships between giver and receiver as a “value driver” and its effects on the market environment. Depending on the level or state of these relationships and effects consumers rather tend to “lock-in” or “lock-off” from an offer of a giver/supplier.
These two means: sharing types (leading to variations in value co-creation on the left side of the circle) and driving forces (leading to variations in value co-creation on the right side of the circle) influence and lead to differences in the resulting unique value (co-)created (new model’s core).

From the new theoretical model a number of questions were derived that guided the empirical analysis. In particular, the interview guideline (appx.) was developed based on the following nine questions (below, corresponding answers: discussion in ch. 4):

1. To which extent can the internet, dialogue, access, risk assessment, and transparency be viewed as pre-requisites for facilitating co-creation of value in the SE’s accommodation segment?
2. How can the value be defined SE participants are looking for when engaging in either non-monetized or monetized accommodation sharing?
3. How are the different SE participants able to co-create value in the accommodation segment of the SE?
4. How can the roles the different SE participants are taking on while engaging in the SE’s accommodation segment be characterized?
5. To what extent is a personalized experience created - at the heart of value creation with regards to the SE’s accommodation segment?
6. In which ways can payment - comparing monetized and non-monetized sharing - be viewed as a differentiating factor for distinct ways of exchange, taking place in the SE?
7. Does the overall consumer experience outshine the actual product or service on offer (e.g. accommodation object), and if yes, how?
8. How can new parameters for companies facilitating co-creation of value such as CouchSurfing and AirBnB be defined?
9. How will people interact and or transact in value (co-creation) in the future – in the context of a potential third industrial revolution?

3. Methodology

This chapter comprises elaborations on the methodology used in this thesis.

3.1 The research onion
The research onion model by Saunders et al. (2009, p. 106) (fig. A3 & fig. 10) helps understanding what methodology entails and which issues need to be considered in the data collection and analysis processes of research. The model structures the decision making process by dividing it
into six different “onion layers”, starting with overarching decisions on the research philosophy and the research approach in the first two outer layers. The next three layers are concerned with the research strategy, choices on the methods used and time horizons. The last and sixth layer includes “data collection” techniques and “data analysis” procedures (ibid, 2009, p. 107). Subsequently, this model will be used as a guideline for this chapter’s structure starting with its outer layers and finally reaching its core. Purple circles have been added to show which type of research has been chosen on each layer. Moreover, comments have been added to indicate aspects that are not part of the original model but find application in this thesis’ methodology (fig. 10).

3.2 Philosophy of science
This chapter describes where this academic paper departs from a scientific point of view. Thus, the thesis is based on the belief that value in the SE is co-created and that new market dynamics apply to the innovative SE, as demonstrated in the formulation of the main research question. This line of argumentation leads to the positivist paradigm research approach which is “working with an observable social reality and that the end product of such research can be law-like generalizations similar to those produced by the physical and natural scientists” (Remenyi, 1998, p. 32). It is important to stress that this research philosophy is based on observables realities in order to produce data. Thus, in the course of data collection the researcher refers to existing theory to develop hypotheses which can be tested, proven or disproven to further develop theory (Saunders, 2009, p. 113). Furthermore, the positivist research is value-free to the biggest extent possible referring to the researcher’s relative objectivity while investigating (ibid, 2009, p. 114).

The research performed in this thesis is going to be of qualitative and not quantitative character, which is not typically the case when the positivist paradigm applies; although few examples of qualitative positivism do exist (Alvesson, 2009, p. 15). Generally, positivism tries to systemize experience data (ibid, 2009, p. 16). Above that, this choice of philosophy of science affects research strategy and methods (Saunders, 2009, p. 108) (as described in ch. 3.4 & 3.5).

3.3 Research approach
Deduced from the problem statement (ch. 1) and by creating a new theoretic model, a deductive approach, has been chosen for this academic paper (Ghauri, 2005, p. 17) in order to answer the
questions listed at the end of chapter 2.4. The theory used in the literature review of this thesis is made explicit in the description of the exploratory research design (ch. 3.4.1) (Saunders, 2009, p. 124) which now needs to be tested in observable realities (positivism) (Remenyi, 1998, p. 32).

Nevertheless, the research approach is also partly inductive as expert interviews (ch. 3.7.1) are going to be conducted as part of the case study research strategy (ch. 3.5.2), which will add its data generated to the new model whereby the exploratory research’s flexibility is leveraged (Ghauri, 2005, pp. 56-58). It is important to stress the fact that these are two separate sources of knowledge (the interviews and the new theoretic model) which will only be confronted in the discussion (ch. 4). Moreover, the qualitative data gathered by the researcher will not be representative for a whole population as it cannot be generalized which does not fully fulfill the requirements of inductive research. Thus, mostly deductive justifications and predictions with respect to rules and theories will be followed (ibid, 2005, p. 17).

3.4 Research strategy
As the exploratory research design (ch. 3.4.1) can be understood as a research strategy (ibid, 2005, p. 56) it fits into this third onion layer although not explicitly mentioned in Saunders’ (2009, p. 108) onion model. Moreover, this subchapter also comprises elaborations on the research strategy in form of a case study (ch. 3.4.2).

3.4.1 Exploratory research design
The research design is the research strategy forming a framework for data collection “[...] relating the conceptual research problem to relevant and practicable empirical research” (Ghauri, 2005, p. 56). The chosen form of research design is exploratory because the structure of the problem stated is non-clarified and unstructured in its hybrid and instable nature with the value supposedly being (co-)created with less relation to the actual product or service. Moreover, the research problem is poorly comprehended. Both arguments - the research problem’s structure being non-clarified and the problem itself being poorly comprehended - imply the usage of an exploratory research design. Furthermore, this choice can be justified by the fact that both arguments apply to co-creation of value in the innovative SE. This research design will ensure to solve the problem the best way possible. In this context, the new model created by the author (ch. 2.4) visualizes her suspicion about value co-creation in the SE based on the theory in the literature
review which shall be further investigated on empirically by the usage of the exploratory research design (ibid, 2005, pp. 56-58).

Additionally, the main characteristic of exploratory research is that it aims for providing the researcher with information that will help finding an answer to the research problem. Exploratory research should allow him to do so flexibly (ibid, 2005, pp. 56-58). Nonetheless, this flexibility should not lead to a lack of direction in the research process (Saunders, 2009, p. 140). The researcher’s investigation will thus include the following steps: observation, gathering of information, explanation and theorizing (Ghauri, 2005, pp. 56-58). Therefore, initially the problem stated will be approached in a rather broad sense and then narrowed down (Saunders, 2009, p. 140).

The research performed in the course of this thesis is exploratory because the literature review revealed that there is little known about how value is co-created in the evolving field of the SE. Hence, this research does not only aim at confirming existing theories about value (co-)creation but rather targets the generation and confirmation of new ideas (as seen in the new model designed by the author, ch. 2.4).

3.4.2 Case study
As part of the research strategy a case study will be applied. “A case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context; especially when the boundaries between phenomenon and context are not clearly evident.” (Yin, 2009, p. 18). Thus, a case study is of inductive character. It aims at in-depth findings investigated on through the use of multiple (Yin, 2003) exploratory (Saunders, 2009, p. 146) sources which in this case are multiple in-depth expert interviews (ch. 3.7.1). Furthermore, the application of a case study makes sense as the SE phenomenon has been found to be of blurry nature working along twisted lines of newly combined market logics (Scaraboto, 2015) (ch. 2.3).

As indicated in figure A4 (appx.), the chosen case study type is a single and embedded case (Yin, 2009, p. 46), whereby the case is defined as the accommodation market segment of the SE. This market segment is of special relevance in understanding the processes (ways of exchange and roles of participants/co-creators) taking place in the SE phenomenon (Saunders, 2009, p. 146). The
two embedded units of analysis are AirBnB and CouchSurfing sharing the context of the SE. From here on CouchSurfing will be referred to as “CS”. Moreover, the choice of these two embedded units is based on the assumption (as discussed in ch. 4.1, 4.3) that both, AirBnB and CS, are examples of collaborative consumption in the SE and appear to be located at the two putatively opponent extremes represented by the money bag and the giving/sharing hand in the new model (ch. 2.4, 4.1, 4.3). The case study will help the researcher gaining a deep understanding of the context of the SE and the value ((co)-creation) processes taking place within (Morris, 1991). The case study enables the research to explore existing theory and is challenging it by confronting the new theoretic model (ch. 2.4) with the qualitative interviews’ results (Saunders, 2009, p. 147).

3.5 Research method
A mono research method has been chosen as qualitative “in-depth” expert interviews will be carried out for this thesis. Therefore, with respect to the primary research a single data collection technique and analysis will be carried out in addition to the secondary research which marked the point of departure for this thesis (ibid, 2009, pp. 95, 151-152) (ch. 3.7.2).

3.6 Time horizon
The time horizon applying to this thesis’ research is cross-sectional, meaning that it intends to present a “snapshot” of value co-creation in the SE as of the particular point in time when the expert interviews are being carried out (ibid, 2009, p. 155).

3.7 Techniques & procedures
This chapter presents the techniques and procedures at the core of the research (onion) and comprises the data collection (primary and secondary research) and data analysis.

3.7.1 Primary research: In-depth expert interviews & data analysis
Expert interviews are one of the ways exploratory research can be conducted (ibid, 2009, p. 140). Expert interviews are a “distinct” interview form (Bogner, 2009, p. 98) whereby the expert status is assigned to individuals by the researcher (Walter, 1994, p. 271) according to their expert knowledge. Subsequently, an expert does not necessarily need to be a member of an elite characterized by influential power (Meuser, 1991, p. 443). Nonetheless, an expert possesses contextual expert knowledge (linked to expertise with some respect) which the researcher otherwise cannot access (Bogner, 2009, pp. 98-101). Bogner and Menz (2009, pp. 54-55, 100) add
that expert knowledge does not need to be systemized but can also be practical or action knowledge. Moreover, expert knowledge is affecting the expert’s action taken and actions of others in the expert’s field.

The expert’s personal opinion or biography is of significantly little interest in an expert interview itself (Bogner, 2005, p. 36; Bogner, 2009, p. 101), although the interviewer should be aware of the expert’s background to be sure that he or she fulfills the requirements of having expert knowledge (of one or the other kind) (Ghauri, 2005, pp. 131-132).

In order to avoid bias in the interviews conducted for this thesis, semi-structured in-depth interviews will be performed, consisting of pre-determined topics to be discussed, interviewees and questions to be asked (aprx.). This form of semi-structured interviews gives the interviewer the chance to guide the interview in a way that minimizes the bias, by sampling a balanced mix of interviewees, pre-selecting questions and defining the sequence in which the questions will be asked (Ghauri, 2005, p. 132). Moreover, the interviewees will have the chance to answer relatively freely to the in-depth interviews’ open-ended questions which in turn enriches the interviews’ results (ibid, 2005, p. 133). Furthermore, the interviews are going to be conducted in English as the researcher and the interviewees are fluent in this language. This way, the interviews will not have to get translated in order to be incorporated into this thesis.

Bogner and Menz (2005, p. 36ff) distinguish between three types of expert interviews: interviews that are exploratory, systemizing and theory generating. All three types fit to the context of this thesis. Exploratory interviews are used in a relatively unknown field of research like the one of the SE and co-creation within. Systemizing interviews are used to reconstruct “objective” knowledge in a specific field like the SE’s accommodation segment which applies to the interview with the SE experts John John Thackara and Claus Skytte (elaborations on chosen interview partners: see next paragraph), who might not have as much practice or action knowledge with regards to the SE but an overall broader perspective on co-creation in the SE. Lastly, interviews can be theory generating which are not exclusively aiming at the expert’s explicit specialist knowledge. Theory generating interviews target tacit specific interpretative knowledge (know-why) and procedural knowledge (know-how) obtained through (professional) practice. Hence, interviewing the experienced, active SE’s practitioners/co-creators theory will be generated whereby their expert
knowledge from practice is drawn upon (see “the sample of interviews” below) (Bogner, 2009, p. 101).

The sample of interviews

The sample of the interviews conducted will consist of four interviews (fig. A5 & interview transcriptions). The interviewees have been chosen carefully in order to gain rich insights that will add up to and test the new theoretic model.

There will be two practice or action experts representing the two embedded units of analysis (CS & AirBnB) which share the “case” of the accommodation segment and the SE context (ch. 3.4.2). These two interviews will be face-to-face interviews conducted in the city of Copenhagen as representative SE market (ch. 4.1). Firstly, a CS practitioner will be interviewed who has already received guests at her place various times and has already been travelling surfing couches many times herself. This CS practitioner, Magdalena Szumanska, is an expert due to her knowledge based on experience, know-why and know-how (Bogner, 2009, p. 101) (further elaborations on the experts’ recruitment later on in this chapter).

Secondly, an AirBnB practitioner will be interviewed, just like the CS practitioner, he has experience receiving guests at his place and will have travelled staying at other people’s places through AirBnB. The AirBnB practitioner, Daniel Dudas, is found to be an expert as he is knowable, experienced and has a big know-how and know-why (Bogner, 2009, p. 101) (see further elaborations on the experts’ recruitment later on in this chapter).

CS and AirBnB have been found to be located at the two extremes of putatively altruistic sharing on the one hand and the compensated and monetized sharing in the SE on the other hand. Therefore, the interviews will most likely present interesting (extreme) opinions on the SE possibly stretching or testing its limits/boundaries (ch. 2.4, 4.1, 4.3). It has been decided that the CS and AirBnB practitioner will be interviewed in the city of Copenhagen to also make the perception more comparable with respect to locality (Bryman, 1988). Other than that, both the CS and AirBnB practitioner are current users of the respective platforms so that they can relate to the latest state of affairs at CS and AirBnB.
In order to systemize (Bogner, 2009, p. 101) the third expert interviewed is more of a generalist as he is external to the embedded units of analysis but has a lot of profound knowledge especially on the new (sharing) economy context. John Thackara, who just launched his second book on “How To Thrive In The Next Economy” has a longstanding interest in the field of grassroots innovation (Thackara, 2015). He is the Director of The Doors of Perception (Doors), an event production company which entails a community of practice organizing festivals in Europe and India. At these festivals grassroots innovators cooperate with designers to create a sustainable future under consideration of how technology can help in implementing that future.¹ John Thackara has traveled a lot and has seen various projects worldwide being enacted as well as he has published several books (Thackara, 2006). Therefore, he is likely to present a broader view on the (co-creation of value in the SE’s accommodation segment, not only focusing on Copenhagen, Denmark or Europe. The business models that he has been studying might not all be directly related to the case at hand but surely present new insights enriching the study’s perspective on recent developments, trends and possibilities of how value co-creation works and might work in future, which are basically adaptable on any market segment such as the SE’s accommodation segment, and respective embedded units of analysis.

Regarding the execution of this interview, cost and resource considerations on side of the interviewee and the author limit the selected way of conducting the interview. Moreover, John Thackara is travelling a lot. Hence, the in-depth expert interview will be conducted via the telephone still being a more personal and interactive way of conducting interviews rather than doing an interview via e-mail (Ghauri, 2005, p. 127).

The fourth interviewee will be systemizing the research once more and conducted face-to-face in Copenhagen. Claus Skytte is the Danish expert on the SE in general and has a lot of knowledge on the accommodation segment respectively. He has written several books on the SE, including the book “Skal vi dele?” - Shall we share? - (dict.cc, 2016; Skytte, 2014). He is a Danish public person positioning himself as an expert in the SE by e.g. giving presentations on the SE (Claus Skytte, 2016). This is how he has been found to be rich in expert knowledge on the SE. He is very influential having access and being in frequent contact with high power decisions makers in

politics and of companies such as the American multinational technology company specializing in internet-related services and products Google\textsuperscript{2} or IKEA\textsuperscript{3}, the well-known multinational company that designs and sells ready-to-assemble furniture, appliances and home accessories.\textsuperscript{4}

As Claus Skytte is external to the embedded units of analysis, too (like John Thackara), he will most likely offer a more unbiased view on value co-creation as well. Nonetheless, Claus Skytte is by profession (theory generating interview) closer to the practice or action knowledge of the CS and AirBnB practitioner - as well as being closer to them locally.

**Recruitment of interviewees**

Subsequently, the researcher has recruited the interviewees in different ways. The CS expert Magdalena Szumanska has been contacted through the “CouchSurfers in Copenhagen”-Facebook group securing that the preconditions of the sampling are met by the researcher’s post in the group which asked for an experienced CouchSurfer – as host and as guest who is based in Copenhagen. The AirBnB expert Daniel Dudas is an acquaintance of the researcher who fit the sampling requirements being a well-experienced AirBnB practitioner who has already been travelling using AirBnB several times as well as already having had AirBnB-hosting experience and being based in Copenhagen. John Thackara as the third expert interviewed has been recruited by the researcher at the presentation event of this new book “How To Thrive In The Next Economy” on 15\textsuperscript{th} March 2016 at the Copenhagen Institute of Interaction Design in Copenhagen\textsuperscript{5}, where John Thackara agreed to do a Skype interview in the context of this thesis’ research on co-creation of value in the SE. Claus Skytte, the fourth expert interviewed has been referred to in the Master thesis of a former Master student writing about the SE in Denmark. So he has been contacted by the researcher via e-mail and telephone to arrange an interview (Saunders, 2009, pp. 168-183).

All of the experts agreed with the researcher mentioning their names in this thesis as well as the interviews’ transcribed contents (appx.). Following the mono research method (ch. 3.5), the qualitative expert interviews serve to complement each other and the knowledge gathered through the literature review. The aim is to reveal more real-life issues in defining how value co-

\textsuperscript{4} Claus Skytte, interview April 6, 2016
\textsuperscript{5} http://ciid.dk/, retrieved May 2, 2016
Co-creation in the innovative sharing economy – An analysis using the example of AirBnB

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creation in the SE works. Thus, the semi-structured interview questions are inspired by the literature and adapted to the specific expert knowledge of the different interviewees. Moreover, the interviews will help assessing and probably extend the author’s new theoretic model.

Data analysis

The data gathered throughout the interviews will be analyzed by conducting a content analysis (ch. 4.) structured by the headings of the new theoretic model and guided by the questions derived from the theory (ch. 2.4). As a preparation to do so, the interviews are going to be recorded and transcribed subsequently (appx.: interview transcriptions).

3.7.2 Secondary research
In addition to the primary data this academic paper also includes secondary data. Thus, the secondary data forms a solid and profound basis of existing theories. Primary data adds on to the secondary data through in-depth expert interviews. Moreover, the secondary data discussed in the literature review reflects discourses about the topics of value creation, co-creation of value and the SE extracted from articles, books and studies through desk research (Ghauri, 2005, pp. 91, 103). The advantage of using secondary data is that it enables the researcher to make optimal use of resources at hand, such as money and time. Furthermore, the secondary data used in this thesis is of high quality relying to a large extent on peer-reviewed literature which improves the reliability of the research’s findings (ch. 3.9). The secondary data helped to create an understanding of the research context and current status quo on the chosen thesis topic in literature. Additionally, it played an important role in the generation of the new theoretic model (ch. 2.4) and led to choices made on the primary data. Subsequently, in combination with primary data secondary data enables the researcher to answer the research question (ibid, 2005, p. 95).

3.8 Source criticism (reliability & validity)
Yin states that three elements of a research design need to be considered to assure the quality of an exploratory case study: external validity, construct validity and reliability. External validity refers to the generalizability of the findings of a study. Construct validity refers to the extent to which the variables researched on are fully and accurately identified. The reliability defines the feasibility of repetition of a study with similar outcomes and conclusions (Yin, 2009, pp. 40-45).
The generalizability (external validity) of qualitative research such as semi-structured in-depth interviews can be “challenging” (Creswell, 2013, p. 101). Nonetheless, a single case study’s generalizability might as well encompass a wide range of different people and therefore become easily more generalizable (Bryman, 1988, p. 90). So the selected interview sample is the key to the richness of data generated and its generalizability. Considering the purpose of a case study, the case should showcase an in-depth understanding of a selected case. For this reason in its very nature a case study’s intention is not as broad and leading to a high level of generalizability (ch. 3.5.) (Yin, 2009, pp. 40-45).

In order to construct validity the variables researched on are completely and accurately identified based on the research question (ch. 3.1) guiding the thesis and the new theoretic model (ch. 2.4) which has been set up based on the literature reviewed (ch. 3.8.2). The SE phenomenon is a new field which is still evolving and so is the literature about it with regards to co-creation within it. Therefore, existing academic literature on the topics of value creation, co-creation and sharing has been drawn upon in addition to the literature about the sharing/reciprocity, SE and collaborative consumption (Yin, 2009, pp. 40-45). A study with similar outcomes and conclusions is feasible as a repetition of this one because methodological procedures have been documented in much detail (reliability) (Yin, 2009, pp. 40-45).

3.9 Scope & delimitation of research

In order to determine the research scope it is important to delimit it. Thus, “Elaborations on research scope & delimitations” can be found in the appendix where choices on the methodology applied will be justified.

3.10 The research onion applied

Saunders research onion, has been applied in order to structure the methodology chapter. Thus, figure 10 shows the methodology applied in this thesis by highlighting the aspects chosen and additions made.
4. Findings, discussion, conclusions & implications: Value creation in the sharing economy

This chapter presents and discusses the findings derived from primary research and confronts them with the secondary research (ch. 2) testing the new model on co-creation of value in the SE. Subsequently, conclusions and implications for theory and practice are given.

4.1 Key actors in the sharing economy’s accommodation sector

This chapter presents the case of the accommodation segment in the SE context (Yin, 2009, p. 46). Although most of the qualitative expert interviews have been conducted in the city of Copenhagen as the capital of the welfare state of Denmark the results mirror a global transition (Möller, 2016). Thus, Copenhagen as a growing, innovative European “global village” serves as a valid reference in the SE context. On average, around 11 percent of the Danish population are immigrants. Many of them are living in the Danish capital as manifested in the “Superkilen” park, a project which integrates multicultural symbols from more than 60 nationalities. In Copenhagen, people from all over the world are living and hosting people travelling to Copenhagen from just as many

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6 John Thackara, interview April 4, 2016
destinations worldwide with a growing tendency for the Danish inbound tourism. Subsequently, accommodation is steadily under high demand resulting in a successful establishment of the SE’s accommodation offer (Möller, 2016) (ch. 4.1.1: figures for Denmark). Moreover, Denmark is characterized by a traditional sharing culture (Skytte, 2014) reinforcing this development.

Aside from traditional players such as hotels or hostels the SE offers accommodation alternatives at competitive prices (Botsman, 2010, p. x) or even accommodation sharing “for free” whereby the offer is broadened and diversified quantitatively, geographically as well as at varying levels of privacy and personal interaction between the individuals involved. The rise of the SE and its respective accommodation offering platforms such as AirBnB engages millions of people to participate in it (Möller, 2016). This is to a large extent driven by the desire to save or earn money. Nonetheless, this is not the only influential factor behind value created in the SE as will be elaborated on in the following.

The individuals in need of accommodation while travelling around the world for leisure or business reasons may also consider staying at a friend’s or acquaintance’s place, who they know through their personal network. Therefore, the social network Facebook can also be considered a competitor as it represents a means of managing one’s own contacts possibly bypassing SE’s accommodation segment’s platforms such as AirBnB and CS or others (Facebook has been added to fig. 11) – both of which apparently seem to especially attract leisure travelers as both the CS and AirBnB practitioners interviewed agree.

The SE’s accommodation segment appears to offer a high degree of flexibility and “local” feel giving the users a feeling of desirable freedom (of choice) and self-determination. This can help explaining sharing behavior (Hellwig, 2015). Moreover, it can be linked to high levels of satisfaction of human basic needs such as esteem needs or self-realization which have been theorized about by psychologist Abraham Maslow; who tried to explain human needs, motivation and subsequent behavior (Goble, 2004, pp. 56-57). Furthermore, the SE platforms are dynamic,

11 Claus Skytte, interview April 6, 2016
12 Claus Skytte, interview April 6, 2016
13 Claus Skytte, interview April 6, 2016
14 Daniel Dudas, interview March 26, 2016
15 Daniel Dudas, interview March 26, 2016
diverse and steadily evolving. It is a global, virtual and highly competitive space of a new service
generation which has been mentioned by three of the experts interviewed; namely Claus Skytte,
Daniel Dudas and John Thackara (Scaraboto, 2015). There are always new players offering a
slightly different service. Subsequently, SE services become magnetized for the users’ engagement
in value (co-)created.16

The investment bank and asset management firm Piper Jaffray recently published a report on the
SE’s evolution analyzing its trajectory across industries, within which it has been attempted to
picture the SE’s accommodation segment respectively (fig. 11). The two embedded units of
analysis of this case study (AirBnB & CS) are also positioned in this overview (highlighted with
green frames). Hence, this illustration shall facilitate a better understanding of the SE’s
accommodation market segment. The players are segmented into three different categories:
“vacation rental”, “peer-to-peer (P2P) rental” and “other”. The differentiating variable between
the categories “vacation rental” and “P2P rental” is that vacation rentals are run by and invested
in by mini-entrepreneurs, whereas in the case of “peer-to-peer rentals”, such as AirBnB, these are
casual occupants who are leasing excess space. As can be seen while reading further, this is not a
fix rule and there will always be exceptions or “other” cases (Olson, 2015, p. 16). Additionally, it
has to be mentioned that there are always new players coming up.17 So there is no “stable”,
“standard” or “norm”18 in this blurry market space (Rayport, 1995) to be found yet. In fact the
opposite is the case: a revolution19 is on its way - applying twisted logics (Scaraboto, 2015).
Therefore, it will not be elaborated on other players pictured in figure 11 - other than the two
chosen ones, namely AirBnB and CS.

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16 Claus Skytte, interview April 6, 2016
17 Claus Skytte, interview April 6, 2016
18 Daniel Dudas, interview March 26, 2016
19 Claus Skytte, interview April 6, 2016
Accommodations

<table>
<thead>
<tr>
<th>Vacation Rental</th>
<th>P2P Rental</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeway</td>
<td>Airbnb</td>
<td>TurnKey</td>
</tr>
<tr>
<td>Flipkey</td>
<td>Homestay</td>
<td>tripping</td>
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<tr>
<td>HouseTrip</td>
<td>villas.com</td>
<td>Wimdu</td>
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<td>couchsurfing</td>
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Figure 11: Players in the sharing economy’s accommodation segment (Olson, 2015, p. 1)

The expert interviews conducted in the context of this thesis added that there are alternative service providers, such as “lovehomeswap.com”\(^{20}\), also making the established services very “vulnerable”, because they might lose their unique selling proposition in a diversified oversupply of services providers, who mostly do only access and control resources but do not own them (Ramaswamy, 2004, p. 109).\(^{21}\) Nonetheless, many of the SE accommodation services function similarly or equally to the business models of either CS or AirBnB when it comes to value extraction.\(^{22}\) Thus, lovehomeswap.com has not been added to figure 11. The services either represent rather true sharing\(^{23}\) or they take a cut on every transaction made\(^{24}\), which is more similar to the old capitalistic system (applying three main value extraction business models, see next paragraph) and seems to enhance “pseudo sharing” (Belk, 2014, p. 1597) (ch. 4.1.1 & 4.1.2).

More specifically, there are three different business models: Firstly, the Merchant Commission Fee (AKA “Take Rate”) whereby “the merchant is charged a commission on the value of the rental ranging from 6% to 15%+” (Olson, 2015, p. 16). Secondly, the Guest Booking Fee whereby “the guest is charged a fee to book a stay” (Olson, 2015, p. 16), the fee is of similar percentages as at the merchant commission. Thirdly, some companies in the SE’s accommodation segment work with subscriptions, although rather uncommon. They charge a fix amount such as an annual subscription fee which is not pay-per-performance based (Olson, 2015, p. 16).

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\(^{20}\) Madgalena Szumanska, interview March 23, 2016

\(^{21}\) Claus Skytte, interview April 6, 2016

\(^{22}\) John Thackara, interview April 4, 2016

\(^{23}\) John Thackara, interview April 4, 2016

\(^{24}\) Daniel Dudas, interview March 26, 2016
As a matter of fact the SE is growing and is expected to generate further growth. Therefore, the EU and its member state governments are interested in regulating the markets in a way that facilitates sustainable growth. Nonetheless, the diverse service platform landscape remains difficult to grasp (Scaraboto, 2015) and governments are rather following than leading (Christie, 2016).

Besides, there are four different colors/ways to look at the SE as the Danish SE expert Claus Skytte puts it: “First all the red, the socialistic people would say: “it is a new social way of bringing us closer together. The green people will say: “this is a fantastic way of reducing the resources and safe the land. The blue ones would say: “this is purely capitalistic, we’re going to earn billions of that” and the black-thinking people will say: “this is moon-shining, this is avoiding tax”.”

4.1.1 Characteristics of AirBnB
AirBnB “allows people to buy and sell the use of a room or home, with the transaction facilitated by the Internet and providing a fee to the company” (Belk, 2014, p. 1597). Sharing at AirBnB is compensated by the use of money and can therefore be classified as “monetized sharing” when consuming collaboratively (Belk, 2014, p. 1597). Nonetheless, it needs to be added here that distinctions have to be made between different types of monetized sharing as monetization alone is not necessarily, immediately and utterly a new form of capitalism, neither does it necessarily cause “pseudo sharing” (Belk, 2014, p. 1597). It depends on how money is used - still being of superior value in transactions for the moment being in comparison to other resources involved. Moreover, crucial factors to be considered in this context are for instance the way money and associated value flows (Porter, 1985) and how growth is defined (Penrose, 2009) as well as whether the aim is to grow sustainably in a circular system (Skytte, 2014, p. 9) (ch. 4.2 on “caring economy” & “platform cooperativism”).

All kind of different housing is rent out through AirBnB, sometimes it can even function very much like a hostel. At other times only a spare room in an apartment is rented out. Then again it is also

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25 Claus Skytte, interview April 6, 2016
26 Claus Skytte, interview April 6, 2016
27 John Thackara, interview April 4, 2016
28 Claus Skytte, interview April 6, 2016
29 John Thackara, interview April 4, 2016
30 Claus Skytte, interview April 6, 2016
possible to rent a whole apartment through AirBnB, where there will be little or no interaction with a host or other guests. This is how a diverse range of AirBnB experiences can be made – in case a guest is accepted to be hosted. Moreover, the service mostly does not include breakfast, although the name indicates otherwise31 (Porges, 2012) (more on expectations present in this context in ch. 4.2).

AirBnB presents itself with a neat interface32, high level of usability33 and the service is functioning well34 which is indicated by a low rate of complaints related to trust and safety (Möller, 2016, p. 46) and the many positive reviews on the members’ AirBnB profiles. Basically, AirBnB works based on profiles that the users create and that picture the person as well as the accommodations offered. In order to create trust people are asked to upload their ID for verification35 and they are asked to leave reviews on each other’s profiles once the AirBnB experience is made.36 The verification is for free but one has to, for instance, provide the link to other online profiles one might have on platforms such as LinkedIn or Facebook37 to demonstrate that one is a “real” person.38 Moreover, one can then rate certain categories such as cleanliness of the AirBnB place.39 This helps other users to get a better idea of what kind of people and place they can expect. Furthermore, it is possible to make use of a deposit-function when renting out space through AirBnB and the platform40 “offers $1 million host guarantee for potential property damage” (Olson, 2015, p. 45), although insurance fraud is prevented by several disclaimers (ibid, 2015, p. 45). The reverse of the medal of SE services like that is that “they have to be loved” in order to score high on the integrated reputation mechanisms of “five stars or hearts”.41 This makes the company not only vulnerable but also dependent on the user’s input and interaction in the value creation processes.

31 Daniel Dudas, interview March 26, 2016
32 Madgalena Szumanska, interview March 23, 2016
33 Daniel Dudas, interview March 26, 2016
34 John Thackara, interview April 4, 2016
38 Daniel Dudas, interview March 26, 2016
41 Claus Skytte, interview April 6, 2016
There is a lot of controversial discussion about AirBnB with respect to its business model employing monetized sharing (Belk, 2014, p. 1597). It could be argued that it leads to either balanced reciprocity - among the hosts and guest exchanging money for accommodation space (Sahlins, 1972, p. 194). Nonetheless, the monetization of AirBnB’s business model may as well lead to negative reciprocity (ibid, 1972, p. 195) which is often associated with old capitalistic structures. Where negative reciprocity applies “exchange partners seek to get more than they give” (Belk, 2007, p. 127) - as a cut is taken on every transaction made on AirBnB, the company in sum receives huge amounts of profits made which are not flowing back into the community but are kept.

Moreover, the payment made on AirBnB appears to mean to “pay a ransom for themselves” of the duty to socially interact, truly share and practice “sharing in” (Belk, 2014, p. 1596) for the guest and host. Therefore, “sharing out” might in general apply to AirBnB experiences more often – for both guest and host (Belk, 2014, p. 1596). Mostly, it is a one-time-act of sharing or stay at one specific AirBnB place.

The business model at AirBnB is a mix of the Merchant Commission Fee (AKA “Take Rate”) and Guest Booking Fee model (Olson, 2015, p. 16). Firstly, 3 percent transaction fee are collected from the AirBnB host, which covers costs of processing information involved in the facilitation of the accommodation service. Secondly, AirBnB charges 6 to 12 percent to the AirBnB guest - “the higher the total reservation amount, the lower the rate” (ibid, 2015, p. 45). Payments made are released to the host 24 hours after the check-in of the guest(s) (ibid, 2015, p. 45). The payment is often perceived as a by-product by the users of AirBnB (hosts or guests), because it happens virtually and besides the payment made there can be many intangible benefits involved (Olson, 2015, p. 45).

Nevertheless, AirBnB’s house owners make in fact some extra income (Malhotra, 2014, p. 24). Moreover, AirBnB claims to offer a global and at the same time more “local” or intimate

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42 Claus Skytte, interview April 6, 2016
43 Daniel Dudas, interview March 26, 2016
44 John Thackara, interview April 4, 2016
45 Daniel Dudas, interview March 26, 2016
46 Magdalena Szumanska, interview March 23, 2016
47 Daniel Dudas, interview March 26, 2016
48 Daniel Dudas, interview March 26, 2016
experience as one is usually staying at someone’s home, or even room and bed⁴⁹, which can be positive, enriching and of great value for the guest and ideally vice versa for the host: “Airbnb is made up of magical moments […] you create them. Let the personality of you […] transform the trip experience.”⁵⁰ This embodies the idea of a co-created customer experience of unique value (Ramaswamy, 2004) in the “hybrid” sharing economy (Scaraboto, 2015, p. 153).

AirBnB: Facts & figures

AirBnB was founded in San Francisco in August 2008.⁵¹ In 2007 the founders Brian Chesky and Joe Gebbia, back then design graduates, were short on monetary resources. As they were challenged to pay their shared apartment’s rent, they decided to rent out their living room’s space, offering air mattresses to sleep on and a homemade breakfast: “Airbed and Breakfast” was born. Nowadays breakfast is not necessarily part of the service offered anymore⁵² (Porges, 2012), AirBnB grew beyond expectations (Möller, 2016, p. 44), accounting for 2,000,000 listings worldwide and a total of 60,000,000 guests as of April 2016.⁵³

Thus, AirBnB is among the biggest players in the SE accommodation segment. In 2014 the global accommodation market referring to vacation rental & P2P rental (fig. 11) accounted for approximately 14 percent. Moreover, P2P rental bookings -although only representing around 2 percent at the moment - are estimated to account for 10 percent of accommodation bookings or $107b by 2025 (Olson, 2015, pp. 14-16). Furthermore, AirBnB’s growth in Denmark is the strongest compared to Sweden and Norway. In Denmark AirBnB reached almost 22,000 registered listings by November 2015, further exponential growth being predicted, but also the Danes themselves use this service a lot (outbound tourism) as an almost 100 percent growth rate from the years 2014 to 2015 shows. On a global scale 17 million guests arranged their accommodation through AirBnB in the summer of 2015 alone (Möller, 2016, pp. 46, 50).

⁴⁹ Daniel Dudas, interview March 26, 2016
⁵⁰ https://de.airbnb.com/host, retrieved March 1, 2016
⁵¹ https://www.airbnb.com/about/about-us, retrieved April 19, 2016
⁵³ https://www.airbnb.com/about/founders, retrieved April 19, 2016
4.1.2 Characteristics of CouchSurfing

CS is an online network which helps “people travel by creating a network of couches available to sleep on for free” (Belk, 2014, p. 1597). This means that at CS sharing is non-compensated and is therefore not included in Belk’s definition of collaborative consumption of “people coordinating the acquisition and distribution of a resource for a fee or other compensation.” (ibid, 2014, p. 1597). More precisely CS.org explicitly forbids any kind of compensation (ibid, 2014, p. 1597). Nonetheless, not all authors’ definitions of collaborative consumption exclude non-compensated and non-monetized services such as CS on the edge of “true sharing” (Belk, 2014, pp. 1596-1597) and the SE (Botsman, 2010, p. vx; Felson, 1978) (ch. 2.3).

Scaraboto (2015, p. 153) however, stresses on CS’ collaborative character when writing about the hybrid SE. Although CS might be more sharing and less economy54, it showcases the ambiguity of the SE working along twisted lines of logic and exchange (Scaraboto, 2015, p. 153). A new market space’s (Rayport, 1995) evolution is on its way but still in progress: “hybrid economies of collaborative networks” (Scaraboto, 2015, p. 153). This becomes clear when trying to find out whether or not CS means collaborative consumption as part of the SE.

Subsequently, although difficult to position in the SE’s space, CS is found to be an important player in the accommodation market as agreed upon by all the experts interviewed (further elaborations on this, in this chapter.: “CouchSurfing: Facts & figures”). Hence, CS has been classified in the market under the heading of “Other”. Thus, with its non-compensational business model CS is a rather special case - positioned at the opposite extreme of sharing services compared to monetized services like AirBnB (Olson, 2015, pp. 1, 14-16). For this reason, the two embedded units of analysis - AirBnB and CS - contrast the picture of the SE’s accommodation segment in a very clear manner (ch. 3. & 4.2). Moreover, both companies demonstrate the diversity of services in the hybrid SE (Scaraboto, 2015, p. 153; Olson, 2015).

The CS platform offers a “local” experience on a global scale. Simultaneously, CS is usually an intimate (Price, 1975, p. 4) experience as one is staying at someone’s home and couch. This is a rather inclusive act of “sharing in” (Belk, 2014, p. 1596) which is uncommon among strangers, but the revolutionizing hybrid SE facilitates it (Scaraboto, 2015). Thus, non-monetary CS, just like

54 Magdalena Szumanska, interview March 23, 2016
AirBnB, is designed to enable a co-created experience of unique value for the guest and host (Ramaswamy, 2004). There is simply no payment or monetary value extraction involved for the CS hosts. Therefore, the sharing on CS comes closer to “true sharing” (Belk, 2014, p. 1596-1597). Moreover, the website also tries to build networks resembling “intimate groups” (Price, 1975, p. 4) amongst which to socialize and share inspiring experiences, couches and stories with. In this context, regular CS meetings are organized which are clearly driven by an integrated sharing motivation (Hellwig, 2015, p. 899).

So there are mainly two elements differentiating the business models of AirBnB and CS. The payment element is of high importance as it is highly influential on the companies’ positioning in the market and on whether transactions are being realized as well as in which form they are realized (ch. 4.2 “Ways of exchange”). Other than that, the social network behind CS is meeting aside from the main accommodation service offered. This does not take place at AirBnB nor is it integrated in its business model.

At CS users need to set up profiles and just like at AirBnB, it is crucial to leave reviews on CS. These profiles should preferably be rich in information provided. This helps building trust (Olson, 2015, p. 48). In order to improve safety at CS it is also possible to become a verified CouchSurfer. It is not mandatory to make use of this side service to become a CouchSurfer, but if one decides to get verified a onetime fee has to be paid. The verification requires the user to name his address. Therefore, the user pays in order to show that he values the service the platform offers. Later on a post card with a verification code on it is sent to that address. Once received, the user can type in that code on the CS webpage and become a verified member. The user verification is important for all the platform’s members and unverified users appear to be less trust-worthy.

Furthermore, “generalized reciprocity” applies to CS’ business model, because transactions concerned with the main lodging service are putatively altruistic at CS (Sahlins, 1972, p. 193). Although any compensation for providing accommodation to someone is explicitly strictly

55 https://www.couchsurfing.com/, retrieved March 1, 2016
56 Magdalena Szumanska, interview March 23, 2016
57 Magdalena Szumanska, interview March 23, 2016
60 Magdalena Szumanska, interview March 23, 2016
forbidden at CS, the expert interviews of the experienced AirBnB and CS practitioner revealed that expectations on social interaction are present when being hosted at a CouchSurfer’s place. Thus, social interaction which takes time (=resource) equals a non-monetary compensation for being hosted “for free” on the one side (possible host’s expectation of the CS guest(s)), and accepting to be a host e.g. showing guests around the city, on the other side (possible guest’s expectation of the CS host). Obviously, these claims (“counter obligations”) are much more “indefinite” (Sahlins, 1972, p. 194) than in AirBnB’s case (balanced/negative reciprocity) and the counter reciprocating act is returned only if possible and necessary, which might as well never happen, e.g. “assistance” by the CouchSurfer host might not be given. Hence, when using CS a diffuse obligation to reciprocate might be present - if necessary or possible between the two parties involved (ibid, 1972, p. 194).

Other than that, in theory it might be argued that as there is no reciprocity involved at CS, because there is no compensation involved in the ways of exchange (ch. 4.2). Nevertheless, the resources involved such as time and interaction (communication) are as a matter of fact part of an exchange. So just like “one cannot not communicate” (Watzlawick, 1967, p. 51) – one cannot really not compensate/reciprocate – in one or the other form which means even if no monetary value is involved, other resources will always be. Above this, aside from CS’ main business of facilitating accommodation through a global couch network CS organizes events which can be classified as rather “reciprocity-free”, but following Sahlins (1972) and Watzlawick’s (1967) train of thought it is obvious that indefinite counter obligations might be involved in participating in CS events, too.

This side social network (Olson, 2015, p. 48) service offer of CS enhances its true sharing character but at the same time also seems to weaken its positioning. The open communication facilitated lets people’s interaction easily drift away from sharing couches voluntarily (ibid, 2015, p. 48). Then again this may build and foster a stronger identification of the CouchSurfers with the community, but may also lead to misunderstandings in what the platform’s purpose really is.62

Furthermore, the expert interviews conducted also revealed that CS’ network of couches is rather to be surfed by friends, couples or singles without children as in fact those couches are usually

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61 Magdalena Szumanska, interview March 23, 2016
62 Magdalena Szumanska, interview March 23, 2016
situated in the common area of the CS host’s place and generally less space and privacy might be available, which is difficult to combine with travelling with children. Nonetheless, this (less children involved while being hosted) can also be the case for AirBnB, depending on the type of AirBnB accommodation chosen.

**CouchSurfing: Facts & figures**

CS was founded by Casey Fenton and Dan Hoffer (Lapowsky, 2012, p. 102) in San Francisco in 2004 (Olson, 2015, p. 48). So it has a longer standing history than AirBnB and its business model has its origin in the idea of a non-profit organization. The service is maybe even more community driven than AirBnB as the users co-design the website enabling the value to freely flow, also because no monetary compensation is involved neither for the CS web designers nor for the CS hosts (Lapowsky, 2012, p. 102).

As in the beginning the company was a non-profit organization the founders applied to be officially granted a “501 (c)3 status” allowing them to be excepted from taxation and to receive tax-deductible donations and grants. The international revenue service disagreed and argued that CS was not purely non-profit but rather enabling cheap travelling. Therefore, the platform saw itself facing a major challenge: it needed to officially turn into a for-profit platform without losing the support of its co-creators. Finally, after an intense struggle the platform managed to transform into a for-profit business in August 2011. Ever since, CS’ primary revenue source is the largely optional verification fee for CouchSurfers (elaborations before, CouchSurfer verification representing a side service). Thus, CS’ monetization is handled strategically passive (Olson, 2015, p. 48). So “Even as the site looks for additional revenue streams, the co-founders promise that hosting and surfing will always remain free.” (Lapowsky, 2012, p. 102).

Just like AirBnB CS is one of the major players in the SE’s accommodation segment (Olson, 2015, p. 14). On a yearly basis the CS platform supports 400,000 hosts, four million CouchSurfers and

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63 Magdalena Szumanska, interview March 23, 2016
64 Daniel Dudas, interview March 26, 2016
65 Claus Skytte, interview April 6, 2016
66 Magdalena Szumanska, interview March 23, 2016
100,000 events. Other figures indicate the community to be even larger accounting for 10 CS members in total, represented in 200,000 cities around the globe.

It is difficult to find exact numbers on CS’ growth rate, but the platform appears not to be growing as it did before under consideration of critical comments on the web (Coca, 2015) and in view of incidents related to security of staying at strangers that harm its reputation, although similar things are possible to happen in the context of stay-overs organized through AirBnB, too.

4.2 A new model of value co-creation in the sharing economy: conclusions & implications
This chapter is going to apply the new theoretic model created by the author (ch. 2.4) onto the SE’s accommodation segment contrasting the two embedded units of analysis (AirBnB & CS) to modify the new model according to information presented in chapter 4.1 and the expert interviews’ results. Thus, the main research question will be answered guided by the new models headlines. Subsequently, new aspects will also be added to the model.

1. Internet
It is agreed upon the internet being the ultimate facilitator of value co-creation in the SE. The expert interviews as well as the market information (Olson, 2015, p. 16) confirm this argument derived from the literature about the virtual market space (Rayport, 1995) within which value co-creation takes place (Ramaswamy, 2004, pp. 31-32). Claus Skytte categorizes the internet as a tool and the SE as a technology that uses this tool.

2. DART (Dialogue, Access, Risk assessment, Transparency)
The DART formula (Ramaswamy, 2004, pp. 31-32) has been found to be valid as it is described in theory and located in the new model, one of the interviewees especially stresses the dialogue’s importance and the fact that “communication is key”. The risk involved for the users of platforms like AirBnB and CS is higher and in fact leaves the respective interviewed practitioners

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67 https://www.couchsurfing.com/#how-it-works, retrieved April 18, 2016
68 http://www.couchsurfing.com/about/about-us/, retrieved April 19, 2016
69 http://www.theguardian.com/world/2015/apr/14/italian-couchsurfingcom-predator-jailed-for, retrieved April 19, 2016
70 Magdalena Szumanska, interview March 23, 2016
71 John Thackara, interview April 4, 2016
72 Claus Skytte, interview April 6, 2016
73 Daniel Dudas, interview March 26, 2016
feel a little bit concerned. This risk is not per se acceptable for every user and might even result in risk avoidant behavior, such as not always renting out one’s space while being out of the city. Furthermore, both platforms facilitate the dialogue through the integrated messaging function, although on AirBnB, other than at CS, messaging including the exchange of contact information such as telephone numbers between host and guest is only possible once payments are made. Moreover, access for anybody to register their spare space (AirBnB) or couch (CS) is provided, just like transparency (ch. 4.11 & 4.1.2). Nonetheless, the perceived degree of transparency is higher at CS, because of no extraction of contact information shared in the messaging function at AirBnB.

Following the lines of argumentation on the risk involved it becomes clear why measures such as the verification of users, the personal information on profiles and the ratings and reviews on platforms like AirBnB and CS are crucial for the engagement of proactive users affecting intimate and personal spaces – the homes of the co-creators. Subsequently, it has to be added to the new model that Trust is part of the basis for co-creation (of value), too. Other than that, Claus Skytte mentions that smart phones can be viewed as major facilitators of co-creation, too. They are personal computers which one carries around all day, every day - erasing time- and space-bound limitations. Moreover, John Thackara also mentions the applications accessible through these smart phones connecting the crowds enabling value co-creation. Subsequently, the author concluded to extend the socket of the model by two more letters, to be added to the existing “DART”-abbreviation. Now the socket’s caption is: “DARTTS”, standing for: Trust, Smart phones (and applications made accessible through them), in addition to Dialogue, Access, Risk assessment and Transparency (Ramaswamy, 2004, pp. 31-32) (fig. 4). It should be noted that “Smart phones” may appear to be odd in combination with the other “DARTTS”-headings. Nonetheless, from a facilitator point of view smart phones have the same impact on value co-creation as the other five

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74 Magdalena Szumanska, interview March 23, 2016
75 Daniel Dudas, interview March 26, 2016
76 Magdalena Szumanska, interview March 23, 2016
77 Magdalena Szumanska, interview March 23, 2016
78 Daniel Dudas, interview March 26, 2016
79 Claus Skytte, interview April 6, 2016
80 Magdalena Szumanska, interview March 23, 2016
81 Daniel Dudas, interview March 26, 2016
82 Claus Skytte, interview April 6, 2016
83 John Thackara, interview April 4, 2016
letters. Moreover, it has been chosen to add “Smart phones” as headline instead of a more generic category such as “online devices”, because smart phones have specific usage characteristics which distinguish them from e.g. tablets or laptops. They become an individual’s antenna.\(^{84}\)

3. Forum market

The literature defines a new form of market, the so-called “forum market” which is made up of networks of consumers and firms (Ramaswamy, 2004) (see “Multiplying effects” below) and organized around the consumer and the consumer experience in the value creation processes (ibid, 2004, pp. 107-109). The “nodal” firms involved as part of the experience networks around the consumer experience (pictured in the centre of the new model), need to learn how to facilitate dynamic value exchange interactions in the new forum markets under consideration of the consumers input (ibid, 2004, pp. 123, 107-109). Moreover, it is said that the actual product or service becomes less important in the forum market, because the consumer experience can be personalized (Frow, 2008, p. 84) and other than a product or service, cannot be commoditized (Prahalad R., 2004, p. 9).

The interviews conducted show that this theory finds application in the accommodation segment of the SE, examining AirBnB and CS. CS is in fact largely community driven and managed (ch. 4.1.2)\(^{85}\) and AirBnB as well although due to the payment involved the users could be found to be a little less empowered in the value creation process (ch. 4.1.1). The consumer experiences at CS and AirBnB are relatively personalized through the DARTTS-formula (see above). The messaging functions let the network expand and interact.\(^{86}\) The interactions are recorded precisely by the nodal firms (AirBnB & CS).\(^{87}\) It could be argued that this is “mass-customization” (Pine, 1993) which has been critically stated by the AirBnB practitioner interviewed. This is because he does not feel like his AirBnB experience is unique or makes a difference as he is part of a huge network of AirBnB users.\(^{88}\)

\(^{84}\) Claus Skytte, interview April 6, 2016

\(^{85}\) Magdalena Szumanska, interview March 23, 2016

\(^{86}\) Magdalena Szumanska, interview March 23, 2016

\(^{87}\) John Thackara, interview April 4, 2016

\(^{88}\) Daniel Dudas, interview March 26, 2016
Other than that, the nodal firm might be superior in orchestrating mass interactions of co-created experience. So the expectations on the firm differ to the ones all four interviewees have towards other users. The companies sometimes take on roles as indicated in the new model which could (depending on the context) even be inferior to the platform’s users, but with respect to providing and managing the content (they access and control but not own) they are taking on a superior role. Thus, in this blurry virtual space (Scaraboto, 2015) the roles of firms and the platform’s co-creating users are found to be not only convergent (Prahalad, 2004, p. 7) (further elaborations on “Roles” below). Therefore, the nodal firm including a symbol of a choirmaster of an orchestra will be added next to the “forum market”-heading in the new model to indicate that sometimes firms take on these roles, too (fig. 12).

4. Co-creation

As can be seen in the new theoretic model co-creation is taking place in the forum market based on the internet and DARTTS. It centers around the consumer experience which equals the value created. The interviews conducted confirm that co-creation takes place more or less consciously within the forum market as described by the practitioners’ interactions on the platforms AirBnB and CS. Claus Skytte puts this into a market perspective and explains that the internet is a tool which is leveraged by the SE technology and respective platforms in this co-creation context. He goes on saying that the consumers are empowered in the market and in value creation where they are active in co-designing the new service landscape. This finding is also verified by John Thackara who names various grass root projects which mirror this trend in value co-creation.

5. Value \(\triangleq\) consumer experience

In the literature it has been stressed upon the importance of the consumer experience by several authors (Payne, 2008, p. 84; Gentile, 2007, p. 395) which has also been found to be central to value co-creation (Ramaswamy, 2004). As in practice the consumer experience is relatively

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89 Daniel Dudas, interview March 26, 2016
90 Claus Skytte, interview April 6, 2016
91 Magdalena Szumanska, interview March 23, 2016
92 John Thackara, interview April 4, 2016
93 Daniel Dudas, interview March 26, 2016
94 Magdalena Szumanska, interview March 23, 2016
95 Claus Skytte, interview April 6, 2016
96 John Thackara, interview April 4, 2016
adaptable to the individual platform user as a host or guest\textsuperscript{97} it can be stated that the consumer experience is possibly of unique value\textsuperscript{98}, although the perceived uniqueness depends on the individual experiencing it. Hence, critics might call it “mass customization”\textsuperscript{99} (Pine, 1993), also considering the size as well as revolutionarily growing dimensions of the SE in general and the SE’s accommodation segment more specifically (“Forum market”, ch. 4.1, 4.1.1, 4.2.1).\textsuperscript{100}

6. Sharing types

People can be divided into different sharing types and show different behavior towards the following nine factors accordingly: perfectionism (related to objects to share), generosity, generalized reciprocity, tit-for-tat reciprocity (balanced reciprocity), perceived resource scarcity, integrated, introjected and extrinsic motivation as well as quantity of actual sharing behavior (Hellwig, 2015, p. 899) (fig. 8).

These sharing types have been found to influence actual sharing behavior\textsuperscript{101} and hence influence the value co-creation process. Moreover, the rise of the SE has been put into perspective with the need to share after economic recession and perceived resource scarcity. The Piper Jaffray report states a consequent change in lifestyle and the growing amount of people employed in part-time work resulting in the necessity to share more (Olson, 2015, p. 9). The CS platform clearly represents true sharing (with regards to its main service see chapter 4.1.2) and this high level of generosity involved as well as users that show an integrated motivation to share.\textsuperscript{102} Perfectionists are unlikely to share in general and thus on either of the platforms (AirBnB\textsuperscript{103}/CS\textsuperscript{104}) analyzed, too. This is because perfectionists have trust issues and may be very risk avoidant.\textsuperscript{105}

Moreover, the reciprocity applying to AirBnB and CS has already been discussed in chapters 4.1.1 and 4.1.2. Seen this, the balanced or even negative reciprocity applying to AirBnB (ch. 4.1.1) might

\textsuperscript{97} John Thackara, interview April 4, 2016
\textsuperscript{98} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{99} Daniel Dudas, interview March 26, 2016
\textsuperscript{100} Claus Skytte, interview April 6, 2016
\textsuperscript{101} Daniel Dudas, interview March 26, 2016
\textsuperscript{102} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{103} Daniel Dudas, interview March 26, 2016
\textsuperscript{104} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{105} Daniel Dudas, interview March 26, 2016
lead to sharing behavior that is more introjected (feeling of responsibility to share) or extrinsic (to economize and find a convenient solution).  

7. Driving forces (efficiency, complementarities, lock-in, novelty)

The driving forces identified behind the value co-creation in the SE as derived from Amit and Zott (2001) have been found to apply to the SE’s context in general and with regards to the accommodation segment. Platforms such as AirBnB or CS facilitate networking and are easy to use\(^{107}\) which can be related to the fact that the websites present symmetric information\(^{108}\), which makes it efficient to use the complemented information in order to employ the service offered:

“\textit{The special thing about the sharing economy is that it is a technology that like never before gives you the possibility to see and get an overview of ideal hands, ideal brains, and ideal stuff – so you can rent it, buy it, lend it, share it, swap it or give it away.}”\(^{109}\)

Thus, the level of novelty (“like never before”\(^{110}\)) is high in the innovative SE. All in all, this creates a “lock-in” on relationships characterized by loyalty between the giver and receiver, including offer-need-matching (Amit, 2001). In addition to this, the interviews conducted added that flexibility\(^{111}\), facilitated through platforms\(^{112}\) such as AirBnB or CS\(^{113}\) is very important as a driver in the SE’s value co-creation sphere. The more flexible a SE platform solution is the more preferred it is to be used. Hence, it has been decided to add this to the new model - as a meta of value-driving elements (fig. 12). Other than that, money has been named as a driver in value co-creation in the SE.\(^{114}\) Following that, it will also be included in the drivers, too (fig. 12). Nonetheless, money is not only a driver behind value co-creation. Additionally, money has been identified as being a means of exchange and a special resource (“Ways of exchange” & “Resources” below).

\(^{106}\) Claus Skytte, interview April 6, 2016  
\(^{107}\) John Thackara, interview April 4, 2016  
\(^{108}\) Magdalena Szumanska, interview March 23, 2016  
\(^{109}\) Claus Skytte, interview April 6, 2016  
\(^{110}\) Claus Skytte, interview April 6, 2016  
\(^{111}\) Magdalena Szumanska, interview March 23, 2016  
\(^{112}\) Daniel Dudas, interview March 26, 2016  
\(^{113}\) Claus Skytte, interview April 6, 2016  
\(^{114}\) Claus Skytte, interview April 6, 2016
8. Collaboration & competition

It is said that consumers and companies collaborate and compete in the experience environment of the market. They co-create value but compete on the extraction of economic value (Ramaswamy, 2004, p. 122). Considering the interviews’ findings this is only partly true. The relationship between the market participants, the roles they are taking on and the ways of exchange takes place are more complex. So in terms of collaboration amongst the market participants e.g. content is co-created such as information on AirBnB or CS profiles. Moreover, the website is actively co-created at CS which happens without any (monetary) compensation. Furthermore, the lodging service offered on the CS platform is non-compensated, too. So no value extraction/“competition” takes place here (ch. 4.1.2). Nonetheless, looking at the companies in the SE’s accommodation segment they are in fact maybe less cooperative and definitely highly competitive (ch. 4.1), but not only in the extraction of value (see “Multiplying effects” below).

The monetized sharing at AirBnB is more in accordance with the idea of value extraction (besides collaboration) as described in the literature as even the users (as hosts or guests) show a competitive mind-set ruled by earning or saving money. Nevertheless, they still also contribute or “collaborate” in sharing their information and time through interaction (see “Resources”).

John Thackara shared an interesting perspective on how value may be extracted in the SE of the future, which can be headed as the “caring economy” (Singer, 2015) or “platform cooperativism” (Scholz, 2016, pp. 1-30), both of which is incorporating “higher forms of value”, such as health and is possibly leading to a “sustainable growth” of the SE. Under consideration of these kind of values, the definition of value and growth would get another new connotation. The caring economy is concerned with people’s and nature’s well-being and combines positive aspects of a market economy with socialistic ideas (Singer, 2015). In platform cooperativism monetary means of value might be employed but reinvested in a circular system, benefiting the networks of “produsers” (Bollier, 2016) (proactive co-creators) themselves - and not only the few (ch. 4.1.2).

115 Claus Skytte, interview April 6, 2016
116 Magdalena Szumanska, interview March 23, 2016
117 Claus Skytte, interview April 6, 2016
118 John Thackara, interview April 4, 2016
119 Claus Skytte, interview April 6, 2016
120 Claus Skytte, interview April 6, 2016
Thus, “platform cooperativism” is a “humane alternative” to the extractive SE’s business models of e.g. AirBnB, which nevertheless relies on monetization. In order to enable this shift existing SE business models would need to be duplicated and adapted to build social solidarity with regards to ownership and management of the platforms. The perception of value, innovation and efficiency as well as the focus would need to shift towards benefiting all platform network members – not just leaving huge profits to the few platform administrators (Bollier, 2016).

9. Roles (giver – receiver)

As described in the literature and visualized in the new theoretic model, the market participants (see “Multiplying effects” below) in the forum market (Prahalad, 2004, p. 9) are constantly switching roles of the giver and receiver (Scaraboto, 2015, p. 153). This constant flexible switching between roles is also enabled through the SE’s platforms’ business models, such as AirBnB and CS (ch. 4.1.1, & 4.1.2). Nonetheless, the expert interviews revealed that the firms are not always precisely at the same level as the users who are taking on the roles of either being a giver or receiver – host or guest (in the accommodation segment). In the new model this is visualized as the shopping cart (standing for consumers/receivers) and an industry-icon (standing for a producer/firm/giver). The firms also have fairly superior additional administrative roles and tasks which the platforms’ users also expect them to take care of. They are managing the platform and the content provided by the users. Therefore, in the online value-sphere (Rayport, 1995, p. 79) they have a higher responsibility in transforming the resources (see “Resources”) provided such as the content into symmetric information (Amit, 2001, p. 503) and facilitate the value creation (Ramaswamy, 2004, p. 109). So although the platforms’ users are in fact empowered (AirBnB & CS: ch. 4.1.1 & 4.1.2), they still depend on the firms for their administrative input and especially their value creating interaction in the forum market. Thus, the nodal firm will be added next to the “forum market”-heading in the new model (fig. 12).

Putting the online spaces described in perspective with the physical value chain (Rayport, 1995, p. 79) Claus Skytte believes that “the big companies” are the leaders into the SE future, which will move their production back to the highly developed countries employing new production
technologies (“the internet of things” (Chaouchi, 2010)). Moreover, as the prices of raw materials (as components of a physical product) are going up, the companies will tend to lend out the raw materials participating in the SE also sharing risk involved (DARTTS). Hence, there might be more unemployment – just like Rifkin pictures the future (Rifkin, 1996) (ch. 2.3). The governments rather take on a follower role in the SE (Christie, 2016) (ch. 4.1). Thus, although the governments take on a rather passive role, their decisions and regulations can have a fundamental impact. As a conclusion, they will be added to the basis of the model below the internet because even internet access may be subject to respective regulations by the governments (fig. 12). Other than that, an “omniscient” SE platform as a nodal firm (similar to Google nowadays) might manage the SE service landscape in future.

10. Multiplying effects: individuals -> interdependent communities/networks

In the forum market value is created by the firm, the firm’s employees, the consumer, as well as the consumer communities and networks of firms (Ramaswamy, 2004, pp. 122, 125) as visualized in the upper half of the outer circle of the new model. The analysis in chapter 4.1 and the expert interviews show that SE platforms do in fact build networks, applying it to the accommodation segment and the two units of analysis. CS does so maybe even more than AirBnB, considering the rather unregulated exchange of contact information and the social CS events taking place through website’s facilitation. Nonetheless, the trust and safety-building profiles and reviews on the AirBnB and CS webpages show that networking makes up to a substantial part of both the monetized and non-monetized SE platforms analyzed (ch. 4.1.1 & 4.1.2). The companies might build networks too, but still on a rather small scale as this might enhance their vulnerability in the highly competitive SE market even more. So the networks of companies are rather competitive and less cooperative between the different service providers (see “Collaboration & competition”).

11. Ways of exchange

The ways of exchange in the SE are diverse as became clear in chapter 4.1. This is also reflected in the business models employed: There are rather few different categories (fig. 11) of market

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124 Claus Skytte, interview April 6, 2016
125 Claus Skytte, interview April 6, 2016
126 Claus Skytte, interview April 6, 2016
127 Claus Skytte, interview April 6, 2016
128 Claus Skytte, interview April 6, 2016
129 Magdalena Szumanska, interview March 23, 2016
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players in the accommodations segment of the SE and three main ways the payments function, but many variations. Thus, Scaraboto’s (2015) theory on mixed putatively opposite logics actually finds application in practice. The expectations and reciprocity (Sahlins, 1972; Belk, 2014) cannot clearly to be defined at AirBnB and CS (ch. 4.1, 4.1.1, 4.1.2), although they seemingly represent rather easily differentiable extreme cases of players in the SE’s accommodation segment: rather capitalistic AirBnB (Belk, 2014), symbolized by the money bag in the new model and rather true sharing at CS symbolized by a giving/“truly” sharing (Belk, 2014, p. 1596) hand standing for a generosity-based act (Price, 1975) of generalized reciprocity (Sahlins, 1972, pp. 193-194).

The AirBnB practitioner Daniel Dudas poses the question: “What can you expect from a stranger?” – indicating that he is not sure what he can expect, so he rather phrases it as hopes. Mutual trust becomes extremely important in this context once more (DARTTS).

Moreover, expectations may vary depending on the role the individual is taking on (either host or guest). In this context, the users are not treating all resources equally (when exchanging them) which appears to be illogical behavior guided by twisted lines of logic (Scaraboto, 2015). The way of exchange and resources are handled is found to be also affected by culture (see “Culture/Ethics”). Consequently, even though users claim to apply “fair” tit-for-tat behavior their actions show otherwise. The money resource for instance is dealt with as superior to the food resource when buying, preparing and sharing food (see “Resources”).

Resources

The resources as input to the value creation processes are something that has not yet been part of the new model. The interviews revealed that the resources of tangible or intangible form affect the way value is created and the way of interaction between the market participants (givers and receiver including firms). These resources shall be added to the new model at the same level as the sharing types and driving forces (fig. 12). The resources which are being referred to are for instance, time (spent on interaction on-and offline), health (as a “higher form of value”),

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130 Daniel Dudas, interview March 26, 2016
131 Daniel Dudas, interview March 26, 2016
132 Magdalena Szumanska, interview March 23, 2016
133 Daniel Dudas, interview March 26, 2016
134 Magdalena Szumanska, interview March 23, 2016
135 Magdalena Szumanska, interview March 23, 2016
136
food\textsuperscript{137} but also “raw materials”\textsuperscript{138}. Moreover, money is a key resource in addition to it being a “way of exchange” - in the context of monetized sharing - and it being a “driving force” behind value co-creation in the SE. Looking at resources the value itself can be seen as a resource, too. The experts Claus Skytte and John Thackara bring up the idea of a block-chain as a possible future value flow enabling system. The block chain technology at “bit-coin”\textsuperscript{139} incorporating cryptocurrencies is well-known. Moreover, it is based on distributed databases whereby middlemen become redundant (investopedia, 2016). Nonetheless, there will be no modification of the new theoretic model needed in this regard because of the block chain, as the value in the new model is already pictured as “free-floating” in addition to it being at the core of co-creation in the SE.

\textbf{Culture/Ethics}

Another aspect which has not been part of the new theoretic model yet has to be added as the interviews’ results reveal: The culture or ethics\textsuperscript{140} and subsequent ideology\textsuperscript{141} of a person or community influences the willingness and openness to consume collaboratively and co-create value in the SE and respective accommodation segment affecting the ways of exchange taking place.\textsuperscript{142} The culture will be added to the new model at the same level as the sharing types, driving forces and resources (fig. 12).

\textbf{Conclusion: Modified model of value co-creation in the sharing economy}

Figure 12 shows the modified model of value co-creation in the sharing economy. It summarizes and incorporates the content discussed throughout chapters 2 and 4, whereby the theory discussed has been enriched by the primary research’s findings as well as market information on the embedded units of analysis of this thesis’ case study: AirBnB and CS. Moreover, the modified model represents the result of this thesis answering the research question: How does co-creation of value work in the sharing economy? In order to answer this overarching main research

\textsuperscript{136} John Thackara, interview April 4, 2016
\textsuperscript{137} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{138} Claus Skytte, interview April 6, 2016
\textsuperscript{139} https://www.bitcoin.com/, retrieved May 2, 2016
\textsuperscript{140} Daniel Dudas, interview March 26, 2016
\textsuperscript{141} Claus Skytte, interview April 6, 2016
\textsuperscript{142} Magdalena Szumanska, interview March 23, 2016
question, the questions stated at the end of chapter 2 have been answered throughout chapter 4. Nonetheless, it has to be mentioned that questions 5 and 7 (ch. 2.4) remain partly unanswered due to the fact that the interviews conducted do not provide sufficient information to make a valid statement. Thus, these questions may be subject to further research (ch. 6).

Figure 12: Modified theoretic model - Co-creation of value in the sharing economy (own illustration)

5. Summary

This chapter summarizes the most important results of this thesis. In future value co-creation will account for a substantial part of interactions in the (sharing) economy – not only in the accommodation segment assessed (Olson, 2015). At the moment the markets are in a transition state. Networked (Amit, 2001) empowered co-creating customers act as “produsers” of value (Bollier, 2016) through interaction within networks composed of the firm, the firm’s employees, the consumer, consumer communities and networks of firms (Ramaswamy, 2004). Sharing is nothing new in itself as it has a long-standing history in human societies (Dowling, 1968) and traditionally takes place in “intimate groups” (Price, 1975). Nonetheless, the way it is enacted in
the SE is revolutionary. Thus, the SE is blooming under application of hybrid market logics and ways of exchange which comprise and combine putatively altruistic sharing and rather capitalistic elements forming new varieties (Scaraboto, 2015; Sahlins, 1972).

Additionally, market participants are constantly switching between the roles of givers and receivers while collaborating and competing in the market in complex ways (Ramaswamy, 2004). Hence, reciprocity (Sahlins, 1972) and expectations become hybrid and blurry, too. The resulting value creation processes incorporate the usage of resources of value which are not owned but only assessed and managed by firms in the SE (Ramaswamy, 2004). In fact, in the SE the market participants “advocate shared ownership and use, reuse and resale of goods, and optimizing use of assets by renting or loaning out durable goods and spaces” (Schor, 2015) whereby their consumption practices are transformed into collaborative consumption (Belk, 2014). Furthermore, “Internet mediaries [...] match demand and supply in real time on a global scale” (Malhotra, 2014).

In this blurry SE space, in addition to the giver and receiver role, firms also take on the role of “nodal firms” (Ramaswamy, 2004) facilitating value co-creation of content provided by the other forum market participants. Other than traditionally, the value is co-created in the market through the interaction transforming it into a “forum market” (ibid, 2004). The market centers around the consumer experience equaling free floating value at the heart of co-creation (Payne, 2008; Gentile, 2007; Ramaswamy, 2004). Moreover, these interactions in the forum market are facilitated by the internet opening up new ways of value (co-) creation virtually (Rayport, 1995). Furthermore, pre-requisites to value co-creation are that Dialogue among the market participants is made possible through open Access and Transparency in order to assess Risk and consequently share it more equally (Prahalad, 2004). Other than that, Trust needs to be built to facilitate value co-creation, just like Smart phones function as co-creation facilitator connecting the market participants (DARTTS).

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143 Claus Skytte, interview April 6, 2016
144 Magdalena Szumanska, interview March 23, 2016
145 Claus Skytte, interview April 6, 2016
Additionally, the value co-creation is guided by culture\textsuperscript{146} and ethics\textsuperscript{147}, sharing types and motivations as well as resources as input and value drivers. The different sharing types can be differentiated by the applied degree of perfectionism (related to objects to share), generosity, reciprocity as well as perceived resource scarcity and quantity of actual sharing behavior. Moreover, the sharing act can be rather integratedly, introjectedly or extrinsically motivated (Hellwig, 2015). Furthermore, the expert interviews showed that resources need to be considered as input affecting value co-creation. The resources referred to are time \textsuperscript{148} (spent on interaction on-and offline), health \textsuperscript{149} (as a “higher form of value”), food \textsuperscript{150} but also “raw materials”\textsuperscript{151}, the value itself and money \textsuperscript{152}. Additionally, the value drivers of co-creation in the SE are defined by the SE’s solutions degree of efficiency, lock-in created (market partners'/customers’ loyalty), novelty, complementarity (Amit, 2001), as well as flexibility\textsuperscript{153} and money\textsuperscript{154}.

Besides money being a resource as input to value co-creation and a driving force it is also a way value exchange is organized. Hence, the money element is crucial in the SE – differentiating AirBnB from CouchSurfing in the accommodation segment. Furthermore, the consumer experience as central to the value co-creation process (see above) is put into practice on both sharing platforms analyzed, whereby AirBnB is rather capitalistic (Belk, 2014) and CS rather “true sharing” (ibid, 2014). The reciprocity involved at non-compensated (ibid, 2014) accommodation sharing on CS is generalized (Sahlins, 1972) and connected to “indefinite” (ibid, 1972) counter obligations although sharing is officially non-compensated. While the reciprocity applied at monetized accommodation sharing on AirBnB is found to be balanced or even negative (ibid, 1972). Other than that, the case study has shown that on CS “sharing in” (Belk, 2014) as inclusive act of relationship building takes place (see “intimate groups” before (Price, 1975)) whereas on AirBnB commonly “sharing out” as a one-time-sharing is enacted (ibid, 2014).

\textsuperscript{146} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{147} Claus Skytte, interview April 6, 2016
\textsuperscript{148} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{149} John Thackara, interview April 4, 2016
\textsuperscript{150} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{151} Claus Skytte, interview April 6, 2016
\textsuperscript{152} Claus Skytte, interview April 6, 2016
\textsuperscript{153} Magdalena Szumanska, interview March 23, 2016
\textsuperscript{154} Claus Skytte, interview April 6, 2016
As mentioned before the SE’s service landscape is characterized and driven by a high degree of flexibility in the highly competitive SE which is one of its main strength but also a major destabilizing factor which makes the market players more vulnerable (Scaraboto, 2015). Subsequently, trust (see DARTS before) needs to be built in the SE’s online spaces to foster engagement and investment of the value co-creators’ monetary and non-monetary resources. Moreover, in order to secure sustainable growth of the SE governmental regulations (Christie, 2016) need to follow and put into place referring to e.g. tax regulations of income generated through the SE as well as certain restraints still need to be removed (Malhotra, 2014). Thus, an appropriate regulative apparatus securing fairness and safety of SE services still needs to be shaped.

Seen this, platform cooperativism and the block chain may shape the future of the collaborative consumption service landscape governed by “produsers” (Scholz, 2016) applying hybrid roles and ways of exchange (Scaraboto, 2015) (see elaborations in ch. 4.2 under “Collaboration & competition”). Both concepts - block chain and platform cooperativism - open doors to sustainable growth and value co-creation in the SE.

6. Limitations & further research

This chapter presents the limitations of this research and possible further research will be suggested (ch. 3.7.1, 3.8 & 4.1). There are two questions derived from chapter 2 which remain partly unanswered and thus could be researched on in more detail in another study (ch. 2.4 & 4.2 under “conclusions”). Moreover, as this thesis draws on merely qualitative research applying the case study approach, it may be wise to investigate the value co-creation in the SE on a quantitative basis to test its findings and the new model on a larger scale enhancing its validity. Furthermore, other players such as traditional hotels or hostels might be assessed in another research on value co-creation in the SE’s accommodation segment. Due to time and space constraints of this thesis, other additional players have not been included but it has rather been put a focus on AirBnB and CS. Moreover, another research may want to look into other SE market segments than the

155 Magdalena Szumanska, interview March 23, 2016
156 John Thackara, interview April 4, 2016
157 Claus Skytte, interview April 6, 2016
accommodation segment and the two chosen embedded units of analysis, namely AirBnB and CS. Other than that, further research might investigate value co-creation in other hemispheres – other than Copenhagen, Denmark, Scandinavia or Europe – confronting this thesis’ findings with other local contexts. Subsequently, other experts could be interviewed, too, to add other perspectives.
7. Bibliography


Lapowsky, I. (2012). Case study - CouchSurfing's goal was to connect people, not make money. How would users react to a new, for-profit business model? In Strategy - Tactics. Trends. Best Practices. (pp. 101-104). Mansueto Ventures LLC.


Appendix
Figure A1: The traditional concept of a market (Ramaswamy, 2004, p. 120)

Figure A2: Managing co-creation of value (Payne, 2008, p. 84)
Figure A3: The research onion (Saunders, 2009, p. 108)

Figure A4: Yin’s basic types of designs for case studies (Yin, 2009, p. 46)
<table>
<thead>
<tr>
<th>Name</th>
<th>Interviewee information</th>
<th>Function</th>
<th>Interview date</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Madgalena Szumanska</td>
<td>24 years old, Polish, energy engineer (consulting), based in Copenhagen</td>
<td>CouchSurfing practitioner (experienced guest/host)</td>
<td>March 23, 2016</td>
<td>36.20min.</td>
</tr>
<tr>
<td>(2) Daniel Dudas</td>
<td>32 years old, Danish/American, self-employed, freelancer working on TV productions, based in Copenhagen</td>
<td>AirBnB practitioner (experienced guest/host)</td>
<td>March 23, 2016</td>
<td>52.26min.</td>
</tr>
<tr>
<td>(3) John Thackara</td>
<td>American, book author, speaker</td>
<td>Director of “The Doors of Perception” (event production company organizing festivals where grassroots innovators cooperate with designers to create a sustainable future) (see chapter 3)</td>
<td>April 4, 2016</td>
<td>43.50min.</td>
</tr>
<tr>
<td>(4) Claus Skytte</td>
<td>Danish, book author, speaker</td>
<td>Danish sharing economy expert, public person</td>
<td>April 6, 2016</td>
<td>49.35min.</td>
</tr>
</tbody>
</table>

Figure A5: Qualitative expert interviews – overview
Semi-structured interview guide (1)-(4)

(1) Questions for CouchSurfing (guest/host)

- Interviews with participants (co-creators) in the accommodation segment of the sharing economy
- AirBnB vs. CouchSurfing – monetized sharing vs. non-monetized sharing

1. What is special about CouchSurfing?
   1.1 What do the different parties involved in CouchSurfing need to do to facilitate that it is functioning well?

2. You are based in Copenhagen and currently frequently using CouchSurfing both as a host and a guest.
   2.1 Why do you host people via CouchSurfing? (motivation, network, ways of exchange)
      2.1.1 How often do you host people via CouchSurfing? (in x out of 100%, 100% standing for the total of hosting and being a guest on CouchSurfing)
      2.1.2 Why do you think people decide not to stay at a standard monetized accommodation?
      2.1.3 What do you expect from these CouchSurfing guests?
         2.1.3.1 Monetized/ non-monetized compensation such as gifts, money (tips), social interaction, company, sharing resources (e.g. food)

2.2 How often do you travel in general?
2.3 How often did you already use CouchSurfing when travelling?
   2.3.1 Have you been travelling for leisure reasons or for business when you travelled staying at someone’s place through CouchSurfing?
2.4 Why do you as a guest travel using CouchSurfing? (motivation, network, ways of exchange)
   
   2.4.1 How often do you travel as a guest via CouchSurfing?
   (in x out of 100%, 100% standing for the total of hosting and being a guest on CouchSurfing)
   
   2.4.2 Why do you decide not to stay at a standard monetized accommodation?
   
   2.4.3 What do you expect from your CouchSurfing hosts?
   
   2.4.3.1 Monetized/ non-monetized compensation such as gifts, money (tips), social interaction, company, sharing resources (e.g. food)
   
2.5 Where did you stay while travelling before CouchSurfing existed?

2.6 Do you see an alternative to being a guest at someone’s place through CouchSurfing?

3. Do you prefer CouchSurfing over AirBnB?
   
   3.1 If so, why? (added value (hidden?))

4. What is most important for you when travelling (choosing an accommodation)?
   (motivation/ sharing types; complementarities/ driving forces)
   
   4.1 Price, experience (adventure), meeting people/ locals (social), location, complementarities (bike-rental, breakfast), insider knowledge/ recommendations

5. Do you feel like you have an impact on how CouchSurfing is put into practice? (core co-creation – consumer experience, roles)
   
   5.1 What does the platform of CouchSurfing offer to facilitate the personalization of your CouchSurfing experience? (DART)
   
   5.2 Do you see yourself as a vital part of the CouchSurfing experience? (photos, content, profile, reviews) (core co-creation - consumer experience, roles)

6. What would be different if CouchSurfing would incorporate a compensation (of any kind)?
   (collaborative consumption definition, ways of exchange)
7. Do you think that you can trust the members, profiles and reviews on CouchSurfing? (risk assessment)

7.1 Do you see any risks while participating in the sharing economy?

7.2 How do you classify this - Do you think that this is acceptable or inacceptable?
   Please elaborate! (risk assessment)

8. How do you see CouchSurfing develop in the future?

8.1 Which role does the company play in this as a provider?

8.2 What would you like to be functioning differently at CouchSurfing?

9. Are you participating in other CouchSurfing activities, if so please elaborate?

Demographics

Age:

Gender:

Nationality:

Profession:

Living in Copenhagen:
(2) Questions for AirBnB (guest/host)

- Interviews with participants (co-creators) in the accommodation sector of the sharing economy

- AirBnB vs. CouchSurfing – monetized sharing vs. non-monetized sharing

1. What is special about AirBnB?
   1.1 What do the different parties involved in AirBnB need to do to facilitate that it is functioning well?

2. You are based in Copenhagen and currently frequently using AirBnB both as a host and a guest.
   2.5 Why do you host people via AirBnB? (motivation, network, ways of exchange)
      2.1.1 How often do you host people via AirBnB? (in x out of 100%, 100% standing for the total of hosting and being a guest on AirBnB)
      2.1.2 Why do you think people decide not to stay at a standard monetized accommodation?
      2.1.3 What do you expect from these AirBnB guests?
         2.1.3.1 Monetized/ non-monetized compensation such as gifts, money (tips), social interaction, company, sharing resources (e.g. food)

2.6 How often do you travel in general?

2.7 How often did you already use AirBnB when travelling?
   2.3.1 Have you been travelling for leisure reasons or for business when you travelled staying at someone’s place through AirBnB?

2.8 Why do you as a guest travel using AirBnB? (motivation, network, ways of exchange)
   2.8.1 How often do you travel as a guest via AirBnB?
      (in x out of 100%, 100% standing for the total of hosting and being a guest on AirBnB)
   2.4.2 Why do you decide not to stay at a standard monetized accommodation?
2.4.3 What do you expect from your AirBnB hosts?

2.4.3.1 Monetized/ non-monetized compensation such as gifts, money (tips), social interaction, company, sharing resources (e.g. food)

2.5 Where did you stay while travelling before AirBnB existed?

2.6 Do you see an alternative to being a guest at someone’s place through AirBnB?

3. Do you prefer AirBnB over CouchSurfing?

3.1 If so, why? (added value (hidden?))

4. What is most important for you when travelling (choosing an accommodation)? (motivation/ sharing types; complementarities/ driving forces)

4.2 Price, experience (adventure), meeting people/ locals (social), location, complementarities (bike-rental, breakfast), insider knowledge/ recommendations

5. Do you feel like you have an impact on how AirBnB is put into practice? (core co-creation – consumer experience, roles)

5.1 What does the platform of AirBnB offer to facilitate the personalization of your AirBnB experience? (DART)

5.2 Do you see yourself as a vital part of the AirBnB experience? (photos, content, profile, reviews) (core co-creation - consumer experience, roles)

6. What would be different if AirBnB would not incorporate a compensation (of any kind)? (collaborative consumption definition, ways of exchange)

7. Do you think that you can trust the members, profiles and reviews on AirBnB? (risk assessment)

7.3 Do you see any risks while participating in the sharing economy?

7.4 How do you classify this - Do you think that this is acceptable or inacceptable?

   Please elaborate! (risk assessment)
8. How do you see AirBnB develop in the future?
   8.3 Which role does the company play in this as a provider?
   8.4 What would you like to be functioning differently at AirBnB?

Demographics
Age:
Gender:
Nationality:
Profession:
Living in Copenhagen:
(3) Questions for expert John Thackara

1. How would you describe what is special about the sharing economy?

2. With regards to your new book: “How To Thrive In The Next Economy”, how would you characterize the “new sharing economy”?
   2.1 What has changed ever since you have been watching the market? (empowerment of consumers -> in the core co-creation?)

3. Is the sharing economy really just about altruistic sharing of unused resources such as accommodation objects? (integrated motivation, compensation (money bag) involved [monetized] sharing)
   3.1 Where do you see the difference between monetized sharing and non-monetized sharing? (logics twisted)
   3.2 Are you familiar with the concepts of AirBnB and CouchSurfing?
      3.2.1 If you are familiar with the concepts, did you already use AirBnB and/or CouchSurfing?
      3.2.1.1 If not, why didn’t you use AirBnB and/or CouchSurfing already?
      3.2.2 How do you classify the two concepts (of AirBnB and CouchSurfing) with regards to sharing (see number 2 and 2.1)?

4. How do you see the role of the consumers and the companies in the new (sharing) economy? (participants switching roles, building networks)
   4.1 In how far are offerings/ experiences in the sharing economy adapted to the heterogeneity of one customer in particular? (personalized experience adapted to the individual customer)
5. How do you see the product or service offered by different market participants in the new sharing economy as a means of differentiation? 
   (consumer experience = value in the core)

6. Why should we consider sharing and consuming collaboratively? 
   (motivation- sharing types)

7. What is the role of the internet in the sharing economy? 
   (socket of the model – DART model, drivers [novelty, complementarities, lock-in, efficiency])

8. How realistic do you think Jeremy Rifkin’s ideas about a third industrial revolution/ the “zero marginal cost” economy are? (where there is no more employment, but altruistic sharing and a small professional elite) 
   (trigger a statement about the giving hand)
   8.1 Do you see the possibility that money (value extraction) will become redundant? 
       (extreme case of sharing, money bag)

9. What is your perception of how new systems of value flow and consumption will work? 
   (resources, value, participants, scale)?
   9.1 What are the strong and weak points of the future (economic) systems from your point of view?
   9.2 What would you like to be functioning differently in the (economic) systems of tomorrow? 
       (my new model seen as a whole)
(4) Questions for expert Claus Skytte

1. How would you describe what is special about the sharing economy?

2. With regards to your book: “Skal vi dele?”, how would you characterize the “new sharing economy”?
   2.1 What has changed ever since you have been watching the market?
   (empowerment of consumers-> in the core co-creation?!!)

3. Is the sharing economy really just about altruistic sharing of unused resources such as accommodation objects? (integrated motivation, compensation (money bag) involved [monetized] sharing)
   3.3 Where do you see the difference between monetized sharing and non-monetized sharing? (logics twisted)
   3.4 Are you familiar with the concepts of AirBnB and CouchSurfing?
      3.4.1 If you are familiar with the concepts, did you already use AirBnB and/ or CouchSurfing?
      3.4.1.1 If not, why didn’t you use AirBnB and/ or CouchSurfing already?
      3.4.2 How do you classify the two concepts (of AirBnB and CouchSurfing) with regards to sharing (see number 2 and 2.1)?

4. How do you see the role of the consumers and the companies in the new (sharing) economy? (participants switching roles, building networks)
   4.2 In how far are offerings/ experiences in the sharing economy adapted to the heterogeneity of one customer in particular? (personalized experience adapted to the individual customer)
5. How do you see the product or service offered by different market participants in the new sharing economy as a means of differentiation? (consumer experience = value in the core)

6. Why should we consider sharing and consuming collaboratively? (motivation- sharing types)

7. What is the role of the internet in the sharing economy? (socket of the model – DART model, drivers [novelty, complementarities, lock-in, efficiency])

8. How realistic do you think Jeremy Rifkin’s ideas about a third industrial revolution/ the “zero marginal cost” economy are? (where there is no more employment, but altruistic sharing and a small professional elite) (trigger a statement about the giving hand)

8.1 Do you see the possibility that money (value extraction) will become redundant? (extreme case of sharing, money bag)

9. What is your perception of how new systems of value flow and consumption will work? (resources, value, participants, scale)?

9.1 What are the strong and weak points of the future (economic) systems from your point of view?

9.2 What would you like to be functioning differently in the (economic) systems of tomorrow? (my new model seen as a whole)
Transcriptions of expert interviews (1)-(4)

(1) Interview transcription CouchSurfer guest & host: Magdalena Szumanska

Magdalena Szumanska (Interviewee) = MS

Natalie Langlotz (Interviewer) = NL

--

NL: Ok, so welcome to the interview. So nice that you took your time to talk to me today...

MS: You’re welcome, no problem.

NL: ...and sharing your CouchSurfing experience with me and maybe you could tell me what you think is special about CouchSurfing?

MS: Well, why I join and what is special for me is actually meeting new people, you would never be able to meet otherwise. I think that is the main point for me, not looking for a cheap place, but getting to know people you wouldn’t bump into otherwise.

NL: Ok, and what do the different parties involved, the different people involved in CouchSurfing need to do in order to facilitating it, in order to make it function well?

MS: Well,...

NL: What do you think?

MS: Your question is more about administrators of the webpage or actually the users?

There are both sides.

NL: Yeah, actually there are different people involved. So maybe you could make a statement for each of them?

MS: Yeah ok, so actually from the point of view of the website I can just tell you as a user, because of course I am not administrating the webpage, but ...

NL: But maybe you have an opinion about that, too, but you can start with that.

MS: Well, the main point with the webpage is that you need to be a verified user which means that you need to upload your ID or your passport - that is from my perspective - that is not compulsory but for me in order to host somebody I require that. So that is actually more from the administrative part.

And then again like it consists of quite a lot of actually subjects that you need to explain, like what is your home, who you are, what you’re doing, who would you like to host, why you should be hosted; like you
need to point out on the webpage, which I think is really good what you are looking for basically in people. And based on this you can get a match with someone or not.

So the point is basically that...

**NL:** But you are generating the match yourself, right?

**MS:** Yes, it is like you are getting the requests...

**NL:** Yes, yeah.

**MS:** ...and of course you can pick - you know - I want to host this person, or not.

But you are doing that based on the profile actually not on the message more of less, at least in my case. I do read the profile of the person, I check the references. So I actually think that the webpage is really well combined to give you enough info, which you would like to have. And the good thing is that you can actually switch on mails to your phone numbers where the webpage is not blocking it – like as it is on AirBnB – you can’t switch the phone number because the webpage is closing it.

**NL:** Yes, so it allows sharing contact information.

**MS:** Yes, it allows so. I think from this administrative point of view it is really good. They are making still more improvements, as there are coming right now, I don’t know if you have seen it or not?!

Well anyways, back in time you didn’t need to verify yourself. You could just put whatever you want, nobody checks it, others put good comments on you – you’re fine.

Right now, you actually have to verify yourself, if you want to be a more active, more regular user, so that is news actually upcoming, I just checked it eventually.

Yeah and then, and then when it is coming to hosting people, which I had experience as well, ...

**NL:** But maybe we could keep that for later? I mean you just tell me what you think each and every party has to do to make it function well. So you already, for you as a user, host...

**MS:** Well, for me as a user, I have to fill in it, quite properly the profile on the webpage. Otherwise, I am not going to be able to give sufficient information to the person who is willing to come to my place or to host me.

Because, as an example, my home is a non-smoking home. I am not willing to have smokers in my place for example. So this is up for me as a user, as a host to fill in those information.

And I would that especially when you want to be hosted somewhere you need to be really, really precise about yourself, because there is quite [a] low chance of being hosted – like in the beginning, like, last time I was hosted in Rio de Janeiro. It was really easy to find a host. Like they are really open-minded, you don’t need to write so much about yourself, but then I was looking for a host in Berlin, it was way tougher, way harder. So you need to provide more information.

**NL:** ...to be qualified as a good guest?
MS: As a host I would say it is also really good to be precise. Again you have the certain categories on the website.

NL: So it is of much value for you to have a rich profile?

MS: Yes, exactly, and specify how many people do you want to host, for maximum how many nights, because people can go crazy; host me for two months or host me for two days.

NL: Ok.

MS: But then again the webpage lets you just pick, you know, how many days, like you have the certain clues, actually certain questions which you need to fill it in. So for somebody who receives a request that is very helpful.

NL: So it’s a pre-selection?

MS: Yes. When you start you don’t know; what should I write like: “I am happy, I am 20 years old”?! No, it not the point.

NL: yes, ok.

MS: So I think actually the host and being hosted is quite alike. You need to be really precise and you need to be specific on your profile or according to the profile [of] the person you want to like sleep at and so on.

NL: And the webpage needs to allow for this contact to happen...

MS: yes, exactly.

NL: ...and also for instance share the telephone number?

MS: Yes.

NL: Ok.

MS: But this is all, all ok actually. So you are allowed to share whatever you like, whatever you want.

NL: Ok.

MS: Like obviously there is some policy about the pictures, but let’s be reasonable with this.

NL: Ok, nice. Let’s go on to the second question and this is actually about you, you are based in Copenhagen and currently frequently using CouchSurfing as both as a host and as a guest...

MS: Yes.

NL: ...and the first set of questions is going to refer to you as a host.

So why do you personally host people via CouchSurfing?
MS: Well, I started five years ago with hosting people, because when I lived back home back in Poland, I wasn’t able to host, my parents were not maybe supporting this idea so much. I didn’t have my own apartment.

Then I moved to Denmark and I got the opportunity, like that is my apartment, I can host whoever I like and then I felt, as I said before, it’s a nice way to meet a new people, and why not to help somebody?!

NL: Yes.

MS: Like right now I am in Denmark, I have money for travelling. I can pay for my hotels, whenever I want. Maybe I didn’t have it back in time. So why actually don’t help somebody who is not having so much money to travel, let’s give [an] opportunity to the others.

NL: Yes.

MS: And also like I have a space, I have my living room, why not to share it?

I am quite open-minded in general. So I think it is [a] really nice idea how to help out somebody and how to make a bigger network, like to know more people, culture, food, whatever, when it’s coming. When I am not able to travel, when I am hosting somebody, let’s say from Mexico, then they still like bring me a little bit of their culture. So that’s happiness, I think.

NL: Ok, nice. How often do you host people via CouchSurfing?

If you like, if you see 100 % as the total amount of you hosting and being a traveler - as the - like both sides of CouchSurfing.

MS: Well, I hosted a lot of people, but I have been hosted very few times.

So my hostage personal [percentage] is why bigger actually.

NL: So you hosted more than you used it yourself.

MS: Yeah, definitely. And it’s like 10/15 times more which I hosted than actually that I have been hosted.

NL: Ok, I see, 10/15 times.

MS: More yeah.

NL: So if you would express it as a percentage of 100?

MS: I would say that 80 % I am hosting people, 20 % I am hosted.

NL: Ok, nice. Thank you. Why do you think people decide to stay or not to stay at a standard monetized accommodation, which means like a hotel?

MS: One thing is of course money, that’s pretty clear. But the other thing as well, at least in my case, I just do prefer to stay at the CouchSurfers at some point, because you can get to know the culture better. If I’m travelling in Europe, then I know Europe well, I don’t need to stay at a CouchSurfing, but when I’m
travelling to Africa or like I’ve been travelling to South-America lately, I actually prefer it to stay at a CouchSurfer place, because I get to know the insights way better. I’m also travelling quite [often] alone and that’s nice way to get to know somebody to spend your time with, to get to know the city than just to be on your own.

NL: Yes, ok I see, there’s a benefit to that. So you suppose that other people also think that way and that is why they choose to stay at your couch?

MS: Yes, I think so, because you need to be open-minded actually to do this. It is just not about money maybe, because if you don’t feel comfortable speaking to a stranger that’s not the way you should be hosted, it is better to safe up and just wait for the hotel.

NL: Ok, I see, I see your point.

What do you expect from the CouchSurfing guests when they come to your place?

MS: That they actually respect my rules, I don’t have so much rules but one them is for example, that it’s a no-smoking house and like I’m not hosting somebody who has pets, since I am not allowed to have pets in my own place. So like again on my profile I wrote that I would like to know in advance that if you are coming [in] two or three, I would like to know something else about the other people as well not just about this one person on CouchSurfing.

I would say just respecting rules, respecting the personal space.

NL: Ok, I see, and I suppose that you also like them to interact with you?

MS: Yes, definitely.

NL: Because some people, as we just mentioned, some might not be as social, as open, but maybe that’s something that you except from a guest?

MS: Yes, for me CouchSurfing is not just about “Ok, and you sleep at my place”, actually we do have dinner or we go to the city or we do something, if I have time. I had the case when I didn’t have time I wrote it in advance, like you can’t expect from me to walk around because I’m just not at home but then it is up on the agreement. But yes, I do actually expect to have some kind of interaction.

NL: and when it comes to for instance food, do them expect them to share their food with you or not necessarily?

Maybe they go shopping?

MS: No, actually it is really mixed, when I started my CouchSurfing and I had my first like 20 hosted [meaning guests], I was the one preparing the food, because I can host somebody, it is not such a big host [meaning deal], I can share my dinner I was preparing.

Later on when I was getting more and more people then it don’t spend, because when I didn’t have time I told them like “ok, I am not able, or I am not going to cook, you need to take care about this yourself. But it’s not happening that the hosted was sharing their food with me, no.
Either me with them or not at all.

**NL:** Ok, I see, so that is not an expectation.

**MS:** No, definitely no. I think it would be even quite awkward for me at my home that they are sharing their food. It’s different if like they are proposing: “ok, let’s go shopping together, maybe we can cook something”, but I still actually do pay for the shopping, I’m ok with this.

**NL:** Ok, nice, let’s move on to the second set of questions referring to you as a CouchSurfing guest. So how often do you travel in general? Maybe you can make a statement about that?

**MS:** I do travel every month for at least one weekend. I travel quite a lot.

**NL:** Every month?

**MS:** Every month or more, yes.

**NL:** Ok, and how long do you travel then for? Is it just a weekend-trip or?

**MS:** Usually I have weekend trips and of course like twice or three times a year then I have a longer trip, but usually it is actually weekend trips.

**NL:** Ok, I see, how often did you already use CouchSurfing when traveling?

**MS:** I didn’t use it that much to be hosted. As I said last year I spent almost three week in South America and there I’ve been actually hosted all the time at different CouchSurfers and then I used it in Europe a couple of times but comparably I actually do spend way more time in AirBnB or a friend’s place. So I don’t use it as often as I’m hosting.

**NL:** Ok, I see, when you have been travelling is it always for leisure reasons or business reasons, when staying at somebody’s place via CouchSurfing?

**MS:** Both, actually both, but when it’s business I am always staying at a hotel, like it’s never CouchSurfing or AirBnB - so always a hotel.

**NL:** Ok.

**MS:** Simple reason for that is that you need to present a pay slip to your company, you can’t do it for the CouchSurfing.

**NL:** Yes.

**MS:** Maybe it is also not that convenient actually through the CouchSurfing, when you go for a business trip and you finish at midnight and you have to go back to somebody’s place.

But for the leisure, yes then it’s mixed.

**NL:** Ok, mixed meaning?
MS: CouchSurfing, AirBnB, a friend’s place.

NL: But, if you go like travelling for leisure reasons then you won’t necessarily stay at a hotel?

MS: No, like I would use the CouchSurfing.

If I find somebody who actually matches me, who is living close by to the place I want to be at.

NL: Ok, I understand, and why do you as a guest travel using CouchSurfing?

Maybe you already answered this but in this it is still a question.

MS: Yeah, like when I’m travelling alone it is a nice way to spend time with somebody and I’m looking for the host actually to have time to show me around and to do some activities. That’s what I am looking for mostly, that’s why yeah.

NL: How often do you travel as a guest via CouchSurfing?

MS: Let’s say four times in a year. Like comparing those five years, I haven’t been hosted that much from CouchSurfing. So four times a year, in a period of five years, more or less.

NL: But if you related it to, I think you already answered this question, if you relate it to 100% then it would be 20% out of the total, where 88% would be hosting people through CouchSurfing.

MS: Yes, I think it is even more, to be more precise like I think it’s even 90- 10, when I think about it. Yes, I didn’t even travel that much when I hosted actually. But again, it’s very little when I’m hosted, a lot who I’m hosting.

NL: Yes, I get your point. Thank you.

Why do you decide not to stay at a standard monetized accommodation, like a hotel?

MS: Well, when I have a choice of course to stay with somebody who has time to show me around and the hotel and CouchSurfer place are next to each other, that’s an easy choice: CouchSurfing for me; because why should I pay? When actually I can get the benefits, like saving money for some activities and having a company to do that. That’s a simple choice.

Like the question, between the hotel and the CouchSurfing, you see the CouchSurfer lives 20 km outside the city and the hotel is inside the city, then actually I would [be] more eager, I think, to stay in the hotel than CouchSurfer’s place.

Yes, maybe I’m a bit of a lazy person in this case.

NL: But then again, I mean there is not only one CouchSurfer so.

MS: I would say the problem with the CouchSurfing is that so many times, you know, you have certain expectations about the area, but then you can’t find a person who is matching to you. And then the person who is matching to you is somewhere way further and it’s like: “Do you really want to travel that far?” – and to actually have a nice host to spend your time with?
Like I have mixed feelings about this, it really depends on my mood and what I’ve planned for the trip and how long I’m staying somewhere.

NL: Yes, I understand. Ok, and what do you expect from your CouchSurfing host – so when you’re a guest, this time?

MS: I would actually like to have some kind of interaction and spend some time together, because it’s just not sleeping and what I aim for as well is actually to have my own room.

Like I don’t really want to share the room with somebody, maybe it might be another traveler that’s ok, but I wouldn’t sleep in one bed room with my host.

NL: Or in one bed with your host?

MS: Yes, that’s a no-go so.

NL: Ok, ok so that’s an expectation, some kind of little privacy?

MS: Yes.

NL: Then again, do you expect to receive a gift for instance?

MS: No, definitely, not.

NL: The other way around, you wouldn’t also?

MS: No, one or another, actually, it’s happening a lot of times that I am getting actually the stuff from the people...

NL: I mean sweets.

MS: ...But I definitely don’t expect that.

NL: Ok.

MS: Like for me it’s nice when I get something but it’s not that I have to get, like I agreed voluntarily to host somebody.

NL: Ok, I understand, and expectations about somebody hosting you, I mean about this person cooking for you, do you have expectations like that?

MS: No.

NL: I see.

MS: Unless we agreed up on something, because it happens sometimes that they ask “Would you like to cook together?”, “Should I cook something for you?”, ”Would you like to try?”, but that’s [an] agreement not [an] expectation.
NL: Ok, where did you already stay while travelling before CouchSurfing existed? Where did you want to stay?

MS: It was always hostel or a hotel.

NL: Ok.

MS: Yeah, because AirBnB was not on that time, so I didn’t consider this.

NL: And do you see that there is an alternative to, I mean do you consider alternatives to being a guest on CouchSurfing? Do you think there is something?

MS: What do you mean with this?

NL: I mean you already kind of answered this question, but so now: Is there an alternative for you to staying at somebody’s place through CouchSurfing?

I think that you already said that you would also stay at a hostel?

MS: Yes, definitely, hostel or [a] friend’s place.

Or there are actually other portals similar to CouchSurfing, like swaptheroom.
I tried the swaptheroom once, maybe I wasn’t that happy with this. It was really hard to co-ordinate, but I would say it is still [an] alternative if you cannot find anybody.
But I would say I would just choose [a] hotel or hostel or AirBnB. I think most likely AirBnB actually, because it is the most flexible.

NL: Flexible in which way?

MS: That’s you know like, you can still actually have your own flat, you can cook there, in the hotel you can’t do that.

NL: Because of the facilities.

MS: Yeah.

NL: Ok. Thank you.

Do you prefer CouchSurfing over AirBnB?

MS: I actually think I do, because you can still be flex, you can have you private place, you can have a place to cook, because that was what I was always getting as a host, like I never looked for a place that “Ok, I’m staying in the middle of Matana (around 19 min?), I cannot do anything”, I was always able to cook, I had my room. So actually I do prefer it, why not?

Like I get to know somebody new, my hosts were always taking me for a party, for some barbeque, getting to know neighbors, so I definitely way more actually prefer it – In case of travelling alone.

NL: Ok, I see, and it is also due to not having to pay for it on CouchSurfing?
MS: Yes, that’s a benefit, of course it is.
NL: Saving money.
MS: Yes.
NL: Ok, what is most important to you when travelling and choosing an accommodation in general?
MS: How close to a certain point in a city it is, because I am looking for safe areas of the cities I am staying in. So I really, really do pay close attention. And also how close is the public transportation. That as well. So I think those two main factors.
NL: So the location is very important, too.
MS: Yeah, location and how close to the public transport. I think those two are the most important, when it’s coming to CouchSurfing, but hotels and AirBnB as well.
And of course then the price is coming when we are speaking about something else than CouchSurfing.
NL: Yes, I understand. Maybe there is not only the location but also something else that you are looking for when you’re making a choice on the CouchSurfer?
MS: Then definitely, when it is coming to CouchSurfer, I am looking at age. If it is like old guy, 50 years old, living alone, I don’t think so, I would be so eager to stay the place, because still I have this factor: I am a woman, like I need to think.
So I am open to both genders, like I am staying at both at guys’ and at girls’ place, but I always evaluate like the age of that person, what the person is doing, it quite matters to me and of course the language they are speaking, because if somebody is not fluent in languages I am speaking that’s a pretty no-go.
For the hosting or being hosted when you can’t communicate. That’s quite important. And as well the flexibility, like how flex is the person, because if they are telling me “We need to, like you know, every day at 6 in the morning and come back at 11 in the evening that’s quite [a] no-go for hosting also, because I would like to have the possibility “ok, something happened, I can actually go home or even pick up some of my stuff, change or whatever, so that is another factor: how flex is the host with me?
NL: Yes, ok, and maybe you also, thinking about like breakfast and things like that, so you would want to be close to a restaurant?
MS: No, actually not, because I do believe that you can always find something somewhere. Shops and restaurants are everywhere at some point, so actually no, I don’t consider this.
NL: Ok, thank you. Do you feel like you have an impact on how CouchSurfing is put into practice?
MS: Well, in a way I think I do, because I’m still quite an active member, not only by hosting and being hosted, but as well you know CouchSurfing meetings, some meet-ups and events. So in a way I think it’s just by us users how it’s all created, because if we don’t keep it up, like it wouldn’t work.
In the end of the day we are the masters of the CouchSurfing, agreeing to host somebody or not. Without this the webpage would be just down.

So I do believe we have actually quite a big impact, and me personally as well in my own way.

**NL:** Ok, and what does CouchSurfing do in order to facilitate the personalization of the CouchSurfing experience?

**MS:** Like you mean as the webpage or us as society?

**NL:** No, the administrators.

**MS:** It’s actually quite hard to answer this.

**NL:** Maybe you already answered it beforehand, that...

**MS:** Maybe with just this choice of the traits, like the fields which you need to fill it in, because well otherwise it’s quite hard to apply another cooperation between us. I think maybe just by the graphic design and what we need to put in, what are the obligatory fields to fill in. I think by this.

**NL:** And also by facilitating the exchange of contact information which you mentioned earlier?

**MS:** Yes also.

**NL:** Ok, nice. Do you see yourself as a vital part of the CouchSurfing experience?

**MS:** Well, I think yes. Yeah, I would say yes. It’s hard to line up something, because, as I said, we are the ones running it.

**NL:** Yes, ok, and the next question is: What would be different if CouchSurfing would incorporate a compensation of any kind?

**MS:** I think that it would turn into AirBnB and I think that would be very pointless, because the whole idea is that you do it for free as a volunteer, if you would expect a compensation the whole idea is gone. So I think that the concept would just collapse. And I don’t think so, there’ll even be a point of having it, because then hotels, AirBnB, other web pages which are actually better constructed, more business-related or I would say more organized, so why to use something like this? There is no point.

**NL:** Ok, I see, so then you would say that CouchSurfing would lose its unique selling point?

**MS:** Yes, I think so. I think actually the CouchSurfing would completely collapse then, because people would then get mixed up, like “what is this?” Like some people are hosting for free, “are they cheating?”, some people are wanting money for this. Yeah, I think this would be just the end.

**NL:** Ok, do you think that you can trust the members, their profile and reviews on CouchSurfing?

**MS:** You always need to be careful. But here is no other choice than trusting, like, I mean you need to be realistic if it’s possible for the certain information which are there and like I do care that the person has a lot of photos, has a lot of reviews. But on the other hand, I have also been hosted in Copenhagen actually for the first time by a guy who had one review, one picture and maybe he wasn’t my target point of being
hosted, but I couldn’t find anybody else. So I tried it and it was amazing. So sometimes it is worth to give it a try. But on the other hand, for me as a girl, like I can really point out somebody who wants to come to hock-up and somebody who wants to be just hosted as a tourist.

So you know, double sided, you just need to think and. I am looking sometimes, actually mostly for people if they have LinkedIn or if they have Facebook. If somebody is especially coming for a longer period of time and I’m just not sure about the person.

**NL:** So you google their names?

**MS:** Yes, I actually do, because if somebody is, you know, on no other social network that is something suspicious, because everybody does have at least Facebook, Twitter or whatever.

**NL:** Nowadays, yes.

**MS:** If you are invisible that is something [suspicious], so I wouldn’t say you can fully trust but you have no other choice but to trust in your choice.

**NL:** Yes ok, and do you see any risks while participating?

**MS:** Of course, because you are still getting the people, you know, to your own home. I am leaving them the keys. You never know what you are going to come back to, like you can’t fully control it, because I am not spending my whole free time with the hosted [people], you [they] are going to the city own their own. I spend part of my time with them or sometimes they are just hosted sleeping or eating at my place but I don’t spend time with them. So yes, it is a risk.

I wouldn’t say that it’s a risk of not, you know, getting on well, because then you can just, you know, go through, it’s a night or two nights or three nights, like you can settle.

**NL:** In your case?

**MS:** Yes, I’m always going to find something to talk about like even if it’s the weather, for three days, I’m still going to manage but I think more for the economical point of view and from the safety/security point of view: yes you have quite [a] big risk, and not everybody is fine with this.

And I know quite a lot of people against this and they’re surprised, even my friends, they are really open-minded, but they would never go for CouchSurfing and they never agreed to travel with me through CouchSurfing, we always need to take AirBnB, which is [means] safety for them.

Which I understand as well and partly I agree, but again maybe I have too much trust in people. So I’m fine with the risks.

**NL:** Ok, yes, I think you already answered my next question, which is if this risk is acceptable for you or unacceptable.

**MS:** For me it is, but in general I think for most people it’s not.
NL: Maybe it is also due to your good experience up until now, that you still keep on trusting in people and that you don’t feel very threatened by the risk?!

MS: Like I did have a bad experience with the CouchSurfing as well, I did, but comparably it’s 1% out of, you know, 99 +[?]. So I was ok at the end of the day.

NL: Ok, nice, I see and how do you see CouchSurfing develop in the future?

I mean do you have a clear vision of that?

MS: I think actually they could improve their safety measures even more than they do. I don’t have a certain concept [of] how could it be, but I think the safer it is going to be, the more people actually going to be eager to host somebody. Some kind of verification network, which is more relevant than what this is right now. Ok you upload your ID, but in the end of the day you can still upload a fake ID of somebody, like you know, it’s just approved by more or less the look of the ID, that you have a picture there. I don’t think so that it is actually verified by somebody. So I think the security network could be better and then the webpage is going to develop way more.

That can actually overtake other ways of staying somewhere.

NL: But how would you feel safer about it? Do you think that CouchSurfing should offer some kind of insurance to provide money in case maybe somebody is going to destroy your apartment?

MS: I don’t think so that would work, because then it would have to be the deposit system and it’s like this if somebody doesn’t have money for staying in a hotel for two nights how are they going to pay the deposit?

Because to pay the deposit for a flat in Copenhagen is different than to pay for the deposit in some small city in Latvia for example. And I think that that again would cut the idea because people wouldn’t be able to pay the deposit and again we have AirBnB for this — you pay the deposit and obviously you didn’t want to do it, that’s why you looked for another way of staying. So I don’t think so anything money-related would work for CouchSurfing, it needs to be more trust-based – somehow improvement for the network.

NL: But you would think that it is a to-do for the administrative side of CouchSurfing?

MS: I do think that it is [the] administrative side to have, I don’t know, somehow the connection with the police with verifying the IDs instead of just like: “Ok, the size match to the Polish ID, the picture match to the Polish ID”, it means that the ID is fine. Maybe actually it should be researched, maybe it is, I actually don’t know this. Though I think if my Id is verified like 15 minutes after uploading it, nobody checks that I think.

NL: Ok, maybe that’s true. And which roles does the company play in this as a provider?

I think we already answered this.

MS: I think it is the collecting parts in between me and somebody else from the other side of the world. In the end of the day they are also a base of it, because without their effort went down, you can’t actually get in touch unless you exchanged numbers.
So in the end of the day they are the connecting point in-between us.

**NL:** I see, and that is also going to be like that in future?

**MS:** I think so. I think it has to stay like that, because otherwise the whole concept would collapse.

**NL:** Ok, and what would you like to be functioning differently on CouchSurfing?

**MS:** As I said, at least a little bit safer.

**NL:** Although you cannot specify in which way?

**MS:** But, I cannot really specify it, because I don’t have a certain idea right now. Maybe thinking about it longer, I would find more ideal way actually how to verify people more.

And for me as a girl, but it’s impossible to control that, like people should understand that it is not a dating website, that is a website of hosting people.

Because there is a big problem with it on CouchSurfing, but I just laugh at this and that’s it.

But I think from the perspective of a girl, a lot of them would actually get super-frustrated. And that’s another reason why not to use CouchSurfing but to use something else.

**NL:** But do you for instance not choose to host somebody just because it’s a man and he appears to be very needy?

**MS:** Yes, I do it really often, because it is really easy to get the point, like I’m getting a lot of requests, like: “We could hang out, but I hope you’re single/ that you don’t have a boyfriend”, and it’s easy to understand what the person is expecting and also a lot of like messages: “I could take you for a date and maybe stay later at your place”, of course you know what does it mean. So then I’m actually refusing a lot of people for this reason – like really a lot.

**NL:** Ok, I understand.

**MS:** So that’s a problem but I mean the administrators can’t control it anyhow, it’s impossible to filter this. It’s just the people’s mindset really is wrong, but yes. And then I would say it’s a problem why people mostly use, they would rather pay than just have this type of problems.

Because when you pay, you don’t have to care about anything.

**NL:** Ok, I see. Are you participating in other CouchSurfing activities?

**MS:** Yes, I do sometimes go for the meetings, I used to go quite a lot. Right now I don’t do it so often, I haven’t been for a while actually at the CouchSurfer meetings. But, yeah like one of my best friends actually I met him through CouchSurfing and then we keep in touch for those 5 years. I met him at the meeting then I have been hosted at his place and then we are like super close friends right now. So yeah, I was sometimes going for the meet-ups. Or actually when I’m travelling, then I do participate in the activities – when they are going biking, or they are going sightseeing, then I do, but here in Copenhagen, I’m not that much as I used to.
NL: Ok.

MS: But there’s also not going on so much in Copenhagen, like in this case, as there is in the other cities, I would say.

NL: Oh really?

MS: Yes, comparably it’s way colder here and everybody more or less on their own. We do have parties from time to time at somebody’s place, but it’s not so often.

NL: Ok, I see, well, I think then we reached the end of our interview. Thank you so much for all your answers provided.

MS: It wasn’t that long actually.

NL: Yes.

MS: We went smoothly.

NL: And thank you so much, I would kindly like to ask you to fill out – just – this information, your gender, age, nationality and so on.

Ok, thank you.

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NL: We’re just going to record it.

MS: Like I wanted to say that I think CouchSurfing is dependent on the culture – where it is a success where it’s not. I don’t think so it is successful in Scandinavia because the personality’s cultural issues they always going to pick AirBnB – first, they can afford it, but besides the money also it’s – Are you enough open-minded to be hosted to be at a stranger? – And I said that I am really happy with hosting people going somewhere, but my boyfriend is Danish and he feels super uncomfortable with this. He would rather pay so much money for staying than choosing actually a super nice guy who he would get on well and he would stay at his place for free, just because he doesn’t want this, he doesn’t want this interaction with a stranger.

NL: Ok, I see.

MS: So I do believe that Scandinavia wise there is a cultural barrier and AirBnB or hotel always going to win here. But going South, more South to Europe, I actually, I think, it’s way different. Like four of my Spanish friends are travelling through the CouchSurfing and I’m having three Spanish CouchSurfers like tonight. That’s different, but again they are more open-minded in a way, like, not generalizing of course. But I do believe that there’s a cultural barrier with this over here.

NL: Ok, yeah, thank you.
Interview transcription AirBnB guest & host: Daniel Dudas

Daniel Dudas (Interviewee) = DD

Natalie Langlotz (Interviewer) = NL

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NL: Let’s see. Welcome thank you that you took your time today to do this interview with me and I would like to start out with asking you the first question and, so maybe you could tell me what is special about AirBnB in your opinion?

DD: What is special about AirBnB?

First of all, what is special is that they were probably the first platform of the sharing economy that I came to be aware of and that I started using.

I don’t think I can recall any other platform that...

NL: ... encouraged you to share?!

DD: ...yeah, that had that kind of concept.

So that’s the first thing that comes to my mind.

Besides from that it’s a very neat website, neat platform, in terms of the layout and usability and these kind of things. So I think they managed to create an environment/ ecosystem or whatever for their users that makes it easy and accessible.

What’s the question again?

NL: What’s special about AirBnB?

DD: ...And then what’s special is obviously that you travel around the world and you end up living in private homes. That’s very special and that’s not just like a bed and breakfast.

It’s actually living in people’s home - Often a bed and breakfast is a part of the house which is arranged for accommodation, right?! If people are passing by, but this is private homes you know?!

You sleep in the bed of the people. So I think that’s special.

NL: Ok, thank you, what do you think do the different parties involved in AirBnB need to do in order to facilitate it functioning well?

So referring to guests, hosts and the administrators.

DD: Communication, communication, communication.

NL: For all of them?

DD: Pretty much. Communication is key. That’s what the whole platform is based on that shows you how quickly people are replying. And it shows the track record and these kinds of things, I mean communication
is key to the this platform because, whether you’re a host or you’re a traveler, whatever you are, you called it a guest, the most important thing is how quickly people respond.

**NL:** The dialogue that takes place through the website of AirBnB?

**DD:** The dialogue, yes, I think that’s the most crucial and then of course trust, in terms of people not damaging your house and stuff.

And then the fact that the transaction is happening as a byproduct, with the, like, the same with Uber – you go in the cap, you get out, you never even think about that there’s actually a transaction, a money transaction.

**NL:** Ok.

**DD:** I mean it’s less with Uber than it is with AirBnB, because when you make the registration you actually have to put in your details.

**NL:** So for you it’s much more important that the people interact and it’s not about the money?

Is that what you’re saying? No?

**DD:** For me no.

**NL:** For you it’s...?

**DD:** For me it’s not about money.

**NL:** It’s not about money.

**DD:** I mean of course yes, if I rent, if I rent a house or rent a room or whatever you know obviously I do that because I can make some money out of that. That makes sense.

But I’ve used it way more as a guest than as a host, because it’s, I mean, it’s very easy when I travel anywhere. The pricing is really good and can compete with regular accommodation, right?

So that really makes a huge post.

**NL:** I think that you answered this question so let’s move on to the second set of questions and the first part of this question if going to refer to you as a host.

So you are based in Copenhagen and are currently frequently using AirBnB as both a host and guest, but now turning to you as a host, why do you host people via AirBnB?

**DD:** ‘Cause I travel a lot so my apartment is often empty. That’s it.

And it just doesn’t make sense if I’m gone for a month that the apartment is just going to be empty for a month, when I can get people to pay for my rent that month.

**NL:** Ok, how often do you host people via AirBnB?

**DD:** Not that often, I’ve done it like two or three times.
NL: Ok, very few times indeed.

DD: So, yeah, and actually...

NL: But then you’ve done it for longer periods of time? So not only a weekend, but as you mentioned, ...
DD: No actually no, and it’s never - even if I wanted to do it for longer period. It never really worked out. So it’s always been like shorter - like extended weekends usually something like that.

So even though I was gone for a long time, I could have rented it for a longer period it never happened. You know like one time, there were a group of French people that wanted to rent it, but they were five people and I didn’t want five people in my house, you know?
NL: Ok.

DD: So that’s why I didn’t rent it but they wanted it for like a couple of weeks.

NL: I see.

DD: I just don’t want five people in my house that I don’t know.

NL: Yes, five strangers.

And if you would express this is a percentage out of 100, where 100 represents you being a host and a guest on or via AirBnB – how often do you host as a percentage of 100?

DD: Compared to...?

NL: ...to the total amount of you being a host and being a guest.

DD: So if a 100% is everything both hosting and “guesting”?

NL: Yeah.

DD: Ok, maybe 95 %, at least, is as a guest.

NL: Ok, yes, thank you.

DD: I used it a lot as a guest.

NL: Why do you think people decide not to stay at a standard monetized accommodation?

DD: First of all, because it might, because it’s usually cheaper to stay at AirBnB.

NL: Could you speak up a little bit?

DD: Oh sorry, yes of course. Because it’s usually cheaper to stay at an AirBnB host.

So that’s definitely number one and secondly from my own experience is because I didn’t really have any options. So I just went to, I just went to Florida two weeks ago and I was looking at a hotel in the area I went to for a conference and everything was sold out. So obviously you start looking into other options, right? So when all the hotels are old out obviously AirBnB facilitates more accommodation possibilities that just [a] regular hotel.
NL: Ok, yes I see your point and what do you expect from these AirBnB guests when you’re hosting through AirBnB?

DD: What do I expect?

That’s a difficult question, because...

NL: I can give you some examples.

DD: I expect them to respect my home, first of all.

NL: Yeah.

DD: But I don’t really have any expectations, because I don’t really know if I can trust the people that I don’t know, right? So that’s why, and again back to the platform, I think the platform is crucial for creating that trust-worthiness with the people you’re renting to, and back to communication, back to the response-rate. These kind of thing are crucial for me to get a picture of who is coming and living in my private home.

If I just had ten apartments, it wouldn’t be a problem, probably I could just rent them as a business kind of thing right?

But since it’s my private home – that’s very crucial for me that I can expect that they respect my home.

NL: Yes, I see.

DD: Were there other things you had in mind?

NL: Yes, maybe you expect them to interact with you once they arrive, you would want them to spend time with you or talk to you?

DD: So every time I’ve been renting I haven’t actually been there myself.

NL: Yes.

DD: No, but I mean, as I mentioned communication definitely.

NL: And you expect them to bring gifts, for instance?

Or leave tips because they were really happy with what they received – as a product – as a service?

DD: No, definitely not, I wouldn’t expect that, I wouldn’t even do that myself, so I wouldn’t expect it either. What I would expect or again it’s not about expectations, it’s about what I hope, you know?

Because I cannot expect anything. How can I expect anything?

I don’t know who I’m talking to right – expect for an online profile?

It could be fake, in principle, right?

So how can I expect anything?

I have a hope that they treat my house well.
I have a hope for if they use my stuff, if they used the last sugar or whatever, they buy new, you know what I mean?

I don’t know if I can say that I expect it, but I definitely hope that they will treat my house like I would treat theirs.

**NL:** And, ok...

**DD:** Does that make sense?

**NL:** Yes, that does make sense, thank you.

But maybe if they have some food, maybe even leftovers or something that they didn’t use, would you expect them to share to share it with you or to leave it at your place?

Do you think that would be “normal” to you?

**DD:** Again I don’t know if I can say that it is an expectation as such but the norm – I would – yeah.

I mean I do it if I have extra eggs or you know sorts of, some extra beers or some extra juice or whatever I would leave it in the fridge for the host to decide whether they want it or whether they want to leave it for the next guest or throw it out.

**NL:** Yes, ok, thank you.

And then, let’s turn to the next set of question which is referring to you as a guest on AirBnB and maybe you can elaborate on the first question a little bit and this is asking for how often do you travel in general?

**DD:** A lot. Like in terms of days, months, weeks?

**NL:** However you would like to put it, I don’t know how often you travel?

So maybe you can just try to summarize that?

**DD:** Maybe three months, three months a year, something like that.

**NL:** Ok, and then...

**DD:** ...something like that.

**NL:** But then it is like one month at a time or would it only be like weekend trips?

**DD:** So I went to India for four weeks beginning of this year, I just went to Miami for ten days, I’m going to Brussels, sorry to Portugal next month, for five/six days.

So it’s small trips, big trips combined you know?

I’m going to Brazil for a month and a half this summer, going to Budapest in Hungary for three weeks, yeah so it’s combined.

**NL:** It depends yes.
DD: It’s a combination.

NL: And how often did you already use AirBnB when travelling?

DD: How often did I already? 

NL: use 

DD: How many times, you mean or? 

NL: Yes, out of the trips that you already did.  
Maybe you could say that I’m always staying in AirBnB apartments or sometimes? 

DD: It depends, it depends a lot on where I go, what kind of trip it is.  
So, it depends a lot actually on the location, so the places where accommodation is really expensive, I would usually go for AirBnB.  

So New York, Tel Aviv, London, San Francisco, you know these kind of places; whereas if I go to Berlin, Barcelona, if I go to India or places like this accommodation is so cheap already compared to, you know, Danish prices that I don’t need to stay at an AirBnB place.  

Does this make sense? 

NL: Yes, it does, thank you.  
And so that’s the only reason, the monetary basis?  

DD: No, also because I prefer having an apartment.  
But again it depends on what kind of travel it is.  

So if I go to Tel Aviv, I usually go to Tel Aviv maybe once a year and I usually go for at least a week, maybe ten days. I like to stay close to the beach, I like to be able to do some grocery shopping, I like it to, I like the feeling that it’s my house “I live here” – for a period of time. You know what I mean?  

NL: So the flair, yes.  

DD: Yes, so I’m not travelling around, like if I go to India, I might be travelling around a lot.

So obviously it’s more like if I go to a place, I know “Ok, I’m going to be here for at least a week or two or ten days it’s nice to get that “homie vibe”, you know? Know the local grocery shop, the local café, you know? It’s different, it depends a lot on the purpose of the trip. 

NL: Yes.  

DD: If it’s a business or conference thing…  

NL: That’s actually my next question. So if I may interrupt you?  

DD: Yes, of course.
NL: So when you’re travelling are you mostly travelling for leisure reasons or for business reasons when you are staying at an AirBnB place - as a guest?

DD: Both, actually.

NL: Ok.

DD: I think, I think, what’s really crucial how long I’m staying. If I’m staying four days somewhere, usually I don’t mind paying a little bit extra for a hotel, because it doesn’t add up to that much. But if I’m staying a week or more obviously it makes a big difference.

NL: Ok, so it’s a mixture you said, right?

DD: Yes.

NL: And why do you as a guest travel using AirBnB?

DD: Why do I?

NL: Travel as a guest using AirBnB.

I think you maybe already touched upon it, that it’s very important to you that it is a cheaper option for you, yeah but maybe there is something else to it? So your motivation to be at somebody’s place.

DD: It’s cheaper, it gives a more local experience, I have a kitchen, I have privacy, I can invite people over if I rent the entire house, that’s a huge thing especially when I am at place where I know people, like if I go to Tel Aviv, I have a lot of friend there so it’s nice to have a house where I can invite people over. If it’s a hotel room some hotels have you know restrictions and letting people in and stuff like that.

NL: Ok, so you think that’s ok to do that, to invite people over at the apartment that you rented?

DD: Yeah, definitely. I mean if I think it’s ok?

Yeah, that’s why I rent an apartment to be flexible to have that freedom. So whether I would want my guests, I was hosting, whether I would want my guests to do that, I don’t know but of course I don’t mind.

NL: Ok, yes, nice, and how often do you travel as a guest via AirBnB? – Again referring to a 100% in total as you travelling and being a host on AirBnB

DD: Guest?

NL: Yes, I think you already kind of answered the question because you said that you are travelling much more than you are a host on AirBnB.

DD: So ok, let me get the question again.

NL: How often do you travel as a guest via AirBnB?

DD: How often do I travel as a guest?

NL: Yeah, and then if you could express that as a percentage of 100.
DD: Where a 100 is all my travel?
NL: Through AirBnB and being a host on AirBnB.

So it’s referred to the total of your AirBnB experience as a host and as a guest.

DD: So wasn’t that what I answered before?

NL: Yeah, but the other way around.

You already answered this question. I think for you, the answer would be and maybe you could just confirm it? - Is that you are a guest on AirBnB for 95% percent...

DD: Yeah 95% of...

NL: ...of the total amount of you being a guest and a host via AirBnB.

DD: Yes, so the ratio between me hosting and me “guesting” is 95% guest, 5% host.

NL: Ok, thank you.

Why do you not decide at a standard monetized accommodation? – So for you personally?

DD: So again same as before, I like the feeling of having a home, having the freedom, like yeah, the feeling like “Hey, I’m living here”, you know?, like I have a key I go, I can do whatever I want. I like that.

NL: Ok, I think you already elaborated on that – I guess you don’t see a big difference for other people and you as a motivation to use AirBnB in this case?

DD: What, sorry?

NL: The other question which we were talking about earlier was referring to other people and why they wouldn’t want to stay at other monetized accommodations.

DD: Why would other people wouldn’t want to stay...

NL: Yes, and now this other question, which we just talked about, was referring to you, but I don’t know if you see a difference: if you think that maybe people in general decide not to stay a hotel and for you personally there is another why you wouldn’t.

DD: So I think in general, maybe I misunderstood this?

I thought that it was more like in general, but I think mostly I would guess that mostly people use AirBnB for monetary reasons, because it’s cheaper. That would be my best guess.

I use it not only for that but also for the experience.

NL: Ok, thank you.

What do you expect from you AirBnB host?

DD: To communicate clearly, to communicate clearly and have a rapid response and yeah.
NL: Is there anything else rather than communicate clearly?

DD: I mean communication is everything, it’s about how do you get there, whom am I talking to, how do you communicate, like is it like a sentence without a dot at the end?

Or you know what I mean?

It’s like how do you present yourself as a host.

Are you nice/ welcoming or you’re just very short of words, you know?

Like I think that’s major.

So because again, you are asking me what I expect. You’re not asking me what I want or wish for, do you know what I mean?

NL: That’s going to come later on.

And maybe would also expect your host to give you a welcome gift, once you get to the place?

DD: No, I don’t expect anything, no.

NL: Food?

DD: No.

NL: No, nothing.

DD: Yes, towels, clean sheets, basic stuff – like that.

I expect that there is toilet paper, so when I arrive I don’t have to go buy toilet paper, that’s the first thing. These kind of basic things I would expect.

NL: Yes, but normally you go to places where the hosts are not at home when you get there or, as you said, you’re renting whole apartments but maybe sometimes you’re also just renting one room via AirBnB?

DD: So most of the time the host has not been there as such, although there has been someone representing the host. You know what I mean?

NL: To give you the key?

DD: Yes, to give me the key and bla bla bla maybe a cleaning lady or whatever – someone.

The host – most times I have been renting – the host hasn’t been there, because they either live abroad or something like that. They just have an empty apartment and then they rent it out.

NL: So, but sometimes you’re also just renting a single room?

DD: Yeah.

NL: Did this happen - already? Yes?
DD: Yeah, a room – I also rented a bed – like I stayed in San Francisco, it was like a, it was almost like [a] hostel, but it was just like shared, like a dorm kind of thing.

NL: Run through AirBnB?

DD: Yeah. So it was two guys who had a big house and then they made, they rented out, they made like a, they had a big room where they had like a dorm. So it was almost like a hostel kind of thing, right? With bunk beds and then they rented a room, like a bed.

NL: And one last question in connection to that, do you expect the host to socially interact with you?

DD: No.

NL: So if the communication is ok and you get the key then it’s all fine like – you don’t need...

DD: It’s not an expectation again.

NL: Yes, ok, but it may happen.

DD: There’s a, I mean I prefer, that they’re friendly, that they help me out, that they give me local recommendations but it’s not an expectation.

NL: Ok.

And where did you stay while travelling before AirBnB existed?

DD: Same, apartments and hotels. I would rent apartments in the same way that I would – just not through the same platform.

NL: Ok, and did you also stay at hostels?

DD: Hostels, yes.

NL: Yeah, sometimes, yeah, ok.

Do you see an alternative to being a guest at somebody’s place through AirBnB?

DD: An alternative, such as like?

NL: As we just mentioned a hostel could be an alternative.

DD: For me?

NL: Yes.

DD: Whether I would want to stay at another place, you mean? Like?

NL: Yes, if you don’t use AirBnB and you want to travel what are the alternatives that you see?

DD: Hotel, hostel, living with friends or through acquaintances.
NL: Do you think CouchSurfing is an alternative?

DD: Yes, both yes and no.

NL: Ok, so maybe you could elaborate on that in the next question, I mean answering the next question?

DD: Natalie, can we take a short break?

NL: Yes, of course.

So do you prefer AirBnB over CouchSurfing?

DD: So I never used CouchSurfing as such, I have an account and I used it to communicate, but I ended up, I think two or three times, that I wanted to use it, I ended up staying on the couch of some people that I already knew.

NL: How is that?

No, that’s doesn’t make sense.

DD: Ok, so basically I went on the platform, I wanted to use CouchSurfing, but I never ended up using it, because I ended up like regular Facebook or something; “Hey, I’m coming does someone have a couch that I can crash on?”.

NL: So you knew the people already?

DD: So instead of using the actual app for staying at a couch I ended up staying with people that offered me to stay at their couch.

NL: Through your own?

DD: Through my own network?

NL: Ok.

DD: Through Facebook or something like that.

NL: Ok.

DD: Does that ruin the whole thing?

NL: No.

DD: Ok, ok good.

NL: But maybe you could still say something about AirBnB and CouchSurfing, if you compare it?

What is, what would be more convincing for you, I mean about AirBnB or CouchSurfing?

DD: More convincing?

I mean obviously, CouchSurfing is free, so that’s a pretty big thing.
I like privacy. Living in someone’s living room that I don’t know I don’t feel so comfortable with. You know? A lot …I like my privacy, I like my privacy.

**NL:** So AirBnB is providing more privacy?

**DD:** Way more, because either you have a private room or your own place, right?

Whereas CouchSurfing, I mean you’re in the living room most of the time, right?

That requires that there’s someone in the living room, you know, so when they have to go to work like at 8’o clock in the morning, you’ll be in their living room, right?

So that’s obviously - I have mixed feelings.

**NL:** So you would prefer to stay at an AirBnB place over staying at somewhere through CouchSurfing?

**DD:** I prefer AirBnB, definitely.

**NL:** Ok, and what is most important for you when travelling and choosing an accommodation?

**DD:** Location is probably number one.

Money, two.

Comfort, three.

And the possibility of having people over.

**NL:** Which is only possible if you have the whole apartment of an AirBnB place?

**DD:** Well, I mean, not really, depends, some apartments, you know, if it’s a big apartment with some young people living there, you rent a room, they have a big, like shared kitchen space or something you can invite people, you know what I mean?!

**NL:** But not to stay at your …?

**DD:** Not to stay.

**NL:** ...for the whole night?

**DD:** No, not to stay over but just be – like if you want to go out, you can meet, still meet at the place and have, whatever, have a few drinks or eat something before you go out.

**NL:** Ok, and maybe you already mentioned it quite a few times but not as explicitly – the price is also important to you – when you are choosing an accommodation, right?

**DD:** Price is important yes, price is important.

**NL:** Good, then do you feel like you have an impact on how AirBnB is put into practice?

**DD:** No, not at all. No impact.
There’re some wise people sitting somewhere, orchestrating the whole thing.

I think that as a customer of the platform you kind of accept that they’re the experts on the field.

So you kind of expect that they know what they’re doing.

They have a lot of data on what works and how to do the transactions.

So that’s my expectation of the platform, does that make sense?

**NL:** It’s not about expectations actually.

**DD:** I know.

**NL:** Here it’s about…

**DD:** But here I actually do have expectations.

**NL:** Ah ok.

**DD:** Here I’m expecting something, because it’s a platform providing for something and I’m a customer of the platform. So I don’t expect anything as a guest, I have a wish but I expect something from AirBnB, because they are providing me a platform and I’m paying them.

**NL:** Ok, and as a host on AirBnB that expectation would be the same?

**DD:** The expectation would be the same as a guest, you mean?

**NL:** No as a host.

**DD:** You know but, so – yes regardless of whether I’m a guest or a host I have an expectation for the platform, right?

**NL:** And you feel like, you feel like the platform of AirBnB needs to facilitate that?

Let me rephrase this question: What does the platform of AirBnB offer to facilitate the AirBnB experience?

**DD:** Usability, ease of use, and then it’s obvious that they are doing a lot of research and development with their data. So you can see how they update the platform to reflect the behavior of the customers, both as hosts and as guests.

So in that terms I think that’s a major.

**NL:** …that’s what they are doing to facilitate the experience.

**DD:** Yeah.

**NL:** And do you see yourself as a vital part of this AirBnB experience?

**DD:** Me, personally?

**NL:** Yes, but you are creating the experience, aren’t you?

**DD:** No, because if I leave tomorrow millions of other people will be creating the experience.
I don’t have a personal impact. I have an impact on my own experience.

**NL:** Yes.

**DD:** Not on the platform.

**NL:** No, yeah but I’m referring to that.

**DD:** Ok.

**NL:** So you...

**DD:** For my own experience, yes of course.

**NL:** You’re adding to the AirBnB experience, the overall...

**DD:** My AirBnB experience? Not the AirBnB experience.

I’m not adding to the platform as a whole or to someone else’s experience, that I don’t know of.

You know, so I’m not contributing to the platform as such.

**NL:** You don’t think so?

**DD:** No, I don’t think so.

I don’t see that I have an important role in this.

It’s so big, that if I leave and never use it again – I don’t have an impact – it’s not going to change anything.

But for my own experience, of course it has an impact.

**NL:** Ok, and if you say that for your own experience it has an impact – in which way?

**DD:** So again: communication. The way that I communicate with the host, if I’m polite and you know like respectful and I tell them who I am and what I do, you know communicate in a more elaborate manner. That has a huge impact on how I’m perceived if I’m a guest for example and the other way around also, when I’m hosting.

It’s important to communicate – I mean, that’s the only mean you have, right?

Until you actually do a monetary transaction, all you have is a platform that allows you to communicate. That’s why I’m emphasizing on communication is key, because that’s all we have. That’s how you make money, that’s how you find a place to live - everything, it’s the communication with the other part.

**NL:** And I mean once you arrive at the place maybe you also think that you are becoming part of the host’s AirBnB experience? – Don’t you think?

**DD:** Yeah, to a certain extent, only twice that I used AirBnB, I actually had some kind of relation to those.

All the other times, it’s just been an empty apartment, it hasn’t even been the owner who gave me the places. It’s been someone who’s been facilitating several apartments.
NL: Ok, I see.

DD: Do you know what I mean?

So obviously there is a big difference whether it’s a private person’s home or whether you’re just renting an apartment somewhere.

NL: Ok, thank you.

What would be different if AirBnB would not incorporate a compensation of any kind?

DD: Monetary compensation you mean for renting my house?

NL: Yes.

DD: What would be the incentive then?

NL: That’s the question.

DD: Ok, are you asking me for incentives?

NL: Yeah, like the benefit for people using it?

DD: Well, it could be like, it’s like home exchange, right?

That if I rent out my house for every day I rent out my house I get credit that I can use on renting someone else’s home, that could also be a way. Then you eliminate the whole monetary part and it’s a real sharing economy, because this is like actually AirBnB is making a shit lot of money, right?

So how much sharing – it is sharing economy but they take a 20% cut, right?

So obviously...

NL:...it’s for profit, yeah.

DD: Yeah, it’s a for profit, it’s not just a sharing economy platform, right?

NL: So, yes, then let’s move on to the next question.

What do you think, can you trust in the members and their profiles and reviews on AirBnB?

DD: In general yes, that’s my experience. That’s everything, because you don’t know who you’re about to communicate with. So it’s very important that you have some people telling you, like some people giving you reviews.

NL: But you feel like you can trust in the information that is presented on the website with that respect?

DD: Based on my experience yes. I do feel that it’s true, I mean people usually don’t spend time on giving, like writing a review, if they’re not serious about it.

NL: Ok, do you see any risks while participating in the sharing economy?

DD: That’s a very, very broad question.
Participating in the sharing economy of the world?

Or are we talking about AirBnB now?

**NL:** We’re talking about AirBnB – still.

**DD:** Ok.

**NL:** Do you see any risks attached to that?

**DD:** Attached to using the platform of AirBnB?

**NL:** Exactly.

**DD:** Yes, my house being damaged or a host fucking me over, giving me a crappy experience and my money is already locked down, so I can’t really do anything.

Maybe I can, I don’t actually know.

If there are complaints/rights – what my rights are.

**NL:** So but now you are referring to you as a guest?

Or why would you think…?

**DD:** First, I was talking as a host, right, in terms of my house.

**NL:** Yes, and then if you’re a guest?

**DD:** As a guest I get the service that I pay for, right?

So if there’s a picture of a room, that’s the actual room that I get and not some other room, if you know what I mean?

**NL:** Ok, and how do you classify this, is this risk for you acceptable or inacceptable?

**DD:** It is the risk that I am willing to take, of course, especially as a guest, more than as a host.

That’s why I haven’t been hosting many times, it’s because I don’t like to take the risk. Especially when I’m away in India for a month, I don’t have any contact with the people who are staying there and stuff right?

So I can’t go and inspect when they leave as well, you know?

**NL:** Ok, how did you handle that? Did you ask friends to come over and provide the people with the key?

**DD:** Yeah one time a friend, another time my mom, so yeah.

**NL:** Ok, so last question.

How do you see AirBnB develop in the future?

**DD:** I don’t think it’s going to develop a lot, to be quite honest.

**NL:** Ok.
DD: I don’t see why it would develop, ’cause I believe that this type of, call it, sharing economy, which is not a sharing economy, it’s just a service that they provide for you to make money and for them to make money.

NL: So it’s like pseudo sharing?

DD: Yeah kind of, but I mean we don’t really have proper definitions of the sharing economy yet, I mean, so that’s obviously a new subject to look into but I think this is going to continue for many, many years and probably 50 years from now this is just going to be a norm.

NL: Ok.

DD: Which it is pretty much already, but it’s still a new thing.

I think the whole sharing economy is definitely a part of the future and it’s going to be even more elaborate in the future.

NL: And which role does the company play in the future vision as a provider of the AirBnB service?

DD: So I think this is more of a broad answer to that, that we’re moving into an era where we are very dependent on big companies, so AirBnB and Uber and these kind of platforms are basically taking over our lives.

They are not taking over our lives, but they’re taking over accommodation, transportation, you know all these regular means of life and obviously they have a huge impact.

So the future in that sense is basically us relying upon them, making the right decisions for us.

Because out of a sudden you’re depending on an infrastructure of transportation and accommodation that are in the hands of others. Before you could choose your hotel and depending on which hotel you was, they will have different, you know, different terms in the hotel. In the hotel, you call the hotel, you can make a deal with hotel, whatever.

Whereas now everything is going through one channel, you know, of a big, big, big, big, big company that kind of owns the entire space. You understand what I’m saying?

So now, today you have taxis, you have buses, you have trains, you have metro, you have different things and they all run individually, in the future it’s just going to be Google, you push a button and there’s a car that’s going to pick you up. That’s the Uber of the future, right?

NL: Ok, but maybe, one thing that I would want to know more about with regards to that is – AirBnB is not actually owning the apartments that are rent out through this website. So this means that maybe it’s not them having “the superpower” that you’re just talking about, right?

Because the actual...

DD: No, it is them, it’s the “landscape of services” as a broad definition. It’s not, I mean AirBnB is just an example and if it’s not AirBnB, maybe another platform will come.

That’s going to take over AirBnB, but people will still want to make money on their house.
NL: So do you see, do you think that money is the main driver behind AirBnB?

DD: Yes, 100%, without a doubt – both for the host and for the guest. It’s cheaper, I mean it’s like Uber again there’s a driver and there’s a customer that gets a cheaper transportation, right?

It’s the same with AirBnB, there’s a host that makes money – there’s a guest cheaper accommodation.

NL: Ok, and theirs is the company behind it also making money.

DD: Yeah and then there is the company, but we try not, I think as a customer of the platform, we try not to think about that that much.

NL: About that company also earning money?

DD: Yeah.

NL: Maybe one last question: What would you like to be functioning differently on AirBnB?

Maybe you could think about some critical voices on it – also thinking about taxation cause right now maybe officially people have to pay taxes on the profit that they make through AirBnB but actually they don’t – So maybe that’s something that you think should be working differently?

DD: I mean if you have a lot of apartments and you rent a lot of apartments out and you make a lot of money, yeah that’s an issue, but as a private person, I think, the average person doesn’t make more than the 55,000 [DKK] a year anyways, that they’re allowed to, before you have to pay taxes, I don’t really see it as a big problem, to be quite honest.

NL: Maybe you have another idea as well?

DD: So what I lack maybe a bit, with these kind of platforms, is that: who is actually behind it? Can I -

I am giving a lot of money to these people – who’s behind it, you know?! – You don’t know, I mean they’re all sitting like locked-up some places, not paying taxes, neither in Denmark nor in the US, or wherever they are from. So maybe more transparency in terms of who are we dealing with, that is one thing;

also maybe having the feeling that there is something local, that there’s an AirBnB local service provider maybe like a shop or an event, something like, something connecting hosts or guests or something could be an interesting experience, experiment as well, like I want to host but I don’t really have a lot of experience as a host, so I could go to an event where hosts and guests meet and mingle and talk about their experiences and then maybe I would encouraged to host more because I hear all those people with amazing experiences of hosting, for example,. I think that the whole utilizing the platform, utilizing the data base of all these amazing people all over the world could be very interesting, I think for AirBnB to look into in the future, how to use that.

NL: Ok, thank you, so I guess that’s it for now and I just need your demographics information here.
Interview transcription - expert: John Thackara

John Thackara (Interviewee) = JT

Natalie Langlotz (Interviewer) = NL

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NL: Good morning!

JT: Hello Natalie, good morning, how are you?

NL: Oh I’m fine, thanks, what about you?

JT: Good, well actually I’m down in the South-West, but yeah it’s alright. I have a clear week ahead so I’m trying to catch up as usual. So yeah.

NL: Ok, perfect.

JT: …And there you are, hello.

NL: Hello, yes, I wasn’t sure if we were, if we would do it with the video but I guess that’s better.

JT: We can do it with video but if the sound starts to break up we can turn the video off, that’s my normal practice personally, at least we can say hello visually now.

NL: Yes.

JT: Can you see me?

NL: Yes, I can see you, nice to see you.

Ok, and just before we start I actually have to clarify that I need to obviously record this interview because, yeah I’m going to use it for my Master thesis, but I mean if you wish not to be mentioned with your name then.

JT: No, I don’t have a problem, it’s just that, record away, no problem you have my permission, no problem.

NL: Ok, that’s perfect and once I all of our interview then I’m also going to send to you so then you know what we’ve been talking about. Yes?

JT: Ok, good, that’d be good.

NL: Ok, so then let’s start off, my first question is how would you describe what is special about the sharing economy?

JT: My description is of a mixed picture, the word sharing economy sounds as if it’s one thing, but actually when you grab the big terms and look at the activities that have been given the label “sharing” or “sharing economy” you find quite a diverse range of activities, in which the relationship between the people who provide the services and the people who use them – the infrastructures, those relationships are very different depending on the business model involved.
Therefore, I think, an important point is that there is no such thing as one sharing economy – there is
a multiplicity of sharing economies which is one of the things that has caused a certain amount of confusion
over the last couple, three or four years.

NL: Yes, unfortunately, I have to mention that the sound sometimes is a little bit interrupted right now, just
so you know.

I don’t know if it’s going to get better or worse.

JT: I’m turning my video off.

NL: Ok, yes.

JT: Then we’ll see if that’s a bit better.

NL: Yes, thank you.

So there’s a variety of different services that’s what you just said, which are actually part of the sharing
economy. So it’s just not one thing.

JT: Exactly, so mainly the concept of sharing of goods amongst the community on an equal basis goes back
for you know hundreds of years and so one could argue that early, pre-industrial and pre-modern forms of
ownership or shared use of commonly owned assets was in itself a form of sharing economy.

NL: Yes.

JT: What is described as a sharing economy today is a new generation of services that is enabled by the
internet and the applications of one kind or another that connect the people offering a service to the
people using a service in a new way.

But that is, so to speak, the latest version of a sharing economy but different varieties of companying and
common use of resources, go back, you know to a very long time. So that’s a good starting point is to make
that distinction clear that it’s, kind of, regarded as something new in the kind of recent years compared to
the past is that the knowledge element versus the material element is thought to be where the value is
created.

That is to say, just because one owns a car, a house or a bed does not make it possible to share that until
the arrival of the internet and websites and apps that enable, the people who need a bed to be connected
to own a bed.

NL: Yes, I see.

JT: So there is an argument, and well a reality that there is a new variety of sharing as a form of transaction
that did maybe not exist in the past but as I said, when you asked me about what is the sharing economy,
well it’s lots of different things, depending on the period of history and the type of transactions involved.

NL: Yeah, yes, ok, well, I think I got your point. And maybe if you put things in perspective to your new
book, with regards to your new book “how to thrive in the next economy” how would you characterize the
new sharing economy?

JT: What my book does is describe the very many different ways in which people are finding to share, meet their daily life needs in ways that do not always require them to be the private owners of the means to meet those needs, such as shared transport, shared housing, collaborative production and so on.

So in the book I talk about a very large number of case studies from different parts of the world of different cultural contexts, different economical contexts.

The diversity, to repeat myself, is what I think is exciting, because I don’t think there is a single emerging package called sharing versus not sharing and indeed the big debates of the last six to nine months have been about the fundamental difference between a sharing platform in which value is extracted by for example a private company, such as Uber or AirBnB.

That is one model of sharing – versus other models of sharing which everybody involved in they, the community or the network of people, has an equal benefit and equal rights to the value created.

Those are two fundamentally different forms of sharing, which I think we’re beginning to clear about but was not clear when the things like Uber and AirBnB started.

NL: Yes, ok.

JT: So what my book does it to say “if we put the well-being of people and the well-being of the biosphere at the top of the list in terms of what is most valuable then the, that is so to speak, that turns upside down the kind of main stream economic model in which in which the measure of value and the measure of progress is purely in money or money terms – and in the book there are any different examples of where money is not the only measure of success, or growth or progress.

NL: Ok, I see. So it’s also ore about non-monetized sharing in your book, so to say, right?

JT: Yes, because monetization is not automatically associated with, the extraction of value, you know there are community owned sharing platforms in which the participants put in money and time as their contribution to the system.

But where the ownership is shared that’s the difference.

With AirBnB or Uber or the many extractive models the basic business model is to create a monopoly over the enabling part of the platform and then to extract rent or extract a fee from every transaction that other people make. So in other word, the platform provider is not at the same level, economically, as the service provider or the customer.

NL: Yes, ok I see your point and my next question is what has changed ever since you’ve been watching the market?

JT: I think that what has changed is that the, as people have conducted this very wide variety of experiments at a local level to share resources in a way that is, leaves the biosphere healthy and human well-being healthy rather than the economy being some abstract higher good, people are realizing that different ways of connecting platforms to each other – different governance models – different cultural models even – are becoming more and more interesting to people.
So just to give you an example, mobility sharing is sort of the most obvious example. I remember five years ago when I took my first Uber somewhere in San Francisco I believed that that moment was an answer to the problem of automobiles - as being full use of resources, and it was indeed and remains to this day a very better way to access vehicles move around the city than to own one on your own.

But what happened afterwards was that the business model of Uber turned out to have very negative consequences for the drivers of the cars – also, by the way, for the cities in which these transactions are taking place, because Uber as business has no interest in the capacity of the city to absorb traffic.

So one interested party is Uber as a privately held or public company which extracts a rent from every transaction – by definition the more transactions that place on Uber the more successful the company.

If you’re a manager of a city or a citizen, the fact that there are more and more people taking more and more car journeys thanks to Uber is not per se an increase in the value of all well-being in your daily life.

So that’s what’s happening here is that Uber and similar operations are seeing an increase in vehicle density rather than a decrease because the convenience and the price have made it easier to jump in a car and go 300 yards than just to do a small task.

So it’s to do with how you frame the picture the whole sharing economy thing is, it’s a question of scale – not with a scale of how big can a sharing platform be? That’s one scale, but the other scale is the real world’s geography of a city or the world being of the people who live in that city.

There are two different forms of value and that’s where the confusion but also the need for clarity arises.

**NL:** Yes, ok, very nicely put, thank you.

My next question is: Is the sharing economy really just about altruistic sharing of unused resources such as accommodation objects?

I think you kind of already answered it just now but maybe you would still like to add up to that a little bit?

**JT:** So it’s simply, obviously as a statement of fact that platforms enable people to share accommodation and make it easier to do that if you have the financial means to pay for what the market for an AirBnB room is – for example.

But that does not per se solve the challenge to people of limited financial resources who find it difficult to rent apartments or find somewhere to live.

So I think that this is another example of where the sharing economy brings tremendous benefits of convenience and accessibility to people with relatively high incomes, who are in the formal economy, who have the means to charge the scots to their business or whatever.

But for people living informally without jobs, without benefits it doesn’t help them at all, because they don’t have the money to pay what the market requires.

– and on the contrary you’re seeing, you know, as you know places like San Francisco it’s becoming harder and harder for economically poor people to live in the city because the advent of the resource sharing in
this case – the flat sharing or the bed sharing and actually the cost of renting one bed for one day in a private way.

It’s an example of nobody per se could have anticipated this, but it’s what the outcome has been.

**NL:** Yes, ok, but I mean people just don’t only share just to do good or would you say it’s like that?

**JT:** No they don’t, so I’m just giving a very particular point of view is that people. I just contest the notion that the sharing economy is automatically a good thing, because it represents a more efficient use of resources. That is true if you regard convenience and the efficient resource use as the only measures of value in society.

But if on the other hand, you think that it’s important for poor people to have the capacity to live where they were born or if you think that cities are not filled with cars are a desirable social good, then there is a kind of conflict between the model and the other kinds of model.

So I don’t pretend, I’m not naïve about people acting disinterestedly but here is where I would go to, my next point is the platforms which today enable this very extractive model, whereby, you know, a company like Uber takes a cut on every transaction, in other words it extracts value from that transaction that is very dynamic and that’s what attracts all the attention.

The next generation of sharing platforms, will be those that keep the value contained within the community of people involved.

So I don’t know if you know the Herttoniemi, I think it’s called, as an example in Helsinki the urban farm in which there’s something like 100 families participate in an urban farm project sharing not just the land but also the work and they’re putting in the resources and they’re taking out the food and what is there happening is that rules and governance or that shared farm are backed-up by a labeled partner technology such as block chain, which provides a way for people to trust each other which was not available before.

And this is potentially very revolutionary because as you know because you said it yourself people don’t just share for the common good, they share for their own good.

That’s fine, that’s normal behavior, but supposing you wanted to find a way to participate in, for example, an urban farm so that everybody was/ received the benefits proportional to their inputs either of money or of time or work or whatever.

The new generation of co-operative platforms enable you to do that and I think it’s very early days, but people have, I don’t know if you have read articles about that as part of your Masters, but the big problem throughout history has been, what you just said, people don’t behave in a rational or unselfish way, people try to get out any benefit they can and with these new platforms this is taken account of where – so if you put in x Euros worth of value into a farm and somebody else puts in 5 units of value but 10 units of work, that system can then benefit how much food you can take out and everybody trusts the system because it’s not controlled by laws made by the landlord.
NL: Yes, I see.
JT: You have to basically, if you haven’t read, the whole papers on platforms on platform cooperativism – Norbert Schulz – that is a very crucial part of the discussion about where we’re next for sharing.

Have you come across that, do you know more about Norbert Schulz?

NL: No, but thank you
JT: Ok, I am going to send you a couple of things for you to read after this conversation, because it’s always hard in an interview, but that’s a pretty important part of the development is precisely this notion of a platform that enables people to cooperate on equal terms.

NL: Yes.
JT: Whereas, a sharing platform, whereas on a sharing platform such as AirBnB or Uber you’re not sharing on equal terms.

The company sets the rules, they extract their rent from each transaction and so on.

In a genuinely sharing platform, the platform is maybe provided for free, so certainly the members jointly agree who gets what from every transaction – and most importantly the value that is created remains within the network, so it doesn’t, in other words, money doesn’t disappear to some foreign owner, it stays within the farm/ the city/ the family or whatever.

NL: Yeah in this way it’s more sustainable and more authentic, maybe?
JT: Well, I think it’s more sustainable simply because you have a fundamental difference between a model in which financial growth is the, if you like, the DNA of an enterprise such as Uber, the bigger it grows the more benefit goes to the people who own the company; so it’s not so much about morality it’s just logic: it must grow in order to succeed.

Whereas if you have a farm it is in the interest of those 100 families that the farm remains a healthy place, that the soil is healthier for their children and so on and therefore their interest and logic is different and that’s what’s so

– it’s quite hard because there’s so much propaganda around sharing as being a universally good thing, but the difference between sort of extracting value and giving it to shareholders on the one hand or leaving the value in the community, on the other hand.

Those are two fundamentally different things.

NL: Yeah, ok, I see – and if you were to differentiate between monetized and non-monetized sharing, how would you do that?

JT: Well, these are hard questions – I have been – that all kinds of monetization are a bad thing because they render something abstract which started as something tangible.

So if you turn, you know, in a farm, monetized land, for example, and give it a financial value and give a monetized, and give the services provided by a river to a drinks company as soon as it’s monetized you can
then start to play games with money and securitize the money or sell your interest to somebody else and therefore the health of the river is no longer at the top of the agenda or the health of the land is no longer on the top of the agenda. That’s a fundamental dilemma with monetization.

On the other hand, it’s quite obviously not very practical to say: “We should get rid of money all together”, so I think that what is most likely and what is happening is some kind of combination of assets and resources that are commonly shared and which cannot be sold – such as land or air or health – on the one hand.

And then activities within that, such as the platform, sharing platform, which can be a business so long as that business does not reduce the value of the land, the air or our health. So an example of that is, I don’t know if I’ve talked about this in Copenhagen, but “la ruche qui dit oui” or “the food assembly”, that’s an example of a platform which is a private business but where the business has a rules, operates with rules in the interest of the farmer and the interest of the citizen and the interest of the land are more important than health of the platform, because the platform is at the service of the farmer, the citizen and the land.

So you should check out “la ruche”, it’s a very good case study because it’s only four/ five years old.

NL: “La ruche qui dit oui”, did you say that?

JT: “la ruche qui dit oui”, yes.

NL: Yeah, ok.

JT: That is an example of where a sharing platform can have a socially beneficial impact, even though it is run according to/ on money principles – you know, it’s a business.

NL: Yes.

JT: But that’s because the rules of the company and the rules and the model of that particular business model is based on serving interest of the farmer’s land and health.

Whereas another platform, I don’t know if you Walmart or Amazon or Uber or AirBnB – their business model is to increase the volume of transactions – full stop, that’s their business model – because they take a share of each transaction – and therefore the more transactions the better they do – that’s a fundamental different business model.

NL: Yes, I see and are you familiar with the concepts of AirBnB and CouchSurfing?

JT: Yes.

NL: Yes, ok – and did you already use either of them?

JT: I use AirBnB a lot – I’ve never done CouchSurfing, but I used AirBnB quite a lot.

And it’s very often a very convenient and successful service. It’s just that I’ve been around long enough, you know I’ve been using AirBnB for again five or six years, I don’t know.
NL: I am sorry, it just got pretty interrupted so I wasn’t able to understand what you just said, could you repeat that please?

JT: Just that the AirBnB that I used, for me as an individual is a fantastically good service, it’s convenient and the interface is good and I can decide to pay for the money that somebody is asking for a room – which is fine.

It’s just that as the same time as this convenience is being provided to me the results of a vast number of people going into the AirBnB provider space has removed space which would have otherwise not been shared for no money at all - In, you know, the big cities AirBnB has not made it easier for poor people to live, just hasn’t – just as a statement of fact.

So there is a difference with my individual experience, and which is the same with Uber, by the way, it’s a fantastically convenient and well-organized, well-designed but me as an individual user making judgments about convenience and price, then of course I will go to Uber.

But that leaves unanswered the question of who is responsible for the health of the city or the health of my streets where my children are in or those sorts of questions and that’s a problem in the kind of purely extractive sharing platforms, where in my opinion high forms of value are not considered.

NL: Yes, ok, I see your point, but did you mainly use AirBnB as a guest then?

JT: Yes.

NL: Yes, ok – and how would you classify those concepts – maybe yeah with regards to sharing?

You already mentioned AirBnB, but maybe you also have an idea about how sharing works on CouchSurfing?

JT: So I don’t any longer regard AirBnB as a sharing service. I regard it as a rental of bed, you know room rental service in which I, you know, pay money into a platform, which then, you know, connects me with somebody who has room.

The whole operation is held by a company called AirBnB, it’s not really a direct relationship between me and the owner of the house. It is of course a convenient and fantastically interesting service but it’s not sharing – not in the pure sense of sharing benefits equally, because of the cut as the part of the money that I give to you if you have a room – I don’t have any control over that.

-so to speak, a kind of barrier to “pure sharing”

NL: Ok, I see, ok, and when you think about CouchSurfing? Do you think it is like “true sharing” that is enabled through the platform of CouchSurfing?

JT: I think so, I have never done it so I don’t know more than you what it means but the CouchSurfing, obviously quite a lot of people have used it, it just became a good example of a very cool idea that as time went by all sorts of technical new questions arose up to security or people, you know, not that behaving according to acceptable sharing behaviors – which I don’t think is per se, you know, a surprise, it’s just offers a very distributed “nobody-owns-it” kind of system.
They had to start finding ways to introduce rules and security and safe guards that’s the problem yeah.

NL: Yes, ok, thank you and my next question is: How do you see the role of the consumer and the companies in the new sharing economy? Like how would you define the roles?

JT: I think that’s what’s happening is that we’re all learning that it’s something that seems very kind of simple and uncontroversial often turns out to be a bit more complicated then we realize. So the idea of passively saying: “Yeah AirBnB is cool” or “Uber is cool” – I was completely one of those people when it started – then time passes and you realize that actually it’s not always such a good thing – for the ways I’ve described.

So I think the notion of consumers who just passively use these services, I mean lots of people of course will continue to do that and I’m probably one of them, but at the same time I think the society is saying: “we have to find a new way to protect the health of the soil and the health of our children and of the land”; otherwise we will not survive, sharing platforms are not by themselves the answer to that question, that’s where being a consumer in a passive sense is not really the answer.

NL: The answer to like solving the bigger global problems?

JT: No, let me put it this way, the fundamental difference between a sharing economy on the one hand and the care-based economy is the transition we’re in at the moment.

Sharing resources - depending on the lens or the frame or you know, which kind of resources we’re talking about – you can either do it for money or you can do it for love or you can do it for some kind of, you know, communal basis. There is different models that I’ve described. At the end of the day if they operate within a capitalist system in which money is a fundamental measure or value and the growth is in the logic of the system, then we’re not going to have a good future.

And therefore the different model is commonly based on care – how well we care for the land?/ our children?/ public space?/ and so on. That becomes the new model of economic success and which is beginning to be tremendously influential, you know in health, in farming, in environmental, in resources, in cities and so on.

Well, I don’t really say that the success is which we care for the soil, the water, the air – is the measure of how well our economy is doing. That’s where we’re headed, so if you look up caring economy or care-based economy, there’s a gigantic amount of very interesting texts and books being written about that subject.

NL: Ok, thanks for the indication and in how far are offerings or experiences in the sharing economy adapted to the heterogeneity of one customer in particular?

JT: Well, quite a lot in the sense that the, every aspect of each transaction is recorded by the platforms most of the time. So they accumulate a large amount of information about our preferences, what we like to do, the kind of prices we want to pay, the places we go and so on.

And so the systems are able to tailor what they offer to what the, the histories of somebody who has used the services in the past and so yes that is individualized but within a very kind of atomized basis, this is. Me as a service user, rather than me as a citizen of a city or a citizen of the water shed or a citizen of a bio-region.
Those are two different scales, so that’s why this notion of care is a more interesting one than sharing because you can care for things in different ways including using transactive services. But it’s a different model that answers the question of why things seem to get worse despite the arrival of the sharing economy.

**NL:** Ok, and my next question is: how do you see the product or service offered by the different market participants in the new sharing economy as a means of differentiation?

How do different market participants manage to maybe be unique or differentiate their service from another alternative?

**JT:** There’s a large amount of duplication and people.

Anyway, I’m trying to answer your question about differentiation and basically my answer was that, there is not a lot of different structure or differentiation between the many sharing platforms that are emerging, they are all based on the model of taking a cut from the value of the transaction.

The biggest difference is the one I’ve mentioned a bit earlier about the notion of a commons space platform in which the value remains within the community of people using it, that’s the fundamental difference. So platform cooperation in which money is not extracted by a third party platform.

So that’s the fundamental difference and I will look up the texts that I’ve told you about a platform and I’ll send that to you after we’re talked.

**NL:** Ok, that would be great. Thank you.

Ok, I think, let me just check if I still need to know about something else- maybe, I mean, you already shared some ideas about how the future will look like in terms of sharing and how communities and economies will work, but maybe that would be a good way of closing this interview – just you to repeat maybe parts of your vision about the future with that respect?

**JT:** Yes, so basically my vision of the future is based on what I see happening today. I don’t anticipate something arriving which has no president coming out of the sky. I think, what my book is fundamentally about is signals of transformation which may be very small but when you join them together or when a frame around them something genuinely new emerges, so and as I have been saying in our conversation, the fundamental change in from a model of sharing based on extracting a share of the transaction, which is the AirBnB and Uber model, which is sort of where we’ve got to now. That was phase one. Phase two is a new generation of platforms that expressly design so that value remains within the community of users or the common group.

And that’s where this notion of platform cooperativism comes from, which I’m going to send you some information about – and that’s the fundamental difference.

And the other exciting thing is that future will contain the answer to a very old problem. The notion of the, the tragedy of the commons, or the tragedy of the sharing economy if when either somebody makes/ gets more out of it than somebody else, or when it’s not equal in terms of all the resources that you put in and that’s where technology that underpins trust relationships, new kinds of governance and so on, that’s so important, in terms of a new way of organizing how we use resources.
NL: Ok, I see, does this lead to a revolution?
JT: I use the word transformation rather than revolution. I think that revolution has a slight, I don’t know what you mean by the word revolution, but it’s a transformation yes.

Revolution sounds like, you know a punch of people with guns or pit forks coming to take over the parliament building, I think that is not what I’m talking about.

I am talking about a cultural and economic transformation in which a care economy takes over from a money economy as the way in which we organize ourselves, but it is a revolutionary change, although I prefer the word transformational, but it is something that emerges from all these different experiments that I’m describing.

NL: Yes, ok, I see. Well, then I thank you very much for your input and your time and yes consideration and I’m going to transcribe the interview and I’ll get back to you and I’m looking forward to receiving your email with some more input, if you have some time, yeah?
JT: You’ll have that within five minutes, I will send you an email with a couple of things for you to read, because it is pretty important that you’d at least be aware of this transition from the extractive model to the Howard model, but if you read these texts it will probably be much easier for you to understand what I’m talking about than talking over the phone.
NL: Yes, ok, I appreciate it.

JT: I wish you every luck with your thesis Natalie, and I look forward to receiving a draft and I give you a very quick turn-around on that.

NL: Ok, perfect, thank you so much, have a nice day.
JT: Take care. Have a good day.

NL: Bye.
(4) Interview transcription expert: Claus Skytte

Claus Skytte (Interviewee) = CS

Natalie Langlotz (Interviewer) = NL

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NL: Do you want water?
CS: Yes. Thank you.

NL: You’re welcome – and thank you for your time.

Let’s get started. Are you ready?

CS: Yes, I am ready.

NL: Ok, perfect, so my first question for you is: How would you describe what is special about the sharing economy?
CS: The special thing about the sharing economy is that it is a technology that like never before gives you the possibility to see and get an overview of ideal hands, ideal brains, and ideal stuff – so you can rent it, buy it, lend it, share it, swap it or give it away.

So it is a technology, the sharing economy is a technology. Some would say that the sharing economy is also a culture. In Denmark we have a kind of sharing culture that we could call a sharing through tax-culture, because we pay an awful lot of tax in Denmark but then again we share out hospitals, our schools, our roads, libraries and so on. So there is a 150/100 years old sharing culture in Denmark, but the new thing with the thing called sharing economy is that it’s really is a sharing technology that gives you access to stuff, brains and hands (work) that is ideal for use – and that is unique – it has never been possible before.

And it is the 4th industrial revolution – the fact that we now are more and more connected through our mobile phones – that we are moving from humanity into an all-connected digital conscience.

And before – ten years ago you wouldn’t share anything on the internet.

Today there’s nothing you don’t want to share on the internet.

So the last ten years we have learnt to share our thoughts and pictures and everything with each other through the internet and now it’s time to share the rest through the internet.

So the sharing economy is a technology, the third internet wave and the 4th industrial revolution.

NL: How would you describe the industrial revolutions that happened before?

CS: The four industrial revolutions - the first one was steam and weaving, the first weaving – back in England 1780, the next one was oil, electricity, the conveyer belt in like 1880, the third one was the introduction of IT and computers in 1970 and the fourth industrial revolution happened together with the internet and the iPhone – just recently – just now.

NL: Ok.
CS: And maybe because of Moore’s law, Moore’s law that says that a technology gets half as expensive and double as fast every year, which makes it an exponential growth rate – maybe this means that this is not only the 4th industrial revolution, it is maybe the first exponential revolution and the next revolution will happen much faster – maybe we as human kind have made our last invention: the combination of computers and internet – and self-learning robotics that maybe will do that the last industrial revolution – the fifth industrial revolution, which will be when we go from being homo sapiens to a kind of “machina”/“machina sapiens”.

NL: Like in the matrix, in that movie?

CS: Like in the matrix, yes.

That we invent our own god, a digital god.

NL: Ok, a super brain or super computer.

CS: A super brain and a super computer – and it works so fast that a computer ten years ago had the power of an insect. Today a computer has the power of a mouse. In 20 years the computer will have the power of a human brain and in 30 to 40 years the computer will have the power of all humanity’s brains. So it will be able to think very fast and it will be a self-learning machine and 95 percent of all the experts in this field say that it will make an artificial super-intelligence within the next 30 to 60 years.

NL: Ok.

CS: And then there is a 50 – 50 percent chance that it will either kill us or solve our problems.

NL: Or first solve our problems and then kill us?

CS: But it won’t kill us because it’s evil, it’s not evil, it’s just a machine, it will only be a mistake.

So when it’s trying to calculate something and we are not a part of that calculation, it will just wipe us out, maybe not...

NL: Not on purpose?

CS: No, not on purpose.

NL: That’s nice.

CS: That is why in all self-learning computers it is deep-coded now that whatever happens it is not allowed to kill people. And that’s happening now.

NL: Yeah, yeah, I’ve been seeing some videos on the internet about this, so I think it’s kind of true.

CS: And then again we all know that we are going to die and it gives us a 50-50 chance to live forever – that is a good chance to take.

NL: That’s true, ok, my next question is, with regards to your book “Skal vi dele?”, how would you describe or characterize the new sharing economy?
I mean I see that you already touched upon certain arguments that I’ve seen in your book, but maybe you would like to elaborate on that?

CS: And, sorry, what was the question again?
NL: With regards to your book “Skal vi dele?”, how would you characterize the new sharing economy?
CS: There is kind of four ways to go into the sharing economy and there is a lot of fights what sharing economy means. First all the red, the socialistic people would say: “it is a new social way of bringing us closer together. The green people will say: “this is a fantastic way of reducing the resources and save the land. The blue ones would say: “this is purely capitalistic, we’re going to earn billions of that” and the black-thinking people will say: “this is moon-shining, this is avoiding tax”.

So that’s the four ways into it.

When we attended the “ouishare festival” in Paris the first time it was very much the green and the red direction that was in charge. But last year when we went there and Jeremy O’Wang went on stage as the third speaker telling that the one percent had bought AirBnB and Uber and has taken over this dream maybe bypassing the old capitalistic system, there was a feeling of depression in the rest of the “ouishare festival”.

So basically the sharing economy is an internet tool, and the internet is a tool, you can use the internet sharing with your neighbors or you can use the internet for hiring ISIS terrorists.

So it’s up to us seeing how can we use the internet.

But in the sharing economy I say that these four parts and in Denmark it is like the old sharing culture and the new sharing technology.
NL: Ok, yes, thank you and what has changed ever since you’ve been watching the market?
CS: Oh, there’s a reason why have written three books now. It’s changing all the time and week to week new stuff is happening. When I wrote “Skal vi dele” there was a handful of sharing economy-companies in Denmark. Now I’d say there a new one every 14th day.

So thousands of thousands of concepts and platforms and experiments are growing up every day and lately - yesterday “deemly” had a million funding, they are building a reputation bank. So you can...

NL: I heard about it.
CS: Yes, so that’s what happening yesterday.

Yesterday also the first commercial printable solar panels transparent.

NL: Is it a 3D printer, or what is it?
CS: Yes, you can buy transparent like a plastic film that can make sun energy, so if you put it on that window you wouldn’t perceive it and it would create energy.

If you can create energy you can have a sender and a receiver.
If you have a sender and a receiver then you can go on the internet and that means that everything outside can be put up on the internet.

NL: So it’s the internet of things?
CS: Yes, exactly and that system that is needed for making everything into an internet of things was released commercially yesterday.

So there’s happening stuff every day and I think we would be very, very surprised how fast it will be and go and how many things that we didn’t even think of that will a part of our normal life in maybe one, two, three or five.

NL: Not only in Denmark but you see this globally?
CS: Yes, globally. But Denmark is moving now, one year ago, one and a half year ago nothing was happening and now there’s happening a lot and a lot of young people are founding new companies – and that’s good.

And it will be very interesting to see what will happen.

NL: Yes, that’s true – and is the sharing economy really just about altruistic sharing of unused resources such as accommodation objects?
CS: No, like I said before there is four ways into it. Some use the sharing economy to get a better social life and get close to people and CouchSurfing for instance or HouseExchange some use the sharing economy to save the planet and use the resources in a better way or experiment of using the resources in a better way – there’s no concepts really now that can compete with the old system.

Our own shop “Resecond” is the green...

NL: Kjolebutik (“dress shop” - in Danish)
CS: …our concept is very environmentally friendly, but it has to scale so we have to find a way of scaling. But again the people who are in our kjolebyttebutik (“dress bid shop” – in Danish) do it to reduce their foot print. And then most people use the sharing economy to save or earn money and I’d say that’s like 80 percent.

NL: Ok, so that’s the main driver – the monetary aspect of it?
CS: Yes, and then the rest of the people are trying to stop it, because it’s new.

NL: As you said in your book, there are like three choices you can take, like either be with it, against it or, what was the third one?
CS: You can ignore or you can laugh about it and fight it or you can go with it.

NL: Ok.

CS: And I think that’s fairly normal because people don’t like anything that’s new, they’re being afraid, they want to keep up all the good stuff.

Denmark is one of the richest and freest and even the happiest country in the world. So of course people want to say that, but they can’t because it is a revolution, it is not a trend or affair. It is a revolution that is changing the world, just like the other three revolutions.
NL: Yes.
CS: But people hope that in some way can try to stop it, but I the last third industrial wave when seeing that the computer could be a threat towards jobs and a strong workers’ movement tried to stop it, trying to put 100 percent tax on everything that had to do with computer stuff.

And some people would want to do that with the sharing economy as well.

NL: The tax?
CS: Yes, we tax, and so much that people won’t use it.

But what will happen is that people will still use it but it will not be Danish products, it will be American venture capitalists’ products.

Some people want to stop Uber, but it’s not possible because the European Union has told all their members that the sharing economy will give a growth rate of about 1.8 percent and if any of the members is trying to lay out poison the sharing economy they will be punished.

So that’s why even the social democrats in Denmark don’t dare to stop Uber and only the very far right and left try to stop it, but it’s not possible, you can’t stop technology that makes life easier, better and cheaper for the people.

NL: But you know that in Germany they kind of banned it?
CS: Yes, that is because of a very strong car manufacturing power.

NL: The lobbying?
CS: Because it’s Mercedes and the Mercedes lobby in Germany is very powerful. So therefore it has been stopped, but it is like when the horse wagon lobby tried to stop the automobile with the automobile act. It will last for a couple of years but it will not be possible to stop such a huge factum. The car industry says that the first self-driving car will be there in ten to 20 years; if you ask Larry Page from Google or even Musk from Tesla they say that the self-driving car will be here in three years. So maybe somewhere in between that the self-driving car will be there.

-And I don’t think it is Mercedes.

NL: So then it is not even going to be peer-to-peer sharing maybe?
CS: No.

NL: It’s like a machine-to-person sharing.
CS: Yes, exactly. Machine-to-machine or machine-to person.

And banning Uber because it is piracy taxi-driving is ridiculous because in a few years there won’t even be a driver. It will be a machine.

NL: So there is nobody to take taxes from?
CS: No, yeah exactly.

What’s happening in Germany on that point is only because Mercedes is such a strong lobbyist.
NL: Ok, where do you see the difference between monetized sharing and non-monetized sharing?

CS: If you ask the reds and the greens, they will say that the real sharing economy is when there is no money involved. So therefore they say Uber and AirBnB is not the sharing economy.

The real sharing economy is free move of a good heart and no money involved among friends.

But I say that is that is one way of seeing it, but the sharing economy is a technology that gives you the possibility to access and share hands, and minds, and stuff for money or for free.

NL: So you would include both sides – with compensation and without compensation?

CS: Yes, and some would say that the one is unethical sharing, but if you are a “blue” business man you would not.

So it is a question of ideology, where you are politically and your political view what you think ethical sharing economy is.

NL: Is it also a question of wealth?

CS: It is also a question of wealth right now, but that goes both ways, because where we see the sharing economy, “pure sharing economy” work is mainly now in Spain and Portugal and Greece, where there is no or less money between people so they have to share not because they think it’s funny but because they have no money.

And in a country like Denmark it is still easier, even in Spain and Greece, it is easier to live the monetized way, the old money way of a money economy. So the sharing economy is kind of difficult right now, you have to make a choice and it’s hard to try to live a sharing economy life.

I would say it is impossible to live a sharing economy life right now, but it’s because we are in the stat, we are in the early cowboy days of what is going to happen. And it’s like trying to live with online commerce ten years ago and it would have been very difficult to make a life out of e-commerce ten years ago, today that’s what everybody does, right?

So it will take a couple of years and a lot of experiments to make the right platforms that will make people’s life easier and cheaper and everybody will use it.

NL: And whose choice is it?

Because you said it’s a matter of choosing.

CS: Sorry, I didn’t understand the question?

NL: Is this a choice that you take on a personal level or is it a government that is going to decide for us – what it’s going to be like the new platforms, the new sharing platforms?

CS: Yes, it’s different things.

Today maybe seven percent, the same people who are buying ecological and biodynamic food, chooses the sharing economy to be a part of repairing this planet.

But the real game changer will come when the companies, the big companies, who know that two and a half billion people are moving from poverty into the middle class and they all want to the same stuff they
have seen on television – what things we’ve got, they want this stuff and that means that the raw materials, the prices of raw materials will, they are kind of low at the moment because of the oil crisis, but that’s not the real problem.

The real problem is that there is a lot of speculation in the raw material prices that makes it very hard to budget your raw material use for the next year, because the prices are going like this.

In the market you can earn on selling products the old ways and send them to China get them glued together and shipped out in a container. The mark-ups are so few that if you buy your raw materials when they are up high, well, then you’re dead because your competitor bought it when it when they were down.

So it is in the big companies’ interest to keep their raw materials. They will keep their raw materials and lend them out to people in the sharing economy. So they’re kind of waiting now that the sharing economy will reach a level where people think that it’s easier and better and cheaper to rent and lease and swap and share instead of buying and throwing it out.

So the circular economy will be ready when the world is taught sharing economy.

**NL:** Ok, I see, so you see also like the industries, the big industries involved?

**CS:** Yeah, it will be the big industries, that’s for sure.

**NL:** And for them the benefits of participating in the sharing economy more actively also not only with their services, is that people take on risk even financial risk for using the resources they need in order to produce products?

That is what you just said, right?

**CS:** Yes, the companies want to survive and the only way to survive in an environment where all the raw materials are being highly speculated in is to secure the re-use of their resources.

And what will happen with robots and automatization and 3D-printing will change the way we produce stuff. We have now, for the last 30/40 years, sent all our production to mainly China, India, Pakistan, now in the next ten years it will come back because we’ll print our own stuff.

**NL:** So it will come back to the highly develop countries?

**CS:** Yes, and IKEA knows that in ten years that there will not be any IKEA warehouses anymore. There will be an IKEA printer.

**NL:** Ok, beautiful.

**CS:** They know that – and again people are, because...

**NL:** But how do you know about IKEA’s vision of the future?

**CS:** I’ve worked for IKEA.

**NL:** Oh really? Oh ok.

**CS:** So I know them on a high level and I was just in Dubai last week when I talked to one of the leaders in IKEA and I asked them: “Do you know that in Denmark and Sweden they are talking about that?”, and they said: “Yes, we know, we know that this is turning into a printer.”
NL: Ok.

CS: And when will it turn into a printer?
It will turn into a printer when we don’t use – now we have, what’s it called? - “out-facing” fossil energy
such as oil and we’re moving towards greener energy production, but we still use oil in plastic and all kind
of stuff and materials.

So now engineers are looking for a new kind of raw material that can be used for printing – that is not oil-
based. It’s not found yet but there will be ...

NL: There will be a super material?

CS: There will be a super material.

NL: I think you also talk about that in your book?

CS: Yes and it’s already happening, there is a manufacturer in Copenhagen. There three companies – two in
Sweden and one in Finland that work with a possibility to take used clothes and turn it into thread again so
you can weave new textile – you can do that now. It’s just much more expensive than making a usual
thread shop in Pakistan.

NL: Ok, yes and until now, right?

It’s always a matter of...

CS: It’s still too expensive, but if Moore’s law does not lie then I two years, three years, four years it will be
cheaper to re-produce thread than to have it made it Pakistan.

NL: Ok, thank you, and coming back to the monetized and non-monetized sharing, I wanted to ask you if
you’re familiar with the concepts of AirBnB and CouchSurfing?

CS: Yes, I am.

NL: Yes.

CS: And HomeExchange as well.

NL: Yes, so if you’re familiar with these concepts, did you already use them?

Both of it?

CS: Yes and no, I have not used CouchSurfing so far, but AirBnB and HomeExchange yes.

NL: Ok, why didn’t you use CouchSurfing?

CS: It’s because I have a family. CouchSurfing is more for a single person, to have a couch in a room, I have
been married and have children for more years than CouchSurfing has been available.

But if I was a teenager today or a young single man I would probably use it, yes.

NL: Ok.

CS: So it’s more practical reasons, we need a home when we are...

NL: You need some space?

CS: Yes.

NL: ….some privacy?

CS: Not the privacy, but being four people takes up a lot of space.
NL: Yeah, that’s true.
CS: And so you need more than a couch.

NL: I agree, and how do you feel about your experience especially on AirBnB? And maybe you can also say something about HomeExchange?
CS: Again, we’re not doing because of the price, because I think AirBnB is pretty pricy as well.

Again it’s the convenience, being a family – and when we had small kids and we tried AirBnB for the first time it was much easier and better for us to have a whole home with a kitchen where we can make food when we want to instead of a hotel that is not really built for families, maybe hotels do not even do 4 people rooms. They only have double and single rooms. So it was because of convenience that we changed from hotels to AirBnB.

And not that we don’t use hotels anymore, but most of the time we use AirBnB.
NL: Ok, I see and so you always take whole apartments on AirBnB?
CS: Yes.

NL: Because you can also just choose to rent a room, you know?
CS: That’s right, but then again when it’s a whole family you need more space.

NL: Yes, I understand.

How do you see the role of consumers and companies in the new sharing economy?

Do you think that they are of equal influence, I mean do they have equal levels of power?

Or do you maybe even think that the consumers gained a lot of power?
CS: Being a fat, old-school company with a fence around you gives you the possibility to letting people hate you or they want, and you have the best products and they are going to buy them anyways. So that’s kind of good. You can hate Apple, but they still make great phones, right?

In the sharing economy it’s a whole different way, because AirBnB has no rooms, Uber has no cars, Alibaba has no stuff, Facebook has no content. So if people start hating on them, then they will be empty.

“Lego” can take a shit storm, AirBnB cannot. So they are very vulnerable – the sharing economy companies, they have to be loved. That means that they have to be very aware of what the users want and make them satisfied.

So it goes both ways in the sharing economy we have to smile more we have to help each or we have to provide the best service to get five stars or hearts or however you counting your reputation.

But the companies have as well, because AirBnB is only a click away from not being there.

Do you remember there was a thing called “MySpace” that was before Facebook?

NL: Yes, of course.
CS: It was so popular but everybody left it to Facebook in one month MySpace was out.
And the same thing can happen with AirBnB. If some brilliant guys are going to find a way to do AirBnB even better, everybody will leave AirBnB over night and there will be a totally empty company. So it’s very vulnerable and it goes both ways, everybody wants to be the most smiling, best service providing, the most beloved company and consumers to make worth.

NL: Ok, and how do you see companies differentiating, like from one another in this new space?

CS: So I think again we are in the early cowboy days, so there will happen a lot in this field. There is a lot of companies that want to be AirBnB and want to be Uber or be the AirBnB for this or even be the AirBnB for that. So we haven’t seen nothing yet.

There is five/six car sharing platforms in Denmark right now, and there is Uber fighting “gomore” and gomore is the nice company that everybody likes and everybody likes hating Uber. But then again Uber’s platform is better than gomore’s.

Yes, it’s a fight, it’s a competition and when it is decided that Uber is not illegal I guess that three seconds later gomore will integrate the same features on their platform, maybe that will mean that it will grow, because people love gomore more than Uber. But we have to wait and see what happens – maybe there will be a third, or a fourth, a fifth player in the market.

NL: So and how would you describe success, what is success in this market?

CS: Again it is an ideological question and me personally I want us to find of really doing sustainable growth, as we’ve been talking about for years, maybe twenty years we’re talking about sustainable growth.

NL: So that’s rather green?

CS: Yes, it’s rather green, but I am saying growth as well, and when I am saying growth I mean economic growth. I don’t believe in zero growth, but I think we have to make a new way of counting growth. So I still mean that people should be allowed to earn money, and they should be allowed to earn a lot of money and be billionaires in the sharing economy as long as it saves the planet as well.

But if you ask a business man or the liberal alliance, they will say screw the planet let’s make some money and that would be their success rate, right?

I hope that Denmark will based on our culture, our security and all the stuff that we’ve been building trust, looking back on the last 100 years that we can use to make some Danish platforms as good as “Danfoss” or Lego, that we can export in the world. We have always been very good at security, food security all kind of stuff, but also resources efficiency.

And I hope that we can make some platforms that people outside the boarder would like to buy so we can have our new “Skype” and Lego. So saving the planet while we are earning money. That’s my success criteria.

NL: Ok, so money will still be a part of the future of the sharing economy?

CS: Yes, and there will be a lot of new ways of counting value and using value, I think reputation bank and time banks and something like that, but it is not normal yet, it is on a very early experimental stage and when block chain, may be maybe be not, part of the “internet for value” if that works.

If it works then we will see all kinds of different ways to pay each other. But right now money is the easiest way to do it.
And where do you see the governments in these value creation processes?

CS: I don’t see them there, I held meeting with them and they are very confused. I would say that the ministers that I have talked to are too focused on the refugee problems, so they don’t even have visions.

NL: So they are left behind?

CS: Yes, are totally left behind. I don’t think that it will be the governments that will take the lead of this. This will be the big companies that will take the lead. It will not be the governments.

So hopefully the governments will be interested in the future and will facilitate the future instead of regulating now we can stop the whole and be us before the financial crisis. So that’s my hope, that’s why I’m talking with them to make them understand that there’s no way of stopping a revolution.

NL: Ignoring it?

CS: Yeah and losing it. But I think they understand that but they focus on a lot of other stuff, so they’re not thinking a lot of the sharing economy. It’s not even in their mind-set.

NL: Yeah and I mean it’s a grey, that’s what we just said. It is difficult get taxes or to put like an old-school system on that.

CS: Exactly, and they look a lot at the European Union and the USA and they say: “don’t poison it”.

NL: And you said that you think that the companies are going to be the leaders in this revolution, but are these companies mainly service oriented or production oriented?

CS: It will be very service oriented and it will be the small ones growing up that didn’t exist yesterday.

And it will be the very, very big companies that have the money to experiment with this new kind of economy.

And all the small and middle-sized companies will be smashed between them.

So there will be the grassroots and the big ones, and a lot in the middle that will die.

On the list of fortune 500 companies half of the companies have been wiped out since year 2000 because of the internet, that’s the fast it goes, right?

So it will be all the small and middle-sized companies that don’t have the force or the money to experiment that will have to die.

NL: Ok, but maybe the force also lies in the communities in the number of people participating?

CS: That’s a whole other thing, when it comes to, we talk a lot about sharing technology here, but a sharing culture, people helping each other. I think that we will see some very interesting ways of trying to uphold our welfare system, but very located in small communities out on the country side.

For the last 50/60 years we had this “sharing-through-taxes-economy” in Denmark, so our main way of living and I see it as a problem is that, the state got solid because we pay 50 percent of our wages in tax, but now the money is not there. There is not enough taxation. Automatization will create unemployment, there will be less tax-income because of that. More and more people are getting old, there are less
people, so less money will be there. So we will be forced, like in our first “co-op- movement”, where we had problems that the people in the 1850s/60s were lying in the streets and were dying because of hunger and we went together and said: “guys, we have a problem, we have to solve it, I have a wagon, let’s go down to the mill and get some flour so we can bake bread”

NL: Join forces?!

CS: Yes, and bypass the traditional market, because we can’t afford it. This was how the first “co-op-movement” started and I think we’re in the same place and that’s actually what this book is about, that we can’t rely on the state, because the state doesn’t have the money, we can’t rely on our tax system and know we have to help.

NL: So it’s like the consumers themselves try to create a new market that is better serving their new needs?

CS: Yes.

NL: In that way they are also pretty empowered.

CS: Yes, that was what my first book was all about, but the awakening has not risen yet and a lot of people in Denmark don’t even know about the sharing economy. They never heard about it.

NL: Maybe they know about it, but they just don’t know about the phenomenon, they can relate to certain providers?!

CS: Yes, and when they heard about it they would react with resistance and would maybe say: “That sounds stupid to use old dresses, I’m going to buy new stuff”, but what they don’t know is that there is a new reality and it will not be possible to live a life like you did in the old days.

NL: A new way of consuming?

CS: Exactly. So whether they like it or not it will be reality. But hopefully again it will be companies making life easier, better and cheaper for you. So people will choose to live a new, better life. Seven years ago nobody thought they would need a smart phone, right?

I saw some secret figures from TDC (from seven years ago) of how many people will use a smart phone in 2014, the most positive figure said half of the population, right?

And I think in 14 we were at around 85 percent plus that it’s not possible to buy other phones than a smart phone, right?

And then again people on the streets, that maybe seven years ago though that they will never have the use for a smart phone, they have a smart phone now and couldn’t think of a life without a smart phone. So it’s not that you wake up Wednesday morning and then the world has changed.

It does it in a sneaky but positive way, because if...

NL: Constantly?

CS: Yes and you won’t choose products that don’t make your life easier.

So therefore right now everybody is trying to find out what is the perfect way of sharing with each other. What is the perfect sharing solution platform, right?
And sometimes it is such small things – Skype at your Microsoft messenger board there was a Skype-function. There was the Skype-function.

What they did, the Swedish and Danish guys, that they were taking this function out of Microsoft and then they were putting a red and green telephone...

**NL:** Icon/ symbol?

**CS:** Yes, they were taking that out and suddenly everybody understood it: “Ah, it’s a telephone, right?”

**NL:** An online telephone!

**CS:** And there were only two buttons, everybody did and then they earned billions.

So there is also something on AirBnB, there’s something on Uber where some guys will say: “Oh we take this feature and give it another green button” – and suddenly everybody understands it.

So it’s small stuff. You don’t have to change the world, the only thing is that you have to make the perspective better, so they understand what it’s all about, because now it’s not many people that understand what the sharing economy is, maybe they heard about it and they heard about AirBnB or Uber, but they don’t really know much.

**NL:** They don’t see the big picture?

**CS:** No, and they don’t see why it’s relevant for them.

**NL:** And do you think that, you just talked about it earlier, this super power and this super brain, that maybe all of these sharing services might develop into one platform? Like a big Google, that is facilitating everything?

**CS:** Yes, I have just talked to some leader of Google one month ago. They are also worried, they are worried that Google can be out competed.

**NL:** Left behind?

**CS:** Yes, that’s what they think. Google being afraid about being left behind: “Aren’t you the one leading it?” Yes, but they are...

**NL:** But I mean are there competitors for Google?

I mean very, very few only, right?

**CS:** Yes, but then again if this is the first exponential revolution then things will happen very, very fast – and the biggest sharing economy companies are growing double as fast as Google and Facebook.

If you see the growth rates,...

**NL:** Exponentially?

**CS:** Yes, then they are moving double as fast, if it’s not three times as fast.

**NL:** Like by the speed of light.

**CS:** Exactly.
Time is up, did we reach it?

**NL:** Yeah, let me check I think this was interesting talk. Actually I made up most of my questions, not even like I put them here, but I think that we covered most of it.

Yeah, so thank you very much. That was great.

**CS:** And if you have more questions for me then you can send them to me and I will mail you back.

**NL:** Ok, perfect, thank you for your time.
Elaborations on research scope & delimitations

It should be noted that the case study approach often incorporates quantitative data generating methods. Although quantitative data gathered through e.g. a survey as part of a mixed-method approach incorporating a representative size of the survey’s sample of participants can make the study’s results more generalizable (Yin, 2009, pp. 40-45) this research focuses on qualitative in-depth expert interviews. This decision has been taken as the field of the SE is still evolving and exploratory qualitative research is likely to provide the researcher with more in-depth knowledge applicable to the case of the chosen accommodation segment of the SE. Moreover, firstly it has been opted for a grounded theory (as a research strategy) instead of a case study, but the extent literature view conducted and required in academic research does not match the idea of the grounded theory where little or no theory is the starting point for grounding one’s own theory through qualitative methods (Saunders, 2009, p. 149). Hence, the case study approach has been found to be a solid alternative allowing for a literature review to be the basis of research and implementation of exploratory qualitative interviews. Quantitative research methods have not been added as this does not serve the intended insights to be gathered through the interviews conducted (ibid, 2009, p. 146). Furthermore, it is very likely that a quantitative sample of e.g. the respondents of an online survey would not have been of a much more representative sample size helping to build more generalizable findings. In the new SE context generalizations are difficult to make as the market is still in the process of constant change (ch. 4.1) and of a blurry nature (Scaraboto, 2015, p. 152) - while value is being co-created within. Thus, more space will be given to the elaborations on the qualitative expert interviews’ findings.