COMMUNITY-FOCUSED STRATEGIES IN THE SHARING ECONOMY. AN ANALYSIS OF SOCIAL IDENTITY DYNAMICS AND THEIR IMPORTANCE FOR PEER-TO-PEER MARKETPLACES.

AN AIRBNB CASE STUDY.



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ABSTRACT

Community-focused strategies have been developed and are being employed by companies as means to create relational links with communities of potential customers. The aim of those strategies is to create a competitive advantage by fostering customercompany identification through the company's commitment to values contributing to (a development of) the community's social identity. So far, these strategies have been considered for companies targeting existing communities with already established identities. This paper examines the relevance and applicability of community-focused strategies in the Sharing Economy, i.e. in a commercial peer-to-peer platform context. This context is especially interesting as the commercial nature as well as the fast scalability of platforms is likely to be detrimental to 'community'. The study examines the issue by first studying the community dynamics of such a platform community-Airbnb. The explorative case study approach reveals that this user community is only bound by a weak cognitive social identity and by a sign value, i.e. being part of the Sharing Economy having gained an ideological value. Moreover, community values are mostly self-referent, driven by personal utility concerns. The high propensity of members to switch to alternative platforms implies a lack of loyalty that can be attributed to a lack of attachment to both, the community as well as the platform. Based on these findings and faced with current market developments in the Sharing Economy, this study argues for the importance of identification, especially through cognitive and affective social identity that lead to attachment and consequently loyalty. Faced with increasing competition, platform differentiation and a fragmentation of the market, attachment and loyalty are regarded as an important competitive advantage. By acknowledging post-modern consumer needs being not only driven by utilitarianism and functionalism, but also by fun and feelings, the need for personal identity creation and belonging, this study proposes community-focused strategies as a way to increase member attachment and loyalty in the Sharing Economy. It discusses different community-focused strategy approaches suited for differing platform strategies as well as their potential effects on platform dynamics.

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1 Introduction

With increasing digitalization and as a consequence of web 2.0, markets and businesses have undergone substantial transformation in the last decade (Borhini & Carù, 2008). Rooted in this development, the Sharing Economy (SE) is a new economic model built on distributed networks of connected individuals and communities (vs. centralized institutions), transforming the way we produce and consume, unlocking social, economic and environmental value of under-utilized assets and resources and changing the role of consumers from passive to active creators, collaborators, producers and providers (Botsman, 2013; 2015). It can be seen as a paradigm shift driven by technological innovation, a shift in values, new economic realities and environmental pressures (Albinsson & Perera, 2012; Bardhi & Eckhardt, 2012; Botsman & Rogers, 2010). There has been considerable interest in the SE due to its rising actuality, economic relevance and disruptive power that can mostly be attributed to its underlying business model, the (multi-sided) platform (Cusumano, 2015; PwC, 2014). SEs revolve around sharing what we own as well as accessing commonly-, privately- or companyowned goods and services (Botsman & Rogers, 2010)(Botsman & Rogers, 2010). SE platforms rise and fall with their ability to attract a user community (Cusumano, 2015; Hagiu, 2014) and consumption is not an individual activity but usually embedded in collectivity and networks of connected consumers. Communities have been studied extensively in post-modern consumption studies, which recognize that individuals not only consume for the use value of a product or service, but also for the creation of a social link (Cova & Cova, 2002). Moreover, through their commitment to a set of values, communities are regarded as alternative sources of identity construction (Hitlin, 2003; Hogg & Terry, 2000; Stets & Burke, 2000). Increasingly, community building and the creation of a relational link can be seen as an overall business strategy followed by many firms, as community-based investments are likely to create sustainable competitive advantage through loyalty outcomes (Fosfuri et al., 2011; Fournier & Lee, 2009). Communities may turn into a long-term strategic asset and thus an imperfectly imitable resource that cannot easily be copied or purchased (Jeppesen & Frederiksen, 2004).

1.1 Problem identification

Fosfuri et al. (2011; 2013) have investigated how firms can create and appropriate value in interacting with communities by addressing those communities that already exist independent from a company. With community-focused strategies (CFS), traditional companies can deliberately tap into, sponsor and grow existing communities that represent the target market of that company. In defining community, the authors adopt a social psychology lens, i.e. a community is characterized by a shared social identity of its members, who, as a result, see themselves as a member of that in-group (Hitlin, 2003). The identity a community provides is varyingly strong and depends on values and value congruence among community members. In order for a company to get legitimated as a member of such a community and thus be able to create a relational link to its members, it has to credibly commit to or even strengthen the community's values and eventually invest into value congruence (Fosfuri et al., 2011). In the SE, (peer-topeer) platforms can be seen as intermediaries or enablers of the exchange between producers/owners of complementary goods and buyers of those goods, mostly governing or regulating these transactions. Because of network effects and winner-takeall outcomes (Gawer & Cusumano, 2002) platforms need to attract large numbers of complementors and users to build up an attractive marketplace for both sides. These dynamics lead platform communities rather emerge as a consequence of the platform compared to communities existing beforehand with established identities. Due to the exponential growth potential and scalability of platforms (Cusumano, 2015), platform communities are likely to become very broad and value congruence among such broad communities becomes questionable. Furthermore, community dynamics and the emergence of social identity might be additionally aggravated when exchange is monetary, since extrinsic rewards might crowd out voluntary participation efforts (Ryan & Deci, 2000).

1.2 Aim of study and research question

Limited studies investigating community dynamics exist in the context of (commercial peer-to-peer) platforms within the SE. This thesis aims at contributing to strategy, platform and marketing literature by studying one explicitly commercial community-

Airbnb, and serves two purposes. For one it aims at gaining a better understanding of such peer-to-peer communities and the social identity mechanisms in place, as well as at determining their effects on behavioral outcomes. Second, and by taking into account these findings, the aim is to determine why and how, i.e. by which strategies, community-based investments into social identity can offer peer-to-peer platforms opportunities for establishing and defending competitive advantage. This purpose leads to the following research question(s):

How can multi-sided platforms within the Sharing Economy engage with their community on the basis of social identity?

The preceding question requires an understanding of community dynamics and especially insights into consumer values, motivations, identification processes and consequences, leading to the following two sub-questions that are a prerequisite for answering the main research question:

How and on the basis of what values does identification, i.e. the emergence of a social identity take place?

What role does social identity (and the values on which it is based) play in the adoption of the platform, participation behavior and other behavioral outcomes of members?

Answering the research questions requires a multi-level analysis of the value set of individual community members and social identity dynamics among community members as well as between community members and the platform. Chapter 3 will provide a framework for data collection and analysis that will guide the research. The framework exemplifies the emergence of social identity based on value congruence among members of a community leading to certain behavioral outcomes. It is therefore suited to serve as a frame of reference when examining community dynamics.

1.3 Empirical context: The Sharing Economy

An increasing number of consumers do not see traditional ownership but temporal access and sharing as a more desirable way of having access to products, services and resources. This change in how people wish to buy, use and access products and services has led to a wave of peer-to-peer marketplaces and access-driven businesses (Botsman & Rogers, 2010; Bardhi & Eckhardt, 2012; Lamberton & Rose, 2012). The rapid growth of the SE has been fueled by technological innovations, i.a. network technologies, social and collaborative software are fostering sharing and facilitating the rise of distributed networks of connected individuals and communities (Botsman, 2013).

1.3.1 Defining the SE

Even though the SE is gaining ground, there is no clear definition of what it comprises and different terms and definition are being used synonymously, such as collaborative consumption (Botsman & Rogers, 2010), access-based consumption (Bardhi & Eckhardt, 2012) and commercial sharing systems (Lamberton & Rose, 2012). According to Bardhi and Eckhardt (2012), sharing can be anything to which access is enabled through the pooling of resources, products or services. John (2013) classifies the SE into SEs of production including practices such as crowdfunding and crowdsourcing; and SEs of consumption that represent new marketplaces and business models across a variety of different sectors and industries that can be caught under the umbrella term of Collaborative Consumption.

1.3.2 Rising actuality, drivers and enablers of the SE

A study of PricewaterhouseCoopers estimated the SE to be worth at \$335 billion in revenues by 2025¹ (up to \$1 trillion according to Arun Sundararajan (Eisen, 2015)) hence having recovered the traditional rental market (PwC, 2014) (see Appendix 1). The SE is shaking up established industries, evidenced by Airbnb and the hotel industry, Uber and taxi transportation or crowdfunding and venture capital funding. It is thus leading many companies operating traditional business models to get a hold onto this movement and to 'new' customers. The prospect of valuable new marketplaces and

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¹ The SE comprising global peer-to-peer lending, crowdfunding, online staffing, peer-to-peer accommodation, car sharing, music –and video streaming (PwC, 2014).

communities for introducing products or to enhance reputation attract traditional companies to the SE. In 2011 for instance, the apparel company Patagonia announced a partnership with eBay in order to make it easy for its customers to buy and sell used Patagonia products (Matzler et al., 2014). Evoked by an increasingly liquid (post-modern) society, re-urbanization, concerns about our finite resources and the economic recession, a sociocultural shift changing the way people think about consumption and ownership has taken place (Bardhi & Eckhardt, 2012; Botsman & Rogers, 2010). According to Botsman and Rogers (2010) the SE is driven by a strong environmental and social argument, i.e. creating a more sustainable mode of consumption and recreating the social link. Increasingly however, research suggests the major motivation to be self-oriented, especially through resulting cost-benefits (Matzler et al., 2014), recognition and reputation (Boudreau & Jeppesen, 2014).

1.3.3 Study context: Collaborative Consumption

Collaborative consumption (CC) revolves around sharing what we own as well as accessing commonly-, privately- or company-owned goods and services (Botsman & Rogers, 2010). Different researchers have attempted to come up with a typology and classification of different forms of CC, regarding the nature of goods shared, the transaction models (business-to-peer, peer-to-peer) and the compensation (commercially motivated vs. non-for profit). Existing definitions however show that there is no universally accepted one yet and that in most cases CC is not clearly distinguished from the broader SE. This might be due to the relative newness of the phenomenon, a lacking definition of the SE to start with and various emerging business models that constantly add to or change the existing understanding. Botsman and Rogers (2010) classify CC along three systems. Product Service Systems allow individuals to pay for product benefits without having to own them. Products or services can be company- or privately owned (e.g. Car2go). Redistribution Markets are about redistributing used and pre-owned goods and exchange can be for free or monetary (e.g. Freecycle or Ebay). Collaborative Lifestyles revolve around sharing or exchanging less tangible assets, such as time, space, skills or money between people with similar interests. The focus here is on human interaction (e.g. Airbnb, social lending, coworking spaces and community gardening). According to Belk (2014), Botsman and Rogers (2010) classification of CC is too broad. He defines CC as "people coordinating" the acquisition and distribution of a resource for a fee or other compensation. By including other compensation, the definition also encompasses bartering, trading, and swapping, which involve giving and receiving non-monetary compensation" (p. 1597). He excludes models like CouchSurfing from CC, as there is no compensation involved. Bardhi and Eckhardt (2012) on the other hand do not focus on the compensation but rather on ownership. They subsume product service systems and collaborative lifestyles as categorized by Botsman and Rogers (2010) under the umbrella term access-based consumption and define it as "transactions that may be market mediated in which no transfer of ownership takes place" (p.881), thereby excluding redistribution models that according to Botsman and Rogers (2010) do fall under CC. A further classification according to Lamberton and Rose (2012) is based on exclusivity (as for restriction of usage) and rivalry (as for a limited supply and scarcity). Access-based consumption models, as defined by Bardhi and Eckhardt, fall under the term commercial sharing systems, that are marketer-managed systems that provide "the opportunity to enjoy product benefits without ownership" (p.109).

This study focuses on the case where people coordinate the exchange of privately owned goods or privately provided services in exchange for a monetary compensation for a temporary use and thus no transfer of ownership is taking place.

1.3.4 Case: Airbnb

The empirical context in line with the focus of this study is Airbnb, a specialized online marketplace for peer-to-peer short-term accommodation rentals. The two-sided platform matches temporary rental seekers with house or apartment owners. Founded in 2008 by Brian Chesky, Joe Gebbia and Nathan Blecharczyk, the platform grew very quickly (for Airbnb's timeline see Appendix 2). After overcoming initial hurdles, the company's number of listings rose from 50.000 in 2011 up to 800.000 today (Airbnb, 2015; Ferenstein, 2014), "which means they now offer more lodging than Hilton Worldwide or InterContinental Hotels Group or any other hotel chain in the world" (Helm, 2015, p.66). It is currently present in 190 countries. Airbnb's funding has grown from \$7,2

million (series A) in 2010 to \$1,5 billion (private equity) in 2015, resulting in an estimated \$25,5 billion valuation of the company (CrunchBase, 2015; Demos, 2015). Its current valuation makes it the second highest valuated startup in the world (after Uber). It reports \$850 million in revenue and an operating loss of about \$150 million (D'Onfro, 2015). Following a recent study of Barcalays, Airbnb represents 17,2% of hotel room supply in New York, 11,9% in Paris and 10,4% in London. Those numbers are estimated to rise, as the room-nights per year are estimated to go up from 37 million today to 129 million in 2016 (Mudallal, 2015). As of 2013, the average price of an Airbnb apartment in the US was ca. 28% lower compared to a hotel room (Statista, 2013).² Due to its fast growth and its startling impact on the hotel industry, Airbnb has become a poster child of the SE and CC. It can thus be seen as an instrumental case, as its quick growth exemplifies the fast scalability of platforms and their resulting broad community. Airbnb is built on a two-sided platform model (see chapter 2.2), whereby travelers making up the demand side and hosts making up the supply side are tied together. Access to the platform is not restricted. In order to be able to book or offer a room, apartment or house, hosts and guests need to set up a publicly viewable account. When searching for a property, guests enter the desired destination and date and get a list of available options including information on property type, location, other property features, price and rating. Moreover, guests can see the hosts profile including optional information and a picture, as well as reviews from previous guests. Guests use Airbnb's request and payment system to make inquiries and bookings, subject to host's approval, who can see the guest profile including an optional description, picture and reviews from other hosts. If the host accepts, guests pay Airbnb, which then pays the host accordingly to the price he or she determined. Airbnb charges the host a 3% service fee of the total guest charges. The guest pays a service fee between 6-12%, depending on the length of stay (Airbnb, 2015). Airbnb's bilateral reputation system allows hosts and guests to review and rate each other. Reviews are simultaneously revealed once both parties have supplied a review. Platform control by Airbnb is high. It controls the

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² Percentage calculated by taking into account the cities NYC, San Francisco, Boston, Chicago, Los Angeles and Seattle (Statista, 2013).

communication between hosts and guests, which is only possible for the sake of making a booking request. Exchange unrelated to booking inquiries is not possible and no function facilitating a dialogue between two or more parties exists. Private communication and the provision of communication alternatives, such as email or social networking sites are inhibited. In one of the founder's words, ""Airbnb is about so much more than just renting space," says Chesky. "It's about people and experiences. At the end of the day, what we're trying to do is bring the world together. You're not getting a room, you're getting a sense of belonging."" (Helm, 2015, p. 67). Looking at the Airbnb website, the company's strongest controlled communication channel, the values that are communicated are mostly rather general community values. Building meaningful connections, being at home anywhere and thus belong, love and meet-like minded others through being hospital. The only self-referent value being highlighted is the opportunity to monetize your space (Airbnb, 2015).

1.4 Relevance of overall research

The rising actuality of the SE and its fast growth show the importance to gain a better understanding of this fast-pacing phenomenon. Especially since, according to Bank of America Corp. strategist Sarbjit Nahal in Bloomberg (Eisen, 2015), "there's a \$450 billion market in the U.S. for services that could be disrupted by the sharing economy". High M&A activity of traditional, established companies, large funding amounts and mergers between platforms that join forces to displace market leaders in a winner-takesall environment show the impact of this new economy. Avis' acquisition of Zipcar as well as Hyatt Hotels Corp.'s collaboration with and investment in Onefinestay (the high-end Airbnb counterpart) are supreme examples (Eisen, 2015). Since platform success is dependent on being able to attract and retain a user community, studying community dynamics in this context is extremely important. An understanding of communities' social dynamics arguably builds a strategic basis for platforms' interaction with and governance of communities and is likely to become increasingly important in gaining competitive advantage in an environment subject to increasing competition. CC is an especially interesting and complex context for analyzing community dynamics, as it is characterized by conflicting perceptions: On the one hand,

communal values are regarded as one of its main drivers (e.g. Botsman & Rogers, 2010). On the other hand, (so far limited) research shows the prevalence of utilitarian and self-referent motivations and values (e.g. Bardhi & Eckhardt, 2012). This is reflected in two observable trends of how platforms within CC try to engage with their community. Whereas some focus solely on personal utility, i.e. utilitarian purpose of the interaction and to some extent self-referent values (e.g. Uber), some focus on groupreferent values and are actively providing values and symbols for identification (e.g. Airbnb). In a recent HBR online article, Eckhardt & Bardhi (2015) pose the open question which of the two approaches is going to win the market. In a preceding study, in which they investigate the nature of consumption and exchange in car sharing, they found that consumers reject community and any sense of we-ness (mostly connected to the promotion of group-referent values with a focus on relationship building), not only around the brand, but due to the prevalence of individual rather than collective utility do not feel a sense of belonging to a community (which however might be partly due to the anonymity and autonomy of company-to-consumer car sharing and thus differs from the focus of this study) (Bardhi & Eckhardt, 2012). Insights into members' values, value congruence and social identity mechanisms are potentially contributing to an enriched understanding of participation behavior and other behavioral outcomes in such peer-topeer communities and lead to the development of CFS in a platform context. This thesis is thereby contributing to strategy and marketing literature.

1.5 Delimitation

This thesis aims at providing an understanding of communities within the SE by analyzing one domain- CC. Research is empirically founded in one representative case within accommodation rental, Airbnb. This limitation of domain, industry/sector and case will allow a more thorough investigation of the phenomenon within the limited scope of the thesis, compared to a cross-segment and industry analysis likely to result in more superficial results. Generalizability and transferability are thus limited. The research is explorative and the emerging findings are used to formulate new insights as well as to derive potential platform strategies. Hence, this study is providing input for future research and practice, even though more research will be necessary to generalize

findings and see if findings hold true in another context, i.e. in other platforms and industries. Moreover, the study focuses on commercial platforms (vs. platforms that are not regulated by a price system and exchange is non-monetary). This confinement will shed some lights on the prevailing contradiction of values (supposed to) driving CC (see chapter 1.4), as of the potential prevalence of rather extrinsic motivations and self-referent instead of communal values and their effect on social identity mechanisms and group norms (Dholakia et al., 2004; Ryan & Deci, 2000). In social identity theory researchers increasingly push for a merge of identity (concerned with role identity) and social identity theory (concerned with group identity) (Hitlin, 2003). This thesis will ignore role identity, as group identity that can lead to distinct in-group favoritism and behavior is regarded as more important in the context investigated within this thesis.

1.6 Definition of terms and concepts

Tribal consumption studies: The acknowledgement of the consumer as member of a tribe has its roots in the socio-cultural shift from modernity to post-modernity. According to literature, differentiation and individualism guided individual actions in modernity and reached its climax with the emergence of post-modernity in the second half of the 20th century. With the dissolution of social bonds a reverse movement in trying to re-create social links began. The two opposing attitudes both denote postmodernity and can be seen as two sides of the same coin (Cova, 1997; Firat & Dholakia, 2006). Whereas the Northern school of thought that promotes individualism sees consumption as self-defining, the Latin school of thought (Cova & Cova, 2002; Cova & White, 2010) assumes that products are consumed for both their use and social linking value, defined as "the value of the brand and its related products and services for the construction, development, or maintenance of the interpersonal link [...] between consumers" (Cova & White, 2010, p.258). Cova and Dalli (2009), advocates of the Latin school of thought, attribute two characteristics to the linking value. First it is coconstructed by and during the interaction between individuals and only exists during interaction and second it takes time for it to come into existence, during which rituals are being developed that strengthen and denote the network. Based on the socio-cultural developments described above, Østegaard and Jantzen (2000) developed the 'Consumption Studies' paradigm that acknowledges the consumer as member of tribes that create a shared meaning through symbols and rituals and sees consumption as a culturally embedded activity.

Co-creation logic and consumer made: The firm-centric logic, which assumed that value is created inside the firm and customers are passive recipients of a product or service that is the carrier of value has been replaced by a co-creation or servicedominant (S-D) logic of value creation. This logic advocates the convergence of the distinct roles consumers traditionally fulfilled in the value creation process. It acknowledges consumers as active, connected, informed, creative and empowered, largely enabled by new technologies (Muñiz & Schau, 2007; Prahalad & Ramaswamy, 2004a, 2004b; Vargo & Lusch, 2004). The company and its customers are engaged in the collaborative task of value creation leading to a situation where "power and control are radically decentralized and hierarchical: producers and consumers coalesce into "prosumers" (Pitt et al., 2006, p.118). In interacting willingly, consumers create own, unique and personalized consumption experiences (Prahalad & Ramaswamy, 2004). Cova and Pace (2008) expand the S-D logic to what they call "consumer made" perspective, where consumers themselves create resources and form networks, e.g. in form of communities, which are almost independent from the company and constitute the offer. By shifting the focus to the firm as a forum or platform for experiences that enable consumer interactions with both the community and the company, and by engaging consumers in organizational activities or let them create their own offers, unique value is being created for the customer, who turns into a strategic asset for the company eventually leading to competitive advantage (Jeppesen & Frederiksen, 2004; Prahalad & Ramaswamy, 2000, 2004b; Vargo & Lusch, 2004).

Values, motivations and goals: The three concepts are difficult to separate and many different definitions exist. There seems to be a "circular causality among these three constructs" (Jolibert & Baumgartner, 1997, p.676). Figure 1 outlines the interrelationship of values and motivations based on their most prominent definitions.

Relations/ Authors	Values and motivations
Schwartz and Bilsky (1987)	"Values express motiva- tional concern."
Rokeach (1973)	"Values have strong motivational components. Terminal and instrumental values are motivations."
Murray (1951)	
Maslow (1970)	"Values are motivations."

Figure 1: Interrelationship between values and motivations (Jolibert & Baumgartner, 1997)

In line with Schwartz (1994), this thesis regards values as, at a basic and tangible level, reflecting a set of motivations. In line with Jolibert and Baumgartner (1997), personal goals are seen as subordinate to motivations. A motivation is satisfied when the subordinate goal is being obtained. According to self-determination theory (SDT) (Deci & Ryan, 1985), two types of motivations can be distinguished, namely intrinsic and extrinsic motivations, based on reasons leading to an action and associated attitudes. When people do something for its inherent satisfaction or enjoyment and not for a consequence, they are intrinsically motivated. Extrinsic motivation on the other hand is the doing of an activity for the sake of a consequence or outcome (Ryan & Deci, 2000). What motivations guide behavior is based on the distinct value set of a person. Unlike Rokeach or Schwartz this thesis does not assume universal value sets but follows the cultural logic of Thompson and Troester (2002) who see values as embedded and emanating from the broader cultural and social context. They are contextualized by and differ among specific consumption contexts or micro-cultures. The SE consumption context for instance is characterized by liquid modernity, finite resources, a reevaluation of community, re-urbanization, economic recession and sustainability concerns (Bardhi & Eckhardt, 2012; Botsman & Rogers, 2010). This context affects individual value structures that will differ significantly from value sets emanating from the natural health consumption context for instance.

1.7 Thesis structure

The remainder of this thesis is structured as follows: Chapter 2 reviews relevant theory on communities, platforms, social identity and strategy. In chapter 3 the framework guiding the data collection and analysis is introduced. Subsequently, chapter 4 describes the empirical methods being used for the collection and analysis of data. Chapter 5 presents the actual findings resulting from data collection. Finally, chapter 6,7 and 8 provide a discussion of the findings, concluding remarks and opportunities for future research.

2 Theoretical background

The theoretical review resides on three theoretical pillars, i.e. community, platform and social identity literature, embedded in strategy and marketing theory.

2.1 (Online) communities

The internet and web 2.0 freed communities from geographical concerns and enabled their formation and fast growth through enhanced connectivity. The idea that communities are non-geographically bound provides the context for community building in virtual contexts. Individuals are e-tribalizing (Kozinets, 1999). Online communities can be understood as networks in which online interactions are "based upon shared enthusiasm for, and knowledge of, a specific consumption activity or related group of activities" (Kozinets, 1999, p. 254) and take place for the sake of achieving personal and shared goals (Dholakia et al., 2004). Communities offer channels for companies to connect with customers, are sources of information, customer support and product innovation (Ren et al., 2012). Moreover they affect brand or organizational value because of the meaning derived from social interactions (Heding et al., 2009).

2.1.1 A typology of different online communities and their commonalities

Different concepts of communities have emerged and been discussed in literature. In

marketing literature the most prevalent are (consumer/brand) tribes (Cova, 1997; Cova & Cova, 2002) and (explicitly commercial) brand communities (McAlexander et al. 2002; Muniz & O'Guinn, 2001), which represent "a specialized, non-geographically bound community, based on a structured set of social relationships" (Muniz & O'Guinn, 2001, p. 412). Anglo-American authors make no big differentiation among those concepts and view those social groups as consisting of admirers of a brand with a common interest in that brand (who create own myths, values, rituals and vocabulary) (Cova & Pace, 2006). They are denoted by a triadic relationship between consumers and the brand (Muniz & O'Guinn, 2001). Other types of virtual communities can be termed "peer-to-peer communities of common interest" (Jeppesen & Frederiksen, 2004, p. 45) other than a brand. Interest can be related to innovation activities, i.a. innovative and product development user communities (Jeppesen & Frederiksen, 2004; von Hippel, 2005), open-source and crowd-source communities (Bagozzi & Dholakia, 2006; von Hippel & Thomke, 2002), to demographic attributes, such as age or occupation, i.a. communities for singles (Bagozzi & Dholakia, 2002), to problems, i.a. CSR communities (Kornum, 2008) and to a variety of general topics (e.g. gardening) (Bagozzi & Dholakia, 2002). Apart from the different focal point of interaction, online communities can be firm-related (i.e. firm-hosted, firm-established or firm-sponsored), or user-initiated (Kornum, 2008; Teichmann et al., 2015). Motivations for engaging depend on the type of community and its focal point of interest, if it is user -or firminitiated and on the novelty of membership (Kornum, 2008). They can however be summarized in the categories intrinsic versus extrinsic and community-oriented versus self-oriented. Intrinsic motivations include enjoyment, excitement and inner satisfaction of contributing, sharing and assisting others (Füller et al., 2007). Extrinsic motivations on the other hand include peer and firm recognition (Jeppesen & Frederiksen, 2004; Jeppesen & Molin, 2003), monetary compensation and the solution to an unsatisfied need (Füller et al., 2007). Both intrinsic and extrinsic motivations can be referred to as self-oriented. Community oriented motivations include the desire to give back to the community as well as forming valuable relationships and emotional bonds (Hemetsberger, 2006). In most cases, member participation and retention depends on identification with the community, i.e. communities are characterized by a shared identity. Identification thereby can result from a cognitive, affective and evaluative social identity (see chapter 2.4) or from interpersonal bonds resulting in a feeling of being like-minded and attachment (Dholakia et al., 2004; Ren et al., 2012). Dholakia et al. (2004) differentiate two types of online communities (that are not mutually exclusive). Network-based virtual communities on the one hand interact for a specific reason, e.g. a shared goal or interest and this focus is the main reason for interaction. According to Ren et al. (2012), identification here is likely to result from social identity. Small-group-based virtual communities on the other hand are characterized by strong interpersonal relationships and the focus of interaction is the maintenance of those relationships (in order to achieve jointly held goals). Identification in this case is likely to result from interpersonal bonds (Ren et al., 2012) and community-oriented motivations likely to be dominant (Dholakia et al., 2004). Based on a sense of a shared identity, most of the previously discussed communities have three commonalities (Cova & Cova, 2002; Cova & Pace, 2006; Muniz & O'Guinn, 2001):

- Consciousness of kind, which is a sense of belonging to an in-group, thanks to a brand, consumption practice or interest that is encouraged by all group members as well as value congruence among members.
- Rituals that set up visible public definitions and traditions that celebrate and inculcate behavioral norms and values.
- A sense of obligation to the community and its members, which is (not always) shared by group members.

Moreover, Etzioni (1996; in Dholakia et al.,2004) suggests value-laden relationships going beyond the immediate utilitarian purpose of interactions as a further characteristic of communities. Communities can have value for organizations, however communities are difficult to manage. One major obstacle is to gain critical mass and to engage members (Ren et al., 2012). A further difficulty lies in the control of meaning members ascribe to a brand or organization, which can be far from what marketers intend and thus consumers are able to 'hijack' a brand (Heding et al., 2009; Thompson et al.,

2.1.2 Focus: commercial peer-to-peer consumption communities

Within the SE (precisely CC), another form of online community has developed, one where membership above all serves to attain or having access to goods or services from peers (or a company- this scenario however is not focus of this study). Exchange can take the form of sharing, bartering, lending, trading, renting, gifting and swapping (Botsman & Rogers, 2010). In commercial peer-to-peer communities, i.e. where there is monetary exchange, "sharing" most likely is market-mediated. That is a company (the platform owner) is intermediary between people who do not know each other and governs the exchange of goods and services (Eckhardt & Bardhi, 2015). As most business models and communities are quite new or emerging, only a few have been empirically researched so far. Whereas non-commercial CC communities might be similar to those discussed in the previous section and are likely related to a problem or interest (Albinsson & Perera, 2012), in commercial CC contexts, peers pay each other money for the exchange of goods or services and thus those communities can rather be seen as representing online marketplaces for specific purposes (e.g. housing, cars, clothes). Researchers have found differing motivations dependent on whether the exchange is monetary or non-monetary. Motivations in non-commercial settings, where exchange is free, social or community oriented motivations are the most prevalent and driven by anti (over) consumption and sustainability concerns (Albinsson & Perera, 2012). In their study about such alternative marketplaces, Albinsson and Perera (2012) found a sense of community (building) to be the most prevalent driver of participation. Others included the sharing of skills, knowledge, space and ideas as well as raising awareness for a special cause. In a commercial context on the other hand, self-oriented or self-serving motivations are the most prevalent, mostly driven by utility considerations such as flexibility, convenience, monetary compensation or reduced expenses (Lamberton & Rose, 2012; Matzler et al., 2014) towards an actual deterrence of pro-social behavior (Bardhi & Eckhardt, 2012). A further commonality of most peerto-peer CC communities is their rapid growth, which can mostly be attributed to the scalability of the underlying platform business model (see chapter 2.2) (Cusumano,

2015). Airbnb and Uber are poster child examples for the fast growth potential of such CC communities.

2.2 The multi-sided platform as enabler of exchange

Multi-sided platforms (MSPs) are information systems at the heart of online communities, especially within the SE and CC, and "are technologies, products or services that create value primarily by enabling direct interactions between two or more customer or participant groups" (Hagiu, 2014, p.71). Prominent examples of companies based on platforms as business model include Uber (matching passengers and drivers), Airbnb (renters and owners), and Apple iOS (developers and users). Whereas MSPs are the underlying business model of most communities within the SE, also traditional single-sided, product-based companies are expanding their business or innovative activities by integrating platforms or adopting the MSP model and consequently provide customers and external online communities an interface for interaction (e.g. LEGO cocreation, GM developer ecosystem) (Altman & Tripsas, 2014). As a prerequisite for direct interaction, each user group is affiliated with the platform and user groups are interdependent (Hagiu & Wright, 2014). One group thereby represents the "subsidy side", that is, a group of users who, when attracted in volume, are highly valued by the "money side", the other user group" (Eisenmann et al., 2006, p.3).

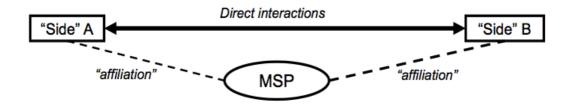


Figure 2: Multi-Sided-Platforms (Hagiu & Wright, 2014)

2.2.1 Platform economics and the CC ecosystem

The main reason for MSPs to include some of the fastest-growing businesses is that they create huge value by reducing search costs (matchmaking by reducing information asymmetries) and transaction costs (facilitating transactions thereby reducing shared costs, e.g. through payment systems) as well as by creating (positive) network effects.

Cross-side (or indirect) network effects emerge when the number of customers on one side increases with the number of customers on the other side (Cusumano, 2015; Hagiu, 2007; 2014). Especially indirect network effects differentiate the economies of traditional industries, where demand depends on the price of products (and complements and substitutes), from multi-sided platforms, where demand depends also on the number (and e.g. quality) of each user group (Evans & Schmalensee, 2012). On the example of Airbnb those network effects arise, since more travelers increase the chances of hosts to get bookings while having more choice in terms of who to pick, whereas more hosts increase choice of accommodation for travellers. In Airbnb hosts represent the supply side, as they supply spaces to rent for the money side, the guest. Same-side or direct network effects are also possible and emerge when drawing users to one side attracts more users to the same side (Eisenmann et al., 2006). In the case of Airbnb, such same-side effects might tend to be rather positive for guests, since more guests increase host ratings which are an important indicator of quality and trust, arguably attracting more guests who then feel safer and assured to book. For hosts on the other hand, same-side effects tend to be rather negative, since the more (highquality) listings, the less likely it is to be listed in the top search results. If network effects are especially strong, winner-takes-all outcomes are likely that emerge when the market adopts one dominant platform (Eisenmann et al., 2006). Additional to strong network effects, competitive dynamics of platforms are also determined by multihoming costs consumers face. Multi-homing occurs when consumers affiliated with one platform additionally use several other platforms in a specific industry (Evans & Schmalensee, 2012). High multi-homing costs, i.e. high costs for consumers to adopt and operate another platform, are likely to result in winner-takes-all outcomes (Eisenmann et al., 2006). Strategic decisions for platforms involve decisions about pricing structures, which side to subsidize or monetize and how many sides to take on board. Governance decisions include regulations of access and interaction and the functionalities included in order to reduce search, transaction and product development costs (Evans & Schmalensee, 2012). At Airbnb for instance, access is fundamentally open to everyone. The platform plays an important role in enabling positive network

effects through orchestration of the consumer made experience by facilitating and guiding interaction through rules and platform architecture in the form of i.a. feedback systems thereby increasing the quality of the overall network (Eisenmann et al., 2006). Network effects are important entry barriers (Hagiu, 2014). Many MSPs benefit from economies of scale, another important entry barrier, as they have large up-front development costs and low or zero marginal costs that incur when adding more users (Hagiu, 2014).

2.2.2 Challenges and potential market failures

One of the biggest challenges for platforms is getting early adoption and achieving critical mass. This is also referred to as chicken-egg problem, as no side will join without the other(s). MSPs try to solve this problem in different ways, ranging from focusing on a niche first and growing from there, to implementing specific pricing strategies and governance, e.g. regulating access (Hagiu, 2014; Hagiu & Wright, 2013). Another big challenge is to avoid potential market failures. One such market failure is related to insufficient information and transparency in regards to quality of services or products. A host on Airbnb for instance knows her apartment and its quality but does not know about the guest's reliability and vice versa. A lacking ability to access the quality might lead to careless behavior and potentially leads to a "lemons market failure", in which low-quality ventures squeeze out high-quality ones. Most peer-to-peer marketplaces therefore employ technologies, e.g. in the form of review systems to reduce those information asymmetries. Airbnb's feedback system allows hosts and guests to learn about the quality of the listing and the reliability of guests (Hagiu, 2014; Hagiu & Wright, 2013). To increase trust and reliability, Airbnb releases the renter's payment 24 hours after check-in to give the guests enough time to check if the location is as described and make changes if necessary. On the other hand, it returns the renter's deposit after the owner has confirmed that no damage occurred. According to Hagiu and Wright (2013), "it would be a mistake, however, to conclude that such market-based mechanisms are always sufficient to ensure quality and reliability". A recent paper of Zervas et al. (2015) found that nearly 95% of Airbnb listings generated a rating of 4.5 or 5 (the maximum) compared to traditional review sites (e.g. Tripadvisor). As Zervas told the New York Times, "You're going to have a great time [...] Whether you like it or not" (Streitfeld, 2015). Even though they did not find an explanation for why Airbnb ratings are so high, there seems to be an incentive that encourages over reporting positive experiences and underreporting negative ones (Streitfeld, 2015; Zervas et al., 2015). Another potential market failure is related to negative same side effects. Too much competition among hosts of high-quality listings may drive them out to a niche or smaller platform, again leading to low-quality listings outnumbering high-quality ones (Hagiu, 2014).

2.3 Communities as providers of social identity

Community dynamics, motivations, identification and attachment can be seen as theoretically grounded in social identity theory, which acknowledges communities to be providers of identity.

2.3.1 Social identity theory

A social identity can be described as a persons knowledge of belonging to a certain social category or group (Hogg & Abrams, 1988; in Stets & Bourke, 2000) "together with some emotional and value significance to him of this group membership" (Tajfel, 1972, p. 292). A social group thereby can be described as a collective of people holding a common identification or see themselves as members of the same social category. A person can belong to different social groups or categories and thus have a set of different social identities making up the self (Hogg & Terry, 2000; Stets & Burke, 2000). Such a social category can be determined by society or be self-chosen, like a community as discussed in chapter 2.1. Social identity involves cognitive, affective and evaluative components (Dholakia, et al., 2004). Two cognitive processes are important in the development of social identity formation- self-categorization and social comparison. Through self-categorization a person categorizes herself and others into ingroup and out-group members. This social differentiation helps defining the self through an assimilation of self to the in-group prototype and thus leads to a depersonalization of self (Hogg & Terry, 2000; Stets & Burke, 2000). The assimilation occurs through social comparison leading to perceived similarities and dissimilarities of attitudes, values, beliefs, norms and other properties. Through the assimilation to a

prototype, which provides consensual validation, self-categorization reduces subjective uncertainty about one's perceptions, feelings, behaviors, the self and place within the social world (Stets & Burke, 2000). The feeling of belonging to an in-group results in self-esteem (Hogg & Terry, 2000; Stets & Burke, 2000) and thus represents the *evaluative* component of social identity (Dholakia et al., 2004). In an *affective* sense, social identity implies an emotional involvement with the in-group, which can be termed attachment or affective commitment. On an individual level, the activation of a social identity leads to an achievement of personal or social goals (Dholakia et al., 2004). On a group level, a social identity leads to uniformity of perception and consequently of action and behavior as well as to greater commitment to the group (Stets & Burke, 2000) and is thus of strategic relevance (see chapter 2.4).

2.3.2 Values

Values and their congruence among members are regarded as antecedents of social identity and thus as primary dimension of identification (Dholakia et al., 2004; Hitlin, 2003). Values enable community-member identification depending on the degree of cohesion, also referred to as internalization (Ashforth & Mael, 1989; Dholakia et al., 2004). Values are commonly expressed through symbols, such as rituals, behaviors or products. According to Etzioni (1996; in Dholakia et al., 2004), a community requires both, an understanding of and a commitment to a certain set of values shared with other members, also referred to as group norms. Group norms reinforce membership in and identification with the community. Values thus play an important role in the categorization process, as they help differentiating in- and out-group and delimit community boundaries. The more distinctive, the stronger the identity the community provides (Ashforth & Mael, 1989). According to Schwartz (1994), values are "desirable transsituational goals, varying in importance, that serve as guiding principles in the life of a person or other social entity" (p. 21). They are concepts or beliefs that represent a person's conception of the desirable (Rokeach, 1973; in Hitlin, 2003) and express a goal or motivational concern (Schwartz, 1994). According to Schwartz (1992, p. 4) "values (1) are concepts or beliefs, (2) pertain to desirable end states or behaviors, (3) transcend specific situations, (4) guide selection or evaluation of behavior and events, and (5) are

ordered by relative importance". Values do not necessarily guide or directly affect behavior; rather, if in congruence with values of other members of a social group, lead to the development of a social identity, which then can be tied into concrete behaviors (Dholakia et al., 2004; Hitlin, 2003).

2.3.3 Organizations as providers of social identity

Not only communities provide social identity, also companies can provide the ground for identification and help consumers extend their self. In a way, organizations are made of (not necessarily formal) members and arguably can be regarded as a form of social group. The bases of identification with a company are similar but nonetheless distinct from that of its brands or people. It occurs through an identification or congruence with the company's defining characteristics, such as identity, culture, values or competitive position (Bhattacharya & Sen, 2003). Figure 3 illustrates the identification process.

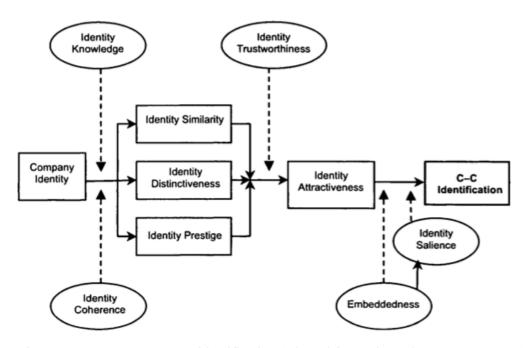


Figure 3: Consumer-company identification (adapted from Bhattacharya & Sen, 2003)

Identity attractiveness, the antecedent of company-consumer identification, depends on the company's similarity to consumers' own identity, its distinctiveness in valued traits and its prestige (Bhattacharya & Sen, 2003). A parallel can be drawn to identification

with a community, as discussed in sections 2.3.1 and 2.3.2, where identification is likely to occur based on value congruence among members who make up the values supported by the community, the (reinforced) distinctiveness of the in-group towards the outgroup and the self-enhancement and esteem members satisfy through membership. According to Bhattacharya and Sen (2003), identification is more likely to occur, among others, when consumers are embedded in the company network and have an active role in the exchange. Arguably, corresponding to a co-creation perspective, companies that foster active participation in value creation and independent consumer networks (e.g. brand communities) are likely to be able to engage with their consumers on the basis of social identity (Bhattacharya & Sen, 2003; Cova & Pace, 2008; Fosfuri et al., 2011). Multi-sided platforms are enablers of exchange and foster active value creation and the formation of peer-to-peer networks. In CC, peers become creators of the product itself and thus, it is "difficult to separate brands from products, products from producers, and producers from customers" (Pitt et al., 2006, p. 124). Consequently identification with a platform as well as with the community could be expected.

2.4 Community, social identity and strategy

"Communities today are both an environment where business can be created and creators of business by themselves" (Cova & Pace, 2008, p. 316). This statement contains two perceptions. The first concerns the creation of business opportunities by acknowledging existing communities or encouraging new ones and leveraging on them. The second sees the community as the actual creator of business and thus moves from a co-creation to a consumer made perspective (Cova & Pace, 2008). When companies adopt a co-creation and consumer made logic, consumer empowerment is seen as managerial opportunity and communities become a strategic asset (Prahalad & Ramaswamy, 2004; Cova & Pace, 2008; Jeppesen & Frederiksen, 2006; Vargo & Lusch, 2004). Why can communities be seen as a strategic asset? The answer to this question can be related to social identity and the outcomes it is likely to produce. The categorization process (cognitive element of social identity) has the ability to produce normative behavior, stereotyping, positive in-group attitudes, cooperation, altruism, empathy, collective behavior, shared norms and mutual influence (Hogg & Terry,

2000). The affective component in turn is able to foster loyalty and maintaining committed relationships with group members, groups or companies (Dholakia et al., 2004). According to Dholakia et al. (2004), the stronger social identity, the stronger are we-intensions and the greater the likelihood of collective outcomes. "Under a weintention, a group member believes that he or she alone cannot achieve the goal; rather the group acts in a way to achieve the goal (typically through collective action), and the goal is not for the self but for the group" (Bagozzi & Dholakia, 2006, p. 1103). Weintentions are group-oriented and since behaviors of peer-to-peer community participants involve other members, one can expect members to develop such weintentions (Bagozzi & Dholakia, 2006). Loyalty is a further possible consequence of social identity. It is especially related to the affective component of social identity (Dholakia et al., 2004), but also to enhanced trust that is a consequence of identification with the community or company (Marzocchi et al., 2013). Loyalty is likely to result in feelings of belonging, repeated and increased purchases, consumer commitment, higher willingness to pay, favorable word-of-mouth, readiness to adopt changes and the ability to retain customers (Bhattacharya & Sen, 2003; Chaudhuri & Holbrook, 2001; Fosfuri et al., 2011). Consequently loyalty has a potential impact on market share and price premiums (or relative price), elements of brand equity³ (Chaudhuri & Holbrook, 2001). Loyalty or its antecedents are also likely to increase switching costs, which is extremely important online, where competing firms are just one click away (Yang & Peterson, 2004).

2.4.1 Community-focused strategies

Acknowledging the power of communities, Fosfuri et al. (2011) introduced a taxonomy of CFS, which describes actions that can be undertaken by a company to establish relational links with its target communities. Those relational links are regarded as intangible asset potentially resulting in competitive advantage. CFS are classified along the congruence of the company's values with that of the community and the power of the firm to influence the target communities' identities through commitment to those

³ For a producer, brand equity can resemble the valuation of the brand as a financial asset (Keller, 2008). For consumers, it is defined as "the differential effect of brand knowledge on consumer/(user) response to the marketing of the brand" (Keller, 1993, p.2).

values. Thus, the focus is on communities that exist with (at least partly) established identities. Figure 4 shows the CFS taxonomy model.

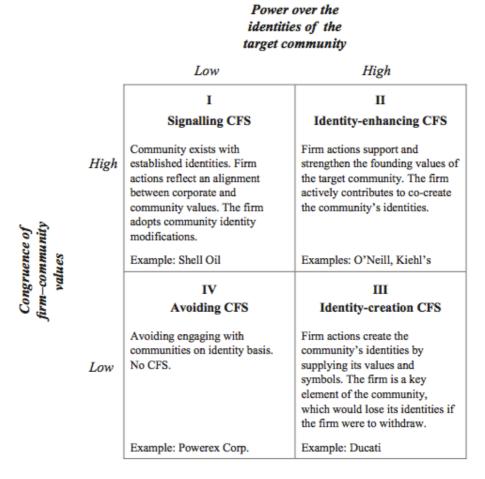


Figure 4: Community-focused strategies taxonomy model (Fosfuri et al., 2011)

At the highest level of congruence, the company's defining values coincide with the ones of the target community. This is a result of the firm's investment into supporting and strengthening community values. By credibly committing to those values, it is able to exert high control over the community's identities. In this case, a firm employs an *identity-enhancing* CFS that most likely results in integration between the firm and the community and in the firm gaining legitimacy and community membership. The more a company is actively involved in creating rather than only supporting the identities of a community by supplying it with values and symbols, the more it goes towards an *identity-creation CFS*. Ex-ante value congruence is low, ex-post however, not only does

integration take place, but interdependence, as the community needs the firm to establish its identity. A *signaling CFS* is an adaptive strategy marked by relatively low commitment to community values but constantly attempts to align company to community values. *Avoiding CFS* is appropriate when there is no value congruence and no basis for commitment to values. The company thus should not engage on an identity basis (Fosfuri et al., 2011).

2.4.2 Competitive advantage through identification and CFS

Communities that are able to provide their members with a shared identity are characterized by a great degree of uniformity that leads to unified actions and collective behavior. Through CFS firms can capitalize on this social identity by investing into a relational link on the basis of identification between community and firm that is likely to result in competitive advantage for the company (Bhattacharya & Sen, 2003; Fosfuri et al., 2011). Not only communities per se are thus seen as a strategic asset of the company, but the relationship-based intangible link that results from investments into identification. Especially in the case of identity-enhancing and identity-creation CFS the company is likely to gain legitimacy and community membership, which in turn results in reputational capital. When reputational capital is high, it fosters a sense of belonging among the community and makes members feel good about being associated with that company. It thus becomes valuable and rare, difficult to imitate and substitute. Consumers tend to buy products/services from that company not only to satisfy functional needs but for their ability (and the company's) to provide community identification content (Fosfuri et al., 2011). In this case the company helps consumers satisfy self-definitional needs (Bhattacharya & Sen, 2003). The stronger the interdependence between company and community, as with identity-creation CFS, the higher *loyalty* and *switching costs*. This is because the company constitutes the identity and fulfills the self-definitional needs more than the community (Bhattacharya & Sen, 2003; Fosfuri et al., 2011).

2.4.3 Drawbacks of communities and CFS

Communities and CFS hold great potential for companies; however, there are also some drawbacks. CFS require credibility and authenticity. As soon as value-based

relationship investments appear unreliable or instrumental, they can evoke hostility (Fosfuri et al., 2011). Especially when connected to a brand name, the company or brand has to be careful to keep its emotional-branding promise, as communities and their loyal members can create significant counter responses and dissemination of adverse brand meanings (Thompson et al., 2012). A strong focus on values can be risky, as values making up the identity of the community might evolve over time. The company therefore has to constantly take care to adapt to or react to, in case it finds itself with values it does not share. This gap might foster de-identification of its customers. Moreover, when the relationship is marked by high interdependencies, the company is likely to face difficulties when it intends to grow. A larger customer base holds more value conflict potential (Fosfuri et al., 2011).

3 Theoretical framework guiding the research

Dholakia et al. (2004) have developed a social influence model of consumer participation in virtual communities, which will act as a framework guiding data collection and analysis. The model is based on social identity theory and sees group norms and social identity as two social influence variables impacting participation behavior in virtual communities. The (adapted) framework hence is useful in analyzing community dynamics and outcomes. As seen figure 5, the model acknowledges individual-level values as variables anteceding the group-level variables group norms and social identity. It thus helps explaining why people participate in virtual communities and on the basis of what values social identity emerges.

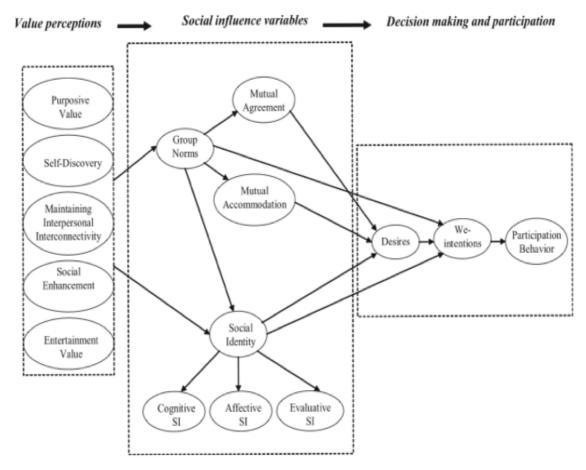


Figure 5: Model of social influence of virtual community participation (Dholakia et al., 2004)

A distinction is made between self-referent (purposive value and self-discovery), group-referent (maintaining interpersonal connectivity and social enhancement) and entertainment values. Values are direct antecedents of both, internalization (through group norms- i.e. value congruence and commitment to a shared set of goals and values, see chapter 2.3.2) and identification (through social identity). Identification finally affects desires and we-intentions that are both antecedents of participation behavior (Dholakia et al., 2004). Figure 6 illustrates an adapted and simplified framework that will be guiding data collection and analysis.

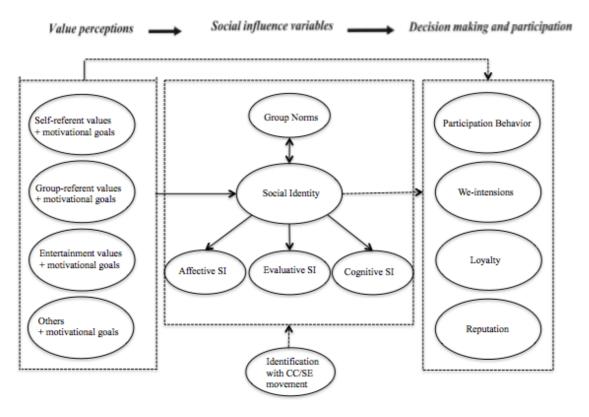


Figure 6: Adapted framework for understanding identification processes and outcomes (Bagozzi & Dholakia, 2006; Dholakia et al., 2004; Fosfuri et al., 2011)

The first, micro-level analysis is concerned with the individual value set of community members, since values (and their congruence among members of a community) are regarded as a fundamental element of social identity. According to (Schwartz, 1994) values are interconnected with motivations (see chapter 1.6). Including motivations into the concept facilitates data collection, as motivations represent a more tangible dimension of values, thus are revealed more easily and can be then linked to an overarching value. Self-referent values refer to values associated with accomplishing pre-determined instrumental purposes (utilitarian) as well as understanding aspects of self through social interactions. They can thus be connected to extrinsic motivations. Group-referent values focus on social benefits and on the self in relation to others and thus can be connected to community-oriented motivations. Entertainment values are related to fun and thus related to intrinsic motivations (Dholakia et al., 2004; Ryan & Deci, 2000). The aim of the thesis is not only to categorize those values as self-referent,

group-referent and entertainment values, but to understand which values make up those categories within the consumption context of CC. The individual value set is thereby conceived as culturally contextualized by the broader consumer culture in line with Thompson and Troester (2002). The second, meso-level analysis is concerned with the identification of community members (with other community members as well as with the platform) and the development of a social identity. Identification is based on value congruence among members (and evtl. with the company) as well as through the identification with the SE or CC movement (ideological dimension) (Bagozzi & Dholakia, 2006). In line with social identity research, this thesis regards value congruence and commitment as part of and prerequisite for social identity (Hitlin, 2003; Hogg & Terry, 2000; Stets & Burke, 2000) and therefore group norms are perceived as having no independent effect on behavioral outcomes. The third level is concerned with how identification influences behavioral outcomes. In line with other research, weintentions are not necessarily seen as antecedents of participation behavior. They are regarded as one possible outcome, together with loyalty, participation behavior and reputation (see chapter 2.4) (Bagozzi & Dholakia, 2006; Dholakia et al., 2004; Fosfuri et al., 2011; Marzocchi et al., 2013; Ren et al., 2012).

4 Methodology

This chapter is outlining the chosen research design, as well as the research philosophy and methods used to collect and analyze the necessary data and their respective limitations. It is going to conclude with a discussion about the validity of the overall research.

4.1 Purpose of research and research design

The purpose of this research is *explorative*. Other possible approaches include descriptive, explanatory or policy oriented (Bryman, 2005). The study is concerned with community dynamics in a relatively new context- the SE. The study uses these findings (together with market observations) to explore possibilities of CFS in a platform

⁴ In a study about Open Source Software (OSS) Communities the authors have found identification of members with the OSS movement impacting social identity

context. It thereby merges platform, marketing and strategy theory. To gain a better understanding of this relatively new phenomenon, a *single case study approach* is being used. A case study design focuses on a bounded system or situation and hence can be a company, community, event, single person et al.. Collected data tends to be 'rich', especially in single versus multiple case studies, as the more cases used, the greater the lack of depth in each case. A single case study approach thus enables an intensive and holistic investigation of the phenomenon. Other prominent research design strategies are known as experimental, cross-sectional, longitudinal and comparative design strategies (Bryman & Bell, 2011).

4.1.1 Rationale for Airbnb case selection

Airbnb is often described as poster child for the SE and CC. It is one of the fastest growing platforms within both, CC and the SE. Since the aim of the thesis is to gain an understanding about social identity dynamics in platforms within the SE that scale quickly, Airbnb can be seen as an instrumental case. This instrumental character of the case allows for an understanding of a broader phenomenon. A further interesting aspect is its (communication) strategy focused on values (especially "belonging"), in contrast to e.g. Uber, which are chief subject of this thesis due to their importance as antecedents of social identity.

4.1.2 Limitations of a single-case study

There are limitations to single case studies, such as research bias and limits to generalizability and validity (see chapter 4.4) (Bryman & Bell, 2011). Moreover, the limitation to one platform and thus one community allows only for the investigation of one SE economy sector, in this case peer-to-peer accommodation. Concerns about generalizability and validity have been traded off against the opportunity to gain a deep insight into a, to the current level of knowledge, yet unexplored issue.

4.2 Research philosophy

This study makes use of a *qualitative research strategy*. Quantitative methods usually are suited to analyze large samples. Data is standardized and can be statistically analyzed. It thus provides greater generalizability opportunity that is not limited to a specific context, as it is the case with qualitative methods. They are often used to

investigate or test what is already known and explain human behavior. Quantitative methods are rooted in the epistemological orientation of positivism. Qualitative methods on the other hand are based on the principles of *interpretivism*, where the aim is to study the subjective meaning of social interactions and emphasis is on the understanding of human behavior in contrast to the rather linear focus of positivism. Qualitative methods provide a useful framework for a holistic understanding of sociocultural contexts and dynamics, they help gaining cultural knowledge and provide valuable insights into meanings, relationships, marketplace interactions and symbolisms (Bryman & Bell, 2011; Daymon & Holloway, 2011; Moisander & Valtonen, 2012). A qualitative approach is appropriate, since the study starts from the premise of a postmodern consumer in search for social links, who actively co-constructs his universe of meanings and is empowered and enabled to construct his identity through membership in various communities (Firat & Dholakia, 2006). Data collection and analysis are concerned with the investigation of individual value sets and motivational goals of individuals. As this study adopts a cultural perspective towards values that emerge in a specific consumption context (Thompson & Troester, 2002) and does not try to find out general value structures, a qualitative approach is likely to yield richer data. Qualitative strategies are mostly associated with an inductive approach that places the focus on theory as an outcome of the findings. Quantitative research on the other hand is associated with a deductive approach, which tests existing theory through the development of hypotheses. Theory thus is the first source of knowledge and used to deduct the hypotheses (Bryman & Bell, 2011; Daymon & Holloway, 2011). This study combines the two approaches. It first assumes community (i.e. social identity) dynamics and certain outcomes to follow a pre-conceived framework. This framework is tested in a new consumption context, i.e. platforms within the SE to see if it holds true. This is a rather deductive approach. There is also an inductive element, since the focus additionally lies on letting new insights emerge. For instance, the aim is not only to discover if values are group -or self-referent, rather to see what those group -or selfreferent values are. Moreover, the generation of implications based on the findings also resembles an inductive approach.

4.3 Research methods and qualitative analysis

Both, in-depth interviews as well as netnography were employed. The methods complement each other and their combined use adds to an enriched understanding of the topic. The combination of methodologies or sources of data in the study of the same social phenomenon is also referred to as *triangulation* (Bryman & Bell, 2011; Daymon & Holloway, 2011).

4.3.1 In-depth interviews

In-depth interviews are a flexible form of interviewing and suited to get a broad insight into individual evaluation of a specific topic. Compared to quantitative interviewing, qualitative interviewing is less structured and involves interviewer and interviewee in a social interaction. The two major types are the unstructured and semi-structured interview. Unstructured interviews usually involve just one specific question the interviewee is allowed to answer freely with the interviewer simply responding and following up on certain points, whereas semi-structured interviews involve a list of questions on specific topics (interview guide) the interviewee can answer with a great deal of leeway (Bryman and Bell, 2011).

Semi-structured in-depth interviews are well suited for explorative research and were being used for the micro, meso and behavioral outcome level of analysis that required the investigation of individual values as well as cognitive, affective and emotional social identity and group norms. Compared to quantitative interviews, where responses are treated independently of the (individual and situational) context, in-depth interviews uncover subjective views and interpretations of experiences expressed in own words. This leads to an understanding of individuals in their own social context (Bryman & Bell, 2011; Daymon & Holloway, 2011), which was regarded as crucial for gaining an understanding of values and social identity. For this study, in-depth interviews were better suited as e.g. focus groups, as investigating motivational goals and values as well as social identity requires getting to the heart of what drives and guides behavior. It requires a very personal and 'customized' dialogue able to adapt to the course of the conversation. The (flexible) interview guide used for semi-structured in-depth interviews moreover ensured the collection of similar data that could be at least partly

compared, especially important for the investigation of value congruence among participants (see Appendix 3 for interview guide).

4.3.1.1 Sampling form

A purposive—theoretical approach was being used for the sampling of participants. In *purposive sampling* participants are strategically chosen in order to answer the research question and/or explain a social phenomenon. One of its main forms is *theoretical sampling*, which is commonly used when applying *grounded theory*. In theoretical sampling, data collection is driven by the idea of refinement rather than quantity. Sampling is an ongoing process and guided by what is relevant for the theory that is going to develop. Data is being collected until *theoretical saturation* is achieved, i.e. until no new or relevant data is emerging (Bryman & Bell, 2011). In grounded theory "data collection, analysis, the development of theoretical concepts and the literature review occur in a cyclical and interactive process" (Daymon & Holloway, 2011, p. 130). The aim of grounded theory is to generate and develop new or to modify existing theories. Research has been done in grounded theory style without employing grounded theory per se, which will be further explained in section 4.3.1.3.

4.3.1.2 Sample description

Data was collected in Germany as for its accessibility and representativeness, as it currently represents Airbnb's largest market in Europe. Moreover, it is a current focus of Airbnb due its high travel activity (according to Airbnb the second most active travel nation after China) (Loeffler, 2015; Shead, 2015). The sample consisted of 15 participants, of which four were only hosts (26,7%), seven were only guests (46,7%) and four were both, hosts and guests (26,7%). This makes up for responses from a total of eight hosts (42,1%) and 11 guests (57,9%). All respondents were German, of which nine were female (60%) and six male (40%). Regarding age, the sample took into account and aimed at representing the main Airbnb user⁵ who is between 25-35. This age group consisted of 11 participants (73,3%), of which the youngest was 25 and the oldest 33, with an average age of 28. The second group consisted of four participants (26,7%) between the age of 51 and 58, with an average age of 54.

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⁵ According to an internal source of Airbnb

4.3.1.3 Qualitative data analysis

To ensure a qualitative analysis, the collected data needs to be transcribed. Literal transcription was being used, where data collected through interviews was translated from an audio record into written form (Mayring, 2002) in its full length. According to Mayring (2002) qualitative data analysis enables the systematic analysis of texts. Coding thereby plays a central and important role in organizing the large amount of data, simplifying it and making sense of it. Coding involves paraphrasing relevant text to a short and explanatory form that serves as a label (or code) to represent an idea of the text section. Codes were built in two abstraction levels, paraphrasing the original text into a short and explanatory form and then into a generalizing form. Thereby, various paraphrases can be subsumed under one, general code. Codes are the basis of categories, which subsume concepts and represent real-world phenomena. Categories were pre-determined through Dholakia et al.'s (2004) theoretical framework in use, resembling a deductive approach to data analysis. Within the pre-determined categories, codes were built both inductively and deductively, as codes emerged through the data itself, but not completely independent of existing concepts discussed in the theoretical framework (see Appendix 4 for an extract of the codebook). This is also the reason, why research does not employ grounded theory per se, where researchers should not have prior assumptions and avoid pre-existing theories and detailed literature reviews. This thesis to some extent aims to test if the 'old' logic of communities can be applied to communities in a new context, the multi-sided platform, which requires taking into account existing literature. In a second step the thesis aims to generate new insights by merging existing theory to generate practical implications for a new consumption context, which clearly represents an inductive approach.

4.3.2 Netnography

Kozinets (2002, p.62) introduced the term netnography as a "qualitative research methodology that adapts ethnographic research techniques to study the cultures and communities that are emerging through computer-mediated communications". Netnography focuses on the collective and aims at examining groupings of people who come together online in order to get an understanding of a cultural or communal

phenomenon. It is conducted in a context not fabricated by the researcher and can thus be rich in information (Kozinets, 2010).

Netnography was used as a complementary method to the in-depth interviews in order to gain a better and broader understanding of social identity dynamics. The researcher should take on a participative role in netnography in order to reveal its full potential at providing a culturally embedded understanding of online communities. In this study, a content analytic approach focusing more on observation without immersion was used, due to netnography having a support function rather than being the primary source of data collection. Archival data was collected, that is data unaffected by the researcher and takes the form of saved communal interaction data. Other forms of data that can be collected through netnography are elicited data and data that is being collected through online interviews with online community participants. Both forms of data however require the active immersion and participation into the online community (Kozinets, 2010).

4.3.2.1 Independent forums

Two independent forums were examined, both from the U.S., airhostsforum.com and bedmaybebreakfast.com. Those forums were not examined in order to reveal values but to get an additional perspective on prevalent social identity dynamics and behavioral outcomes. Whereas one focuses only on hosts, the other one has a separate section also for guests. However, the guest section has significantly less posts and a lower frequency of posts. Moreover, guest threats are mainly about organizational issues and less about "stories". For this reasons, only the host threats were analyzed. 10 different threats (with the most replies and views) were examined, ranging from general questions, tips and stories to complaints. Data was collected over a period of one week in July/August 2015.

4.3.2.2 Reviews and ratings

Reviews and ratings were examined on the official Airbnb website. The goal was to see if reviews reveal individual values, social identity, norms and behavior and confirm what has been found out through the in-depth interviews or forum observations as well as to gain new insights. A total of 50 reviews were chosen, 25 reviews from hosts with listings in Berlin and Munich and 25 reviews of their (international) guests were examined. Since the interview sample focused on Germany, German hosts' reviews were called up by searching for listings in German cities. Munich and Berlin were chosen since they belong to the top two travel destinations in Germany. As it is not possible to call up individual guest profiles that are not connected to a listing, reviews of (international) guests of chosen hosts were analyzed. Only the reviews of hosts and guests with a minimum of three reviews were chosen to avoid one-time users.

4.3.2.3 Qualitative and LIWC analysis

Forums related to Airbnb were analyzed qualitatively, following an inductive approach. Data collection through netnography was explorative. Data was both partly subsumed under the already established categories that emerged from the analysis of the interviews, and was used to build new categories. Host and guest reviews were analyzed by using the LIWC (Linguistic Inquiry and Word Count) developed by Pennebaker, Booth and Francis (Pennebaker et al., 2007). It is a social psychology analysis tool that processes text (by using internal dictionaries) and identifies linguistic and psychological processes and concepts, such as positive and negative emotions, self-referent and group referent words. Text is run through approximately 80 categories and the program compares the word to the internal dictionaries to then give a ratio of a given category to the total words (e.g. 2% of words are second person plural words). The use of first person plural words for instance indicates a sense of community or group identity (Elson et al., 2012). LIWC is commonly used to analyze social media (especially Twitter) to gain an understanding of what people say and feel. 25 host and 25 guest reviews were individually saved into separate text files. Initially 28 interesting text categories for this study were used. Categories with insignificant frequency were discarded, leaving a total of 11 categories (see chapter 5.3 for results and interpretation). For the analysis, mean and standard deviation for each category were calculated. Moreover, as LIWC has limitations regarding linguistic nuances and contextual interpretation of data (Elson et al., 2012; Pennebaker et al., 2007), reviews were also analyzed qualitatively and put into perspective.

4.3.3 Limitations of applied research methods

Qualitative research methods have the disadvantage that they depend on the interactions between researcher and respondent. Data collection and analysis is subjective and development of hypotheses dependent on the understanding of the researcher. Especially in interviews, the guidance through the researcher may involuntarily influence and impair the respondent. Moreover, systematical comparison of results is difficult (Bryman & Bell, 2011; Daymon & Holloway, 2011). A semi-structured approach was chosen to minimize these divergences. Limitations of netnograpy in this study mostly concern the limited choice of online (independent) forums connected to Airbnb and the internationality of sites (compared to the interviews conducted only in Germany to avoid bias, especially concerning values). The analysis of the reviews with LIWC (see chapter 5.3) has limited validity because of the small sample size. LIWC is a complex tool and linguistic nuances depend on a variety of variables, e.g. on gender. These nuances were disregarded in this study in order to avoid over complexity. General limitations of netnography mostly concern the need for interpretive skills and the difficulty of generalizing results outside the online community/web-site sample. Limits to generalizability resulting from both, in-depth interviews and netnography were partly accommodated through triangulation (Bryman & Bell, 2011; Daymon & Holloway, 2011). Chapter 4.4 will provide more information of the validity of this study.

4.4 Validity

Validity concerns the integrity of the conclusions drawn from research. In quantitative research this mostly concerns consistency and measurement, i.e. "whether or not a measure that is devised of a concept really does reflect the concept that it is supposed to be denoting" (Bryman & Bell, 2011, p.42). In qualitative research validity is not concerned with measurement but mostly refers to the generalization of results beyond the research context or research population (external validity) and the accuracy of reflection of the phenomenon under investigation by the researcher (internal validity). When it comes to case study design, there is debate about external validity, or generalizability (Bryman & Bell, 2011; Daymon & Holloway, 2011). By focusing

research on Airbnb, complex processes can be analyzed in-depth and offer a rich portrait. Findings however are not universal, and thus cannot be formally generalized (Daymon & Holloway, 2011). The choice of case was concerned with its ability to achieve the best possible degree of theoretical generalizability and transferability. Due to its exemplary character, conclusions can be drawn that might apply to other platforms in the context of the SE. The difference in platforms within the SE is manifold, differing in purpose, regulations, dynamics etc. and thus future research is necessary in order to account for these differing parameters. Nonetheless, the studied case provides first insights into social identity processes in a platform characterized by a broad community, supposedly a commonality of many platforms. It also takes into account potential differences in proposing different CFS for different platform strategies.

5 Data analysis and results

Results are being outlined in three major parts, corresponding to the employed research methods, i.e. in-depth-interviews (section 5.1), online observation of forums (section 5.2) and online observation of reviews (section 5.3).

5.1 In-depth interviews

This chapter reveals findings from the conducted in-depth interviews categorized into consumer articulation of values and value congruence (5.1.1), social identity and group norms (5.1.2), perceived value congruence and identification with the platform (5.1.3), as well as behavioral outcomes and participation behavior (5.1.4).

5.1.1 Consumer articulation of values and value congruence

Interviewees who were both, host and renter, when asked about their motivations and values interestingly took on a distinctive role as renter versus host. Moreover, there was no correlation pattern between frequency of use or use history and certain values. Results are outlined in the following sub-sections.

5.1.1.1 Self-referent values

Findings suggest that there are recurrent values among all participants, however with differing manifestations. Among guests the most prevalent values were *self-referent*.

Especially the *purposive value* connected to *saving costs*. There was consensus about Airbnb being

"cheaper than any hotel, yes, but also you get more for the same or a lower price because you can rent the whole apartment or you rent a room and can use the kitchen or something like this" and "because when I use it I mostly use it with a couple of friends, so it is cheaper than a hotel or hostel."

The second most significant motivation related to purposive value was *convenience*. Convenience is mostly connected to the availability of good and central locations, of big spaces that accommodate a group of friends, to Airbnb representing a flexible way of travelling in general and being easy to handle. The third purposive value was connected to *getting information*. Getting information is related to getting local insights from hosts and exemplified by the following two statements:

"she gave me a lot of tips where to go for dinner and what to do, so it is really nice because you have this personal recommendations from the hosts" and "sometimes you even get the chance to talk to the owner so you have someone who is local, show you around, give you some tips."

Experiential values were the second most significant with motivations referring to fun and excitement related to experiencing a new way of travelling and authenticity related to a more personal, individualistic way of travelling:

"you feel local [..] when you arrive you're not in the hotel you're just like another local person", "you feel more included in the place that you visit [..] in a hotel or hostel you are automatically just a tourist" and "you end up in really [..] funky places that otherwise you wouldn't see."

The most prominent not previously classified values that emerged through the collection and analysis of data include *open-mindedness* and *trust*, whereby open-mindedness is both a stand-alone characteristic but also related to being curious, international and open to new things:

"I would consider myself a person who likes to try new places, innovative places that are a bit different from the usual. And I think that is something what many people in the community are looking for too" and "I mean when you do Airbnb you should have a lot of trust in people."

Among hosts, the primary values are *self-referent*, i.e. *purposive* related to *earning money*, and the *convenience* related to the ease of earning money:

"It offers me the possibility to get in some money and in this way co-financing my pretty expensive apartment."

The second main value among hosts is *open-mindedness*, whereas two hosts only mention *trust*.

5.1.1.2 Group-referent values

Group referent values in relation to maintaining relationships and bonding with others were insignificant for both renters and hosts. When asked about the importance of bonding with community members, most interviewees agreed that it is nor desirable nor important, if at all it is seen as a nice side effect. Interestingly, the insignificance of group-referent values was correlated with the commercial nature of Airbnb (versus the non-monetary use of Couchsurfing):

"[...] Couchsurfing [..] was for free and you mainly used it to get to know people and also to help each other. Airbnb is simply the commercial version. It is about money. Moreover, Couchsurfing is built up like a forum and Airbnb is just a service platform. Nicely and thoroughly designed. It serves its purpose and that's it."

5.1.1.3 Sign value

Another value that emerged is what can be termed sign value according to Bardhi and Eckhardt (2012), i.e. when the consumption is guided by utility, but the consumption practice or context has gained sign value and thus an ideological dimension. Sign value is related to the perception of oneself as new, hip, smart consumer living in a liquid society and thus re-evaluating the gains of ownership and possessions, enjoying flexibility and embracing the SE in principle:

"We are the new generation, you don't need to own anymore, it is a new type [...] we think differently, have different approaches, different ideas of life, of travelling, of living, of experiencing."

"I use Uber, I use car2go, mostly [...] because I think it is not only cheap and convenient but also an exciting new business model, an exciting thing to do [..] I research those things and put some thought into it, so I am not doing it only because of the direct benefit, I also do it because of the idea behind it and I guess a lot of people think so too, even though the practical aspects sometimes are more prevalent."

5.1.1.4 Perceived value congruence with other members

When asked about the perceived value congruence with other members of the Airbnb community, both hosts and guests believe that most people share their values, but that group-referent values related to maintaining relationships and bonding with others are prevalent among other users (especially guests) and even more relevant than saving money or earning money. Moreover, open-mindedness was mentioned more often in relation to others than in relation to the self.

"I think the social thing more than being cheap is important to most people [..] I mean I like to use it but I would never use it as a host, I think. So I would think people in the community are more open, social and trusting than I am."

5.1.2 Social identity and group norms

This section outlines the results of the analysis of cognitive, affective and evaluative identity dynamics as well as group norms.

5.1.2.1 Cognitive social identity

Cognitive social identity seems to exist based on the feeling of being "like-minded". People acknowledge that the community is too broad to reveal a basic pattern of the stereotypical member. However, there is a perception that everyone is doing it "for more or less the same reasons" and sign value and open-mindedness seem to be perceived as something shared across the community. Thereby, open-mindedness and sign value are not necessarily related to Airbnb but to "the new generation" embracing the SE in general:

"People who use [Airbnb] and travel this way would probably also take a car2go or share a bike or so. I definitely think that all think in the same direction."

"I think it is a specific type of people who use it. They are younger, they know how to handle a smartphone, are tech-affine."

"I think [others] identify with this new way of consuming or living as well."

However, there is also dissonance, as people perceive themselves as being different from other members of the community, mostly based on the perception that others do it for the reason of maintaining relationships and social bonding:

"Most people use it because they want company and [...] meet people and [...] I don't use it to meet people."

"I mean I like it, but I don't identify with the community or its members, and yes sometimes you have nice people over but it is not the reason why I am doing it, and small talk, I don't do it."

A majority of interviewees sees a difference between hosts and renters, as "for many hosts it is just a lucrative option of subletting their rooms and for the travellers it is more about the experience". Hosts perceive guests as more keen on maintaining relationships and bonding with others.

5.1.2.2 Affective social identity

Affective social identity is evident only among a minority of both, hosts and guests. Attachment, if evident, is only related to sign value and an abstract feeling of likemindedness. Most interviewees however have feelings of sympathy towards the community but no direct attachment, also because they perceive attachment as being dependent on bonding, which is rather rare and not a priority of most users. The community is rather perceived as means to end and interestingly attachment and belongingness to the community seems to be inhibited by the rather professionally and distantly perceived nature of the relationships and transactions as well as the review system:

"In the end it comes down to that you leave a good remark on their page. So I don't think there is a real connection [..], it is what it is, practical, a practicality. People are nice and helpful, but in the end they want a good rating."

Community and the attachment to the community is perceived rather as a marketing instrument and seen skeptical, especially by the group 35+.

"I know Airbnb wants to make me feel all this attachment to the community, but I do not really like to be told what to feel." "It is a bit American, very artificial [...] and does also not really capture the reality I think."

5.1.2.3 Evaluative social identity

Evaluative social identity is connected to the feeling of being an important or valuable member of the community. Results are split. The majority of hosts feel valuable because they offer their apartment, whereas a minority of guests mention feeling valuable in regards to taking care of the places they visit and recommend Airbnb to friends. Not feeling valuable or important on the other hand is related to the majority guests perceiving themselves as "just taking" and "not giving anything back".

5.1.2.4 Group norms

Group norms seem to manifest themselves in friendly, helpful, professional and easy-going behavior. They are mostly perceived as authentic and connected to the feeling of being like-minded, but also reinforced through the review and rating system employed:

"I am always even a bit confused when people write super long messages and reply even after I have declined their inquiry [...] I would say people are generally nice to each other because they want something from each other in the first place, then of course because of the review and rating system, since [...] one bad rating and you'll definitely have trouble. But also maybe because the feeling of being a group of cool people using Airbnb and things like this [..] that evokes sympathy per se".

5.1.3 Perceived value congruence and identification with the platform

Airbnb is perceived as a "young, hip, flexible" brand that is "very cool" representing what most interviewees value. When asked about attachment, belonging and connectedness to the brand, most interviewees did not directly answer the question or even neglect such a direct connection. They did however start explaining why they value Airbnb, which results in being related to a perceived congruence in sign value, i.e. what Airbnb stands for, as in "I really like the concept", "I like Airbnb in principle because it is a concept of the future" taking into account the demands and wishes of the

new consumer, as "travellers today are in search for individual experiences and don't want to stay in big anonymous hotels today". One interviewee stated that

"I do not feel an intense connection but [...] I feel kind of connected to the brand and its purpose, what it stands for [..] and embodies this new way of travelling I enjoy. I find it cool and it stands for a lot of things I agree to".

In spite of these perceptions, interviewees were entirely unaware of the values promoted by Airbnb. When confronted with Airbnb's most prominent value 'belonging', no coherent interpretations resulted, i.e. for some it was related to a feeling of being at home whereas for others it was related to making connections.

5.1.4 Behavioral outcomes and participation behavior

With only two people thinking of the community in terms of "us", we-intentions are not evident among the majority of interviewees. Satisfaction with the platform is high, all participants would recommend Airbnb to a friend and most respondents have positive feelings towards Airbnb. Everyone likes to be associated with the platform, which results from its image being "innovative, cool, young and hip" and the consumption practice having gained sign value:

"I think it is a positive sign to use it. You seem a little bit more social and openminded".

Market leadership and the size of the platform seem to increase trust in their processes.

"I like to use the market leader [..] there is a reason that they are the market leader. The processes are safe and everything is standardized. But on the other hand I would switch if there would be something comparable also in size, because I mean it has to be attractive also in terms of places to stay and so on. But it is also about the reviews. Of course you can switch but you loose your reviews and have to start from the beginning".

Loosing the reviews is increasing perceived switching costs. Loyalty however has its limits, as most interviewees stated that with upcoming alternatives they would switch to other services, especially if other platforms would offer better conditions.

5.2 Netnography - Forums

In search for forums, the only forums directly related to Airbnb were forums for hosts. Findings are being outlined in the following two sections.

5.2.1 Social identity: Host alienation from guests and Airbnb

The studied forums revealed a clear differentiation of hosts from guests. There is even a felt alienation from guests. Alienation is mainly attributed to hosts being disappointed in guests who do not behave in a reciprocal, thankful way and thus hosts do not feel appreciated. This felt lack of appreciation also spills over to Airbnb:

"After three years we are feeling the burn from the unrealistic expectations from both guests and Airbnb". "It felt like nothing would ever be good enough for everyone."

No overall feeling of being like-minded is apparent. However, there seems to be *cognitive social identity* among hosts, as they perceive themselves as belonging to the same group, sharing the same problems and stories.

"I completely agree that we, as hosts, are being demanded to do more and more", "Most of them would hardly appreciate all your efforts."

The statements above show a perception of belonging to an in-group (we) and a clear, even hostile delineation towards an out-group (them).

Affective social identity is rather inhibited by the review system, as indicated also by the conducted interviews:

"We couldn't relax and make the friendships Airbnb famously promotes [...] because those 'friends' were going to rate and review our performance."

The majority of posts however reveal that hosts see Airbnb clearly as a business, with no wish to connect with guests and do not feel any kind of attachment:

"Aren't we buddies? No we're not. You are paying a price less expensive than the local best western to stay in my much more beautiful home and you will get [...] many lovely things [...] that wouldn't be at the best western, but you will not be getting treated like you are at the Ritz for cheaper than BW prices" and "it is a business and it needs to be treated as such [...] I mean either people get what the service is about or they don't."

This underlines the predominance of self-referent values among hosts, especially connected to earning money that also emerged during the interviews. Even though there is a lack of appreciation, really bad experiences seem to be rare and common ground seems to exist in trying to make the best out of it and making guests feel appreciated nonetheless. Ratings and reviews are seen as a responsibility and thus related to *group norms*:

"I think for the Airbnb community it's good to leave honest feedback so that other hosts aren't subjected to that guest in the future", "I would appreciate it if hosts did that more often."

5.2.2 Decreasing trust and fake reviews

Airbnb is perceived as having "hit the mainstream". Communication is seen as unrealistic, "pushing an experience like out of the movie, unrealistic for both guests and hosts". Hosts complain about getting tired from the stress. Moreover, hosts do not feel protected by Airbnb and exploited:

"[they refused] to post our review [...] we realized they cared more about public perception and didn't want these [...] incidents on record than they cared about protecting their hosts"

Reviews are perceived as not entirely honest, as they "cannot really tell you the whole guest story and therefore don't mean much", and are even doubted to work at all.

5.3 Netnography - Reviews

Only one of the analyzed reviews was negative, supporting the observed trend that almost all encountered reviews are positive. The vast majority of guest reviews focus on expressing gratitude for hosts and lauding their hospitality together with a positive description of the place, of its features and location. Most reviews are affective and convey personal emotion. One exemplary guest review can be read below:

"[name] was a great host, he really went above and beyond to ensure that we had every comfort and an amazing time in Munich. He was well travelled and therefore easily guided us to and from the city center, suggesting tourist sites, great restaurants and bars. The house was in a nice suburial location and we felt really at home during our stay."

Looking at the LIWC results, guests have a high average word count of 81,88 (S.D.⁶ 99,26) compared to the host average of 21,64 (S.D. 33,65). An exemplary host review sounds like this:

"[name] and her friend [name] stayed with us for a few nights. They were absolutely wonderful guests. I recommend [name] without any hesitation ©."

An overview of all relevant results can be seen below in figure 7:

						l		
			All	All	Hosts	Hosts	Guests	Guests
	Example	Interpretation			(Mean)	(S.D.)	(Mean)	(S.D.)
Word Count			51,76	71,97	21,64	13,69	81,88	92,18
First Person	I, me, my,							
Singular	mine	Self-referent	1,85	2,76	2,21	3,32	1,48	2,06
		Socially						
First Person		connected to						
Plural	We, us, our	group	1,80	2,57	0,85	1,74	2,75	2,93
Second Person								
Singular	you, your		1,00	2,76	1,26	3,70	0,74	1,31
Third Person	she, he, her,	social interest,						
Singular	him	social support	1,80	2,93	2,50	3,42	1,10	2,17
		Social interest,						
Third Person		out-group						
Plural	they, their	awareness	0,57	1,48	1,07	1,97	0,06	0,32
	Family,	Social						
Social	Friends,	concerns,						
Processes	Humans	social support	13,43	7,91	17,96	7,56	8,91	5,28
Affective								
Processes								
(total)			15,87	9,39	20,32	10,54	11,42	5,24
Positive	Нарру,							
Emotions	Pretty, Nice		15,34	9,67	19,92	10,96	10,77	5,22
Negative	Hate, ugly,							
Emotions	hurt		0,53	1,28	0,40	1,17	0,65	1,40
Cognitive	Know,							
processes	cause, ought		16,46	8,14	15,31	8,09	17,61	8,20

Figure 7: Mean LIWC word category comparison results – table

(High) Word count can be seen as an indicator of the amount of communication, which together with e.g. positive emotions and first person plural pronouns may promote

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⁶ Standard deviation

better group performance (Tausczik & Pennebaker, 2010). Even though guest reviews tend to be longer and more comprehensive, hosts display more positive emotions and social words than guests. Positive emotions among guests average at 10,77% of total word count (S.D. 5,22%) whereas host show 19,92% (S.D. 10,96%). Positive emotion greatly outweighs negative emotions for both groups. Social processes also tend to be higher among hosts with 17,96% (S.D. 7,56%) versus 8,91% (S.D. 5,28%) among guests. Higher positive emotions and social processes may indicate a higher immersion into the activity. Higher scores for hosts therefore might result from higher effort and time dedicated to the activity of hosting compared to renting. Higher levels of social processes and positive emotions also can serve as an indicator of a higher quality of relationships and level of relationship satisfaction. The level of relationship satisfaction can be also derived from first person singular and second person singular. High second person singular use might be negatively related to relationship quality, can indicate hostility, confrontation and a low level of relationship satisfaction (Tausczik & Pennebaker, 2010). Second person singular words are higher for hosts being 1,26% (S.D. 3,70%) versus 0,74% (S.D. 1,31%) for guests. First person singular words are also higher for hosts with 2,21% (S.D. 3,32%) versus 1,48% (S.D. 2,06%) for guests. These findings contradict the preceding, since here a higher rating does not indicate low levels but high levels of relationship satisfaction and hosts display higher levels. The use of first person plural can be connected to group identity and group cohesion, especially the use of the word 'we' (Tausczik & Pennebaker, 2010). First person plural was higher for guests with 2,75% (S.D. 2,93%) and 0,85% (S.D. 1,74%) for hosts. This finding needs to be put in perspective, since the use of 'we' would only indicate (overall) group identity when 'we' was being used to show interdependence between guests and hosts. By qualitatively analyzing the reviews however, most guests do not travel alone and use 'we' to refer to the other person and thus it does not involve the host. Social pronouns are not very high overall, however they also score higher among hosts with third person singular scoring 2,5% (S.D. 3,42) versus 1,1% (S.D. 2,17) and third person plural scoring 1,07% (S.D. 1,97) versus 0,06% (S.D. 0,32). Overall high cognitive processes among guests and hosts can be attributed to reviews requiring recalling of the

experience (Tausczik & Pennebaker, 2010). Overall, these findings contradict what has been found in the interviews, where self-referent values were stronger among hosts, whereas the reviews show more social and affective references. Looking at reviews of members who were both hosts and guests at the same time, a role switch can be observed. In their role as host, the reviews are rather short versus a propensity to write rather long reviews as guests. Because this resembles the observed pattern and would not have changed the overall results, this category of users was not treated differently. The subsequent figure exemplifies the results in a graph:

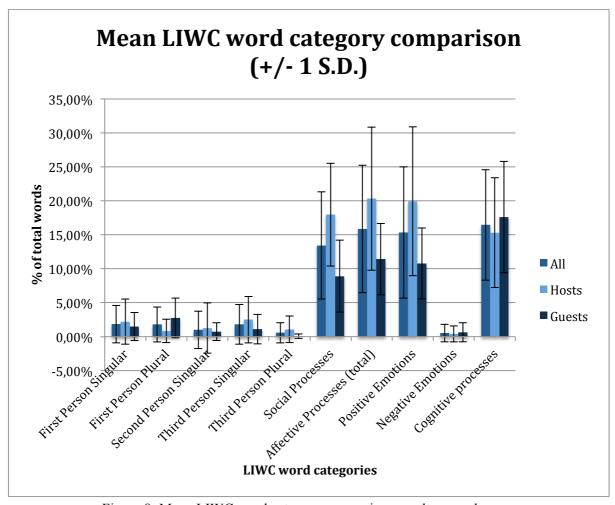


Figure 8: Mean LIWC word category comparison results - graph

6 Discussion and Conclusion

The discussion starts by discussing the major findings that emerged from the analysis. It will answer how and on the basis of what values identification takes place as well as what role social identity plays in the adoption of the platform and participation behavior of members. The discussion of the findings together with an analysis of current developments in the SE lead to implications of how platforms within the SE can engage with their user community based on social identity and the resulting gains, drawbacks and effects.

6.1 Same-side value congruence

Value congruence seems to exist among each of the two sides. Guests are bound by self-referent values connected to the goals of saving money, getting insider information about the places they visit and convenience. Moreover, they are bound by an experiential value, i.e. guests want to engage in a fun and exciting new way of travelling that is more authentic than staying in an impersonal hotel. Among hosts, the selfreferent value related to earning money prevails. Cognitive in-group identity thus seems to exist to some extent, based on community members' perception and assessment of other members belonging to the respective side sharing the same values and motivations. The awareness of their differing motivations leads guests and hosts respectively to make out-group comparisons reinforcing the in-group to which they belong. Whereas the interviews revealed a rather friendly comparison, in the form of acknowledging the differences without adversarial tendencies, hostility and thus a stronger in-group identity becomes apparent among hosts, revealed in forums. An explanation for alienation being more prevalent in forums is that forums are places where 'heavy users' mingle and share stories, but mainly complaints. 'Heavy users' were mostly hosts who seemed to obtain a major share of their income through Airbnb. A further explanation is Airbnb's investments into building a host community through regular meet-ups in different cities and strong host support. These measures may have yielded success in strengthening an in-group identity. Regardless of cognitive identity being evident among each of the two sides, community members also acknowledge the fact that the community is too broad to identify with other members, irrespectively of the same or similar motivations that drive participation. Overall identity heterogeneity thus is perceived as high, corresponding to Fosfuri et al. (2011) who state that identity is likely to correlate with the size of the customer base and that a large firm with a large customer base experiences greater identity heterogeneity. No group referent values are apparent, however most interviewees have the feeling that others in the community use Airbnb for the purpose of getting to know other people and build relationships, which leads to a cognitive dissonance as interviewees clearly differentiate themselves from others on the basis of this value.

6.2 Overall cognitive social identity through sign value

Both sides seem to be bound by the values of open-mindedness and trust as well as by sign value, i.e. the consumption context (SE) and activity have gained an ideological dimension and are seen as hip and freeing, also confirming what Bardhi and Eckhardt (2012) have found in their study about Zipcar users. In their articulation of sign value, members acknowledge some post-cultural phenomena that are said to be the drivers of the SE, such as liquid modernity, a re-evaluation of possessions, anti-industry attitude and a re-evaluation of community. Kozinets (1999) acknowledges two ways of identifying with an online community. Identification here takes place on the basis of the relationship a person has with the consumption activity, compared with identification based on social relationships a person possesses with other members of the group. People feel part of a new and open-minded generation and perceive other members as similar in this sense. These findings are in line with Bagozzi and Dholakia (2006) who found that the identification with the open-source movement per se has an influence on members' identification with an open-source community. The consumption activity, i.e. participation in the SE seems to be a symbolic resource for identity creation that enhances the self-image. Participating in the SE is seen as making one self look more open and reinforces the own image of the 'new' and 'hip' consumer.

6.3 Group norms and reviews

Group norms do not seem to have evolved on their own, they rather seem to be 'installed' through the review system. There is an incentive to behave in a good and reciprocal way since everybody knows that this behavior will result in a good review.

The friendliness of others is attributed to this system. It does not seem to bother, as this measure is seen as keeping the quality of experience at a certain level. This confirms the rather self-interested motivation of sharing in this context. However, there is also mistrust in the review system, which is perceived as not working since there seems to be underreporting of bad experiences. This finding is in line with Zervas et al. (2015), who found that ratings on Airbnb are overly positive compared to other vacation rental platforms that do not belong to the SE. The LIWC analysis of the reviews revealed high positive emotions and relational tendencies, especially among hosts contradicting findings from interviews and forums and therefore indirectly supports the argument from Zervas et al. (2015). According to the authors, overly positive reviews might result from high ratings being essential for the individual success of booking or renting out a room. According to Agrawal et al. (2013), highly rated listings can drive out bad listings through 'crowd due diligence'. Consequently, nobody wants to hazard a potentially bad review. Moreover, members might fear personal attacks as a consequence for giving a bad review through the possibility of publicly replying to a review. Hence, giving a bad review might backfire and affect someone's own profile. Another possible explanation for the discrepancy of interview findings and those resulting from the LIWC analysis is that reviews follow a personal encounter and that these (unintentionally built) personal relationships may affect the use of words and emotions post experience. Guests' longer reviews on the other hand might reflect their broader values and motivations for engagement, which go beyond the scope of utility. The lower affective and social processes of guests might be due to the fact that whereas hosts only rate the guest, guests also fill a significant part of the review with comments about the property, which tends to be less affective and social in its nature. The overall positive and emotional tendency might not only be attributed to the importance of reviews for individual success, but also because reviews on Airbnb and other sharing platforms concern the property or service as well as the person and not only the property as in regular vacation rental platforms (Zervas et al., 2015). No user community is affiliated with those platforms and consequently no interaction between reviewers takes place. Social interaction, face-to-face encounters, a (even weak) cognitive likemindedness and factual community membership per se may increase the likelihood of positive reviews.

6.4 Low consumer-platform identification

Consumers have positive feelings towards Airbnb, but do not identify with it. In fact, Airbnb's promoted values are completely unknown to most. It helps constructing peoples' identity in enabling people to be part in the SE, evident through a prevailing sign value. This potentially enhances reputational capital. Members are likely to promote and recommend the service to friends, showing that they are satisfied and they have trust in the processes. Trust in Airbnb is likely to stem from the installed review system, its platform governance (e.g. controlled payment system), its size and competitive position. A possible explanation for a low identification with Airbnb despite its positive image lays in its promoted values being rather general, not concise and not related to a specific purpose or substantiated by specific actions (e.g. Kiehls' support of AIDS prevention campaigns (Fosfuri et al., 2013). Rather general values like love and belonging may resonate with customers and have a low conflict potential, however nor do they show nor do they demand commitment. They may therefore be rather conceived as a marketing instrument instead of an authentic and credible commitment of the company (Fosfuri et al., 2011).

6.5 Bottom line: A lack of attachment

An affective or emotional social identity is nor apparent among guests or hosts, nor among the entire group. According to Ren et al. (2012), attachment can develop through social identity or interpersonal ties. Attachment based on interpersonal ties is not apparent, which can be attributed to the lacking wish to bond with others and because of the rather professional relationships. The lacking wish to bond (or actual bonding) also explains the absence of we-intentions that are mainly a consequence of group-referent values (Bagozzi & Dholakia, 2006; Dholakia et al., 2004). Real relationships seem to be neither prevalent nor wanted, but they are also perceived as inhibited by the review system. This might be due to the system reinforcing the transactional nature of the community where it comes to resemble a regular marketplace where a service is being exchanged. Whereas reviewing peers in other communities has been shown to increase

bonding and serve as an instrument to foster group norms (Jeppesen & Molin, 2003), in this study it is seen as detrimental to attachment. This might be due to reviewing each other being 'installed' rather than voluntary. The lack of interpersonal ties might additionally be related to governance of communications. Communications are tightly controlled and only possible when making a booking inquiry, reinforcing the professional nature of relationships. Affective dissonance between hosts and guests is especially apparent in forums, where host stories reveal a feeling of alienation from guests because they do not feel their service to be appreciated by guests, while emphasizing however that Airbnb is clearly a business and nothing else. (Evident) prevalence of extrinsic rewards (vs. Couchsurfing for instance) has been shown to inhibit engagement and bonding with the community (Bardhi & Eckhardt, 2012; Jeppesen & Frederiksen, 2004; Ryan & Deci, 2000). The research also did not reveal attachment based on social identity. Even though value congruence exists among guests and hosts respectively that could be the basis of cognitive social identity, members do not seem to identify with other members of that in-group, as it is perceived as too heterogeneous. Members do not seem to perceive other members as similar and shared values do not help to overcome dissimilarities. This might be due to the rather functional nature of values that are being shared mainly related to self-interest and utilitarianism. These values have no emotional content and no 'linking value'. Identification through sign value also does not seem to lead to attachment. This might be due to the fact that sign value is attributed to the SE in general, not specifically to the Airbnb community. Sign value does not overcome the perception of the community being too broad to identify with it or its members. A lack of attachment towards the platform can be seen as a consequence of the community being heterogeneous and the platform promoting rather generic values.

6.6 (Affective) Social identity and loyalty

Most members are willing to switch to another platform. What is preventing them from switching is the perceived lack of current alternatives and trust in processes resulting from Airbnb's market leadership. This is indicating a lack of loyalty, as loyalty affects the propensity to switch (Chen & Hitt, 2000; Oliver, 1999). Even though consumer

loyalty is not only affected by social identity, and no direct causality was found between social identity and switching in this study, research has shown the impact of social identity on psychological and behavioral outcomes that in turn lead to loyalty (Bhattacharya & Sen, 2003; Dholakia et al., 2004; Fosfuri et al., 2011; Marzocchi et al., 2013; Ren et al., 2012). Loyalty is directly tied to attachment, i.e. the affective dimension of social identity (Dholakia et al., 2004). According to Chaudhuri and Holbrook (2001), "strong and positive affective responses will be associated with high levels of brand commitment" (p.84). One potential way to explain why members are willing to switch thus is the evident lack of attachment. It became apparent that sign value is attributed to the SE in general. Hence, sign value is no basis for loyalty, also confirmed by Kozinets (1999), who argues that if members' identification is based on the relationship with the consumption activity, members may not be loyal to this particular community. Arguably, sharing sign value does not necessarily lead to high identity salience, i.e. the relative importance of meaning derived from community participation (Fosfuri et al., 2011). The implemented review system increases switching costs, as people would have to set up a new profile when switching to another service. It however does not seem to lead to increased loyalty, as members are still willing to switch to another service. Despite lacking identification and attachment, members seem to be satisfied and likely to recommend the service. This might be attributed to other aspects of the service, such as trust in the processes, positive experiences or lacking alternative experiences. It however does not lead to loyalty in this case.

6.7 Status quo and the potential of social identity

Lowering the propensity to switch and retaining customers becomes increasingly important when there is more than one player in the market. The peer-to-peer home rental market is still dominated by Airbnb, which is by far the biggest player and for long benefited from winner takes all dynamics. That is, it profited from strong network effects accelerating its growth and let the market tip towards one player, creating high barriers to entry (Altman & Tripsas, 2014). There was no multi-homing, since alternatives were not available yet and presumably there was low demand for a differentiated product (von Hippel, 1986). The market recently has changed and new

entrants have made their way in, such as Wimdu and 9Flats. Also more differentiated platforms emerged, such as Onefinestay covering the luxury segment as well as local services. This trend is also observable in other industries, e.g. in peer-to-peer car sharing with Uber, Lyft and Drivy. The market has started to fragment and whereas many platforms pursue aggressive growth strategies targeted at winner-takes-all outcomes and thus appeal to the overall market and target the mass, new platforms started to become more differentiated by offering a more differentiated or focused value proposition. According to Evans and Schmalensee (2012), "product differentiation is a key reason why many industries with multi-sided platforms have multiple competitors even though indirect network effects [...] would seem to propel them to monopolies" (p. 15). Increasing competition, diversification of competitive offerings and fragmentation of the market have important implications for platforms. For market leaders, it becomes more important to build up high entry barriers to hinder new platforms from entering the market, retain customers and prevent them from switching to competition. For new entrants on the other hand it is important to create a differentiated offering and build up a loyal customer base in order to be able to compete with the big players. According to Gawer and Cusumano (2013), platforms and markets constantly evolve increasing the need for distinct capabilities that keep a platform linked to its customers (Cusumano, 2011). Cennamo and Santalo (2013) have proved that adopting a distinctive position can be a successful strategy, provided that the platform is distinctive enough to achieve a unique identity and positioning. Social identity offers a possibility of differentiation and increasing attachment through identity provision leading to loyalty that is closely linked to marketing logic. The focus on utility or functionality neglects the consumer as looking for symbols and experiences corresponding to an experiential view of marketing (Holbrook & Hirschman, 1982; Levy, 1959). Whereas utilitarian value is negatively related to brand affect, "brands that make consumers 'happy' or 'joyful' or 'affectionate' should prompt greater [...] loyalty" (Chaudhuri & Holbrook, 2001, p.84). This requires especially affective social identity that results from consumer-community as well as from consumer-company identification on the basis of shared values (Dholakia et al., 2004; Marzocchi et al., 2013). With an increasing number of platforms

offering similar functionality, people might tend towards platforms where their membership provides them with meaning that becomes part of personal identity construction. Competitive advantage based on the ability of the platform or brand to foster a sense of belonging, provide its members with meaning and thus increase the ability to retain customers and build up high entry barriers may lead to potential effects on market share and profitability (Chaudhuri & Holbrook, 2001).

6.8 CFS for peer-to-peer platforms and their effects

How platforms can foster social identity to differentiate their offering from competition and build up relational links with the community that lead to increased loyalty can take different forms, depending on the platform (strategy). Two platform strategies are observable up-to date. One is platforms that aim at growing fast by gaining critical mass quickly and exploiting all possible platform dynamics, primarily network effects. This strategy can potentially result in a monopoly position, until new entrants make their way into the market (Evans & Schmalensee, 2012). The second is platforms that target a specific segment or niche sector and thus follow a differentiation or focus strategy¹. Compared to the first strategy, growth is constrained (as long as platforms want to keep this focus). In the first case, platforms are likely to end up with a broad community, not bound by one social identity, except for a potential sign value, as seen with Airbnb. Moreover, members of these broad communities are likely to have no interest in bonding or engaging in any form of close relationship. This was confirmed by the conducted research, but also by Dholakia et al. (2004), who found group-based values to be absent in large communities, which they call network-based virtual communities. Therefore, the focus of platforms should not be on relationship building but on fostering social identity. Platforms following the second strategy grant access to and attract a smaller audience and thus their resulting community arguably is less broad. Dholakia et al. (2004) found that in smaller communities, which they call small-group-based virtual communities, members are more likely to bond with each other. This study did not investigate this type of community, so future research would need to see if the

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⁷ In some cases, platforms start by targeting a specific sector or customer segment to gain critical mass and then open up to the mass. Airbnb for instance started as accommodations for conference attendants (Lassiter III & Richardson, 2014).

prevalence of group-based values in small communities holds true in a SE platform context. Since social identity however has been proven to have a stronger effect on affective commitment or attachment than interpersonal relationships (Ren et al., 2012), suggested CFS for both smaller and bigger platforms focus on social identity only and discard the possibility of identification through relationships.

6.8.1 Differentiation opportunities for large, undifferentiated platforms through identity-enhancing and identity-creation CFS

The aim for undifferentiated platforms with broad communities is to secure future growth and secure market share by further attracting new consumers and prevent them from switching to other, eventually more differentiated platforms. One possibility to retain customers is by creating sub-communities, thereby acknowledging that the overall group consists of multiple niches and micro-segments (Kozinets, 1999) with different values and needs. By re-organizing them into sub-groups, a platform can create more homogenous segments and decrease identity heterogeneity. This opens up the possibility to credibly commit to those sub-communities by supporting and strengthening their values through identity-enhancing CFS. It also opens up the possibility to create those sub-communities' identities by supplying it with values and symbols, hence employing identity-creation CFS (Fosfuri et al. 2011). Identityenhancing CFS are especially suited when the platform chooses to create subcommunities that already display a level of identity homogeneity and identity salience and thus already display value congruency to a certain extent. An example could be the creation of a LGBT⁸ sub-community. Platform investments here serve to strengthen or expand community values. Identity is co-created. Identity-creation CFS on the other hand imply the creation of sub-communities that are not necessarily bound by value congruence before their creation. An example could be the creation of an Airbnb subcommunity for luxury homes appealing to the design affine and wealthy members. The platform becomes the main source of values. Arguably this strategy is more costly, as the platform must constantly supply values and act upon them. It is however likely to result in strong power over community identities (Fosfuri et al., 2011). In both cases,

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⁸ Lesbian, Gay, Bisexual and Transgender Community

the platform can credibly commit to values that are substantial to a specific community, instead of supplying the whole community with rather broad and 'empty' values. Subcommunities can be targeted effectively and marketers are able to gain a better understanding of consumers and their needs, which increases the likelihood of building up relational ties with the community. Value congruence among the sub-community and commitment by the platform is likely to increase member attachment. According to Ren et al. (2012, p. 846), "the more a member feels attached to a group or to individuals within the community, the more the member will feel attached to the larger community". Thus, attachment is likely to spill over to the community as a whole and to the platform. Research showed a tendency of alienation between the two sides (here hosts and guests) of the platform. The creation of sub-communities and the resulting social identity would represent a differentiation decision that jointly involves both sides and hence can avoid alienation. Alienation between two sides of a platform is dangerous, as interdependencies exist. As members on one side affect demand on the other side, differentiation decisions must be made jointly for both sides (Evans & Schmalensee, 2012). In order to allow network effects and not to inhibit future growth of the platform, sub-communities would have to take the form of sub-platforms, working under the main platform. Additionally to having a listing on the general page, people could choose a community in which perceived membership offers a sense of identity. By offering membership in sub-communities as well as in the bigger community, network effects can be secured, as critical mass is being ensured. At the same time, this strategy is likely to ensure adoption of sub-platforms and minimizing the chicken-egg problem, since members have nothing to loose by adopting them. The major difficulty with this approach is the potential of conflicting values among the different sub-communities. The platform thus needs to devote resources and time to the management of different social identities within sub-groups and make sure that the values that are co-created are not in conflict, to ensure attachment and identification with the overarching community and platform.

6.8.2 Focus opportunities for niche platforms through identity-creation CFS

Platforms can also choose to focus their scope from the beginning by focusing on a segment that appeals to a few target markets but is restricted in scope, e.g. helicopter transportation. These platforms attract members that might belong to different communities. In terms of identity heterogeneity, the point of departure is similar to the above-mentioned situation, with the important difference however that this platform focuses on a niche and thus it must fulfill the expectations of a distinct group of members with specialized needs. The resulting community is likely to be smaller, since the platform scope does not appeal to the mass. Ex-ante identity heterogeneity might be low, but because members share a similar need for a differentiated product, the platform can implement an identity-creation CFS. By supplying the community with values and symbols relevant and related to the platform/brand or consumption activity, the platform constitutes the shared identity of the community. By credibly committing to a limited number of homogenous values, identity salience is likely to increase and the platform gets legitimated as member of the community (Fosfuri et al., 2011). This strategy can result in constrained growth opportunities for a platform, as it must make sure that people adopting the platform take on the established social identity. (Potential) Network effects thus might have to be decelerated in order to avoid conflicting values. Compared to bigger and diversified platforms, focus or niche platforms run a high risk of envelopment, i.e. being swallowed by another platform (Eisenmann et al., 2006). An established homogenous community might render the platform even more attractive for envelopment, as resources devoted to its establishment can be saved. Bigger and diversified platforms might run a lower risk of envelopment, since taking over one of their (sub) communities is likely to be accompanied by a higher level of complexity, i.e. co-dependencies to other sub-communities or the platform. Hence, attachment and interdependencies become even more important for niche platforms. By implementing an identity-creation strategy, a niche platform can lower the risk of envelopment. By supplying the community with values, it becomes key source of identity that member need for their own identity construction and hence builds up the co-dependencies that lead to high loyalty and low propensity to switch (Fosfuri et al., 2011).

6.8.3 Focus opportunities for niche platforms through signaling and identityenhancing CFS

Whereas platforms discussed in the previous chapter focus on a segment, a platform could also choose to compete by focusing on an already existing community with established identities, e.g. homes from and for musicians. In this scenario, the reason of being for the platform is to match members of this existing community. It thus has to customize itself to the community, which presumably is marked by high identity homogeneity, sets the agenda and determines values. Power over the community's identities therefore is likely to be low, especially when the importance of meaning derived from community membership is high, i.e. identity salience is high. To become a legitimated member of the community the platform would be well advised to align its values to the community, also referred to as signaling CFS (Fosfuri et al., 2011). If identity salience is rather low on the other hand, a platform can invest into value cocreation to build up a social identity based on values that might exceed the original values of the community, thus increasing the power of the platform over the community (Fosfuri et al., 2011). Especially when identity salience is high, opposition to marketers is likely as they are easily conceived as 'intruders', which increases the importance of authentic value commitment (Fosfuri et al., 2011; Fournier & Avery, 2011). Whereas bigger platforms might avoid specifically targeting or creating sub-communities with high identity salience where the company has low influence, where complexity is high and potential opposition likely, this can be a rewarding strategy for niche platforms. They don't have to devote too many resources to the managing and development of the community and are likely to profit from reputational capital once positively assessed by the community. When moving towards identity-enhancement, platforms can even profit from reciprocity due to the empowerment of community members trough co-creation (Fosfuri et al., 2011). The risk of envelopment in this scenario is likely to be the highest, since no interdependencies among the platform and the community exist and thus it becomes easy for another platform to take over the user community.

6.8.4 Potential effects of CFS on platform dynamics

CFS were applied to a platform context in which different CFS are suited for varying platform (positioning) scenarios. The first two proposed strategies focused on

communities where the basis for social identity, in the form of homogenous segments, must be created to enable credible value commitment. The last scenario assumed a platform being built around an already existing community with an established social identity. Implementation or reinforcement of social identity in peer-to-peer platforms within the SE through CFS might have the following potential effects on platform dynamics:

- Social identity is likely to increase overall quality of the network, thereby reducing information asymmetries and the likelihood of market failures (Hagiu, 2014). Homogenous (sub) communities connect 'similar' people and increase the likelihood of attachment. Identification based on (cognitive) similarity and increased affect might result in a sense of moral responsibility as well as a sense of obligation. Hence, members are likely to assist each other in the proper use of the brand, product or service and 'punish' bad behavior (Muniz, Jr. & O'Guinn, 2001). Strongly attached community members have been shown to adopt and reinforce norms and appropriate behavior that are consistent with the group (Ren et al., 2012). Consequently, the likelihood of bad experiences diminishes and so does the tendency of underreporting bad experiences, mostly due to a sense of obligation to the larger community.
- In being able to keep the quality high, a platform can avoid a lemons market failure, where high quality is squeezed out by low quality (Hagiu, 2014). Even the reverse effect is possible, in which high quality can drive out low quality. Due to the above-mentioned moral responsibility and obligation, the crowd might perform tougher 'due diligence' on members' offerings.
- Social identity and community building are especially useful for customer retention (Heding et al., 2009). However, it could also increase the adoption of a platform. According to Gawer and Cusumano (2013), too many complementors may discourage others from joining. Smaller and more homogenous segments could diminish negative same-side effects and rather encourage adoption.
- Social identity and resulting attachment are likely to increase multi-homing costs. Especially in cases where community members co-create identity or when

co-dependencies exist, a platform can create symbols unique to the platform and hence meaning. The more a platform fulfills self-definitional needs, the more members are compelled to stay with that platform (Fosfuri et al., 2011).

- Homogeneous communities are likely to increase matching efficiencies. This in turn might result in a highly fragmented market or industry with many specialized platforms (Evans & Schmalensee, 2012).
- Homogenous segments could make the platform more interesting for third parties. Advertisers for instance might join the ecosystem, since they can target members more efficiently.

6.9 Concluding remarks

Eckhardt and Bardhi (2015) argue the SE being a misnomer, and that companies like Uber, which highlight financial benefits over social benefits are going to be more successful in the long run. Indeed, the present study has found self-referent motivations and values to be prevalent in the studied consumption context. However, this thesis departs from a post-modern consumption perspective in that it sees individuals not only consuming for a functional and utilitarian use value, but also for the creation of a social link (Cova & Cova, 2002) and for their personal identity construction (Belk, 1988). The study results reveal a weak cognitive identity and a lack of affective identity, which is attributed to the heterogeneity of the studied user community (presumably a commonality for many peer-to-peer platforms in the SE, fostered by their fast growth through e.g. network effects) and to the prevalence of self-referent, i.e. utilitarian values that are detrimental to attachment (Chaudhuri & Holbrook, 2001). These two factors are not independent from each other. On the one hand, self-referent values facilitate the fast growth and scalability of platforms since they inhibit social and relational community dynamics. On the other hand, the prevalence of self-referent values is showed to be fostered by the scalability and resulting heterogeneity of platforms. This is because from the beginning, members perceive the community as being too broad to be able to identify with other members or the platform on the basis of values that exceed selfreferent ones. Drawing on existing marketing literature, attachment is seen as prerequisite for loyalty (Chaudhuri & Holbrook, 2001; Marzocchi et al., 2013; Ren et al., 2012) and thus, the prevalent lack of loyalty is ascribed to a lack of (affective) identification, i.e. attachment, even though no direct causality was found. Brands are increasingly seen as holders of complex cultural meaning that is a result of co-creation with their customers (Holt, 2002; 2004). The prevalence of sign value indicates that participation in the SE represents a lifestyle choice, endowing the consumption activity and the brand as facilitator with cultural meaning. Cultural forces can be used to build strong brands (Heding et al., 2009), however, as long as companies/platforms cannot capture this sign value to their advantage, i.e. by creating their own symbols in the form of credible and authentic values that provide meaning to its members and help them constitute their personal identity, it does not necessarily lead to a competitive advantage. This study argues that it is difficult for platforms with large, heterogeneous communities to credibly commit to a set of coherent values (exceeding self-referent values) that resonate with all members and are the prerequisite for identification and resulting attachment (Dholakia et al., 2004; Fosfuri et al., 2011). The proposed CFS represent an opportunity for different platforms to engage with community members in identity co-creation and hence a link to what Dahl et al. (2015) call a user-driven philosophy⁹ can be made. By actively involving users, even users who don't participate but learn about and observe the company's philosophy are more likely to identify with that company leading to more positive attitudes toward it, which according to Bhattacharya and Sen (2003) and Ren et al. (2012), contributes to self-extension and greater attachment. Fuchs and Schreier (2011; in Dahl et al., 2015) argue that "consumers believe that such firms "put the customer's interests first" and are better at and more willing to understand user needs" (p. 1979). This study has shown that interpersonal bonds are not wished for in this context, thus marketers should be aware that this might not be the right way to engage their customers. Moreover, social identity has shown to have stronger effects on attachment compared to social bonds (Ren et al., 2012). As outlined above, platforms treating their members as 'economic man' might loose them to companies that help them satisfy their self-definitional needs, i.e. i.e.

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 $^{^9}$ In their study, user-driven philosophy is linked to involving consumers in user-driven design as innovation approach

community, a sense of belonging and support for personal identity creation. Social identity has the ability to favorably affect platform dynamics and additionally to greater attachment and loyalty, identity co-creation might foster brand creation, increase perceived authenticity and positive brand meanings (Shao et al., 2015; von Hippel et al., 2013). Consumers are likely to repay for the identity they have received (von Hippel et al., 2013).

7 Limitations and future research

No direct causality was evident between social identity and loyalty. Hence, future research could expand the understanding of the phenomenon by testing if social identity in a platform context factually leads to loyalty and the estimated effects on platform dynamics. This could be done in an experiment by testing different platform scenarios and their effect on, i.a. switching behavior, or by combining quantitative and qualitative methods. The sample in this study was small and focused on the age group from 25-35. A broader sample should be tested in order to see if community dynamics change as well as loyalty outcomes. Moreover, it would be interesting to see the effects of a platform's investments into homogenous sub-communities on spillover effects and potentially conflicting values. Other aspects that contribute to consumer loyalty could be tested and their effects be compared to social identity to better estimate its potential impact. This study has looked at commercial peer-to-peer platforms within the SE in the context of home-rental. Based on the single-case approach, the thesis' ability to make broad generalizations is restricted. In order to increase generalizability, future research should expand the scope to other platforms in other sectors or industries. It would be interesting to see the potential applicability and effect of CFS in platforms that for instance require less interaction and consumer involvement and where the challenge of differentiation is tougher (e.g. car sharing). Expanding the research to other contexts would contribute significantly to an understanding of consumer behavior as well as the potential of CFS in the SE.

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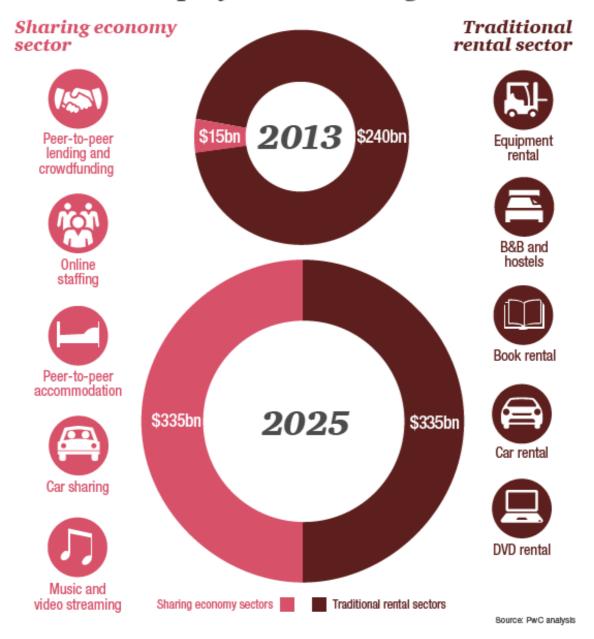
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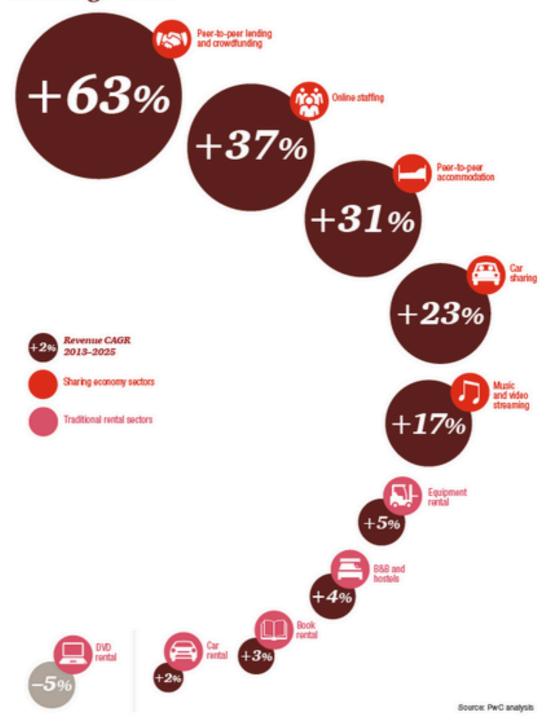
APPENDIX

1) The Sharing Economy at a glance

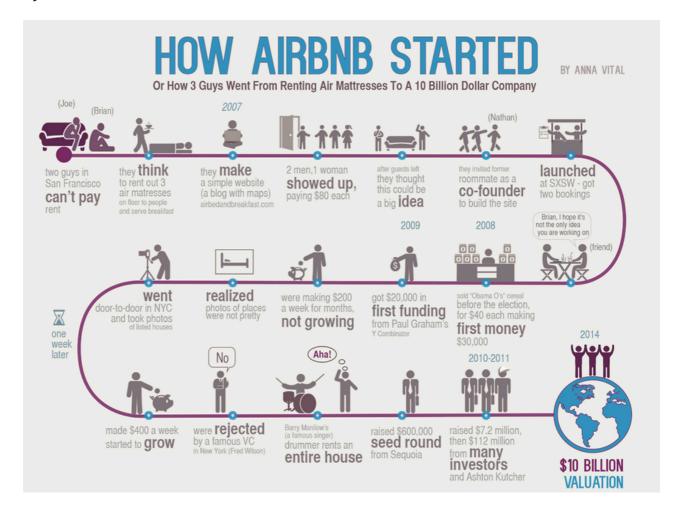
Sharing economy sector and traditional rental sector projected revenue growth



Sharing economy and traditional rental sector growth



2) Airbnb timeline



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3) Interview guide

Qualitative Interview Gui	ide	
1. Introduction	Welcome and Briefing	1.1 Talk about Airbnb and the SE in general
		1.2 Clarification of terms – if needed
		1.3 The main topics we are going to discuss - usage behavior - your relationships and interactions with other members
		1.4 Explanation of how I will use the findings
		1.5 No wrong and right answers, what comes to mind. things that might seem unimportant
		1.6 Indication of recording
2. Usage Behavior		2.1 Since when are you a member of Airbnb
		2.2 How often do you use it
		2.3 Are you a host, a renter or both
		2.4 What comes to your mind first when you think about Airbnb
		2.5 What made you choose Airbnb? Anything special/standing out?
		2.6 Have you ever used or thought about using another service that is like Airbnb? Why, why not?
3. Values		3.1 What are your personal motivations/reasons to use Airbnb? -why, elaborate -how important is that for
		your life

		- which is the most
		important?
		3.2. Do you think that other members share those motivations/values? What would be the motivations of others? - Some in particular?
		3.3 Are you aware of the values Airbnb stands for?Belonging? What does that mean to you? How important is it for you?
4. Social Identity	Cognitive Identity	4.1 To what degree does your self-image overlap with other members of the community? - in what sense/why
		4.2 Is there a difference between hosts and travellers?
		4.3 Similarities / Dissimilarities
		4.4 What is the stereotypical member? Please describe
		4.5 Do you see yourself like that?
	Affective Identity	
		4.6 How attached to the community do you feel?
		4.7 Is there something that connects you to other members/the community?
		4.8 How attached do you feel to Airbnb? Anything that connects you?
		4.9 How strong are your feelings of belongingness?
		4.10 How would you describe the relationships with the other members?
	Group Norms	4.11 How would you describe
		the general interactions on

	Evaluative Identity	the platform? Among members? Any rules etc. 4.12 Do you feel like an important member of the group? Why/why not?
		4.13 Do you feel like a valuable member of the group? Why/why not?
5. The Sharing Economy		5.1 Do you use other services of the SE?
		5.2 What do you think of the SE?
		5.3 How important is being part of the SE to you?
		5.4 Do you identify with people who use it? Why?
6. Participation Behavior	We-intentions	6.1 Do you think of the community in terms of us?
		6.2 Do you engage in forums etc. to provide help to others?
	Recommendation	6.3 Would you recommend
	Reputation	Airbnb to a friend?
	Switching	6.4 How do you feel being associated to Airbnb?
		6.5 Would you switch to another platform? Why/why not?

4) Extract codebook

	PERSONAL VALUES Self referent Group referent Experiential Other											
	ABSTRACT II	ABSTRACT I		ABSTRACT II	Group referent ABSTRACT I	QUOTE	ABSTRACT II	Experiential ABSTRACT I	QUOTE	ABSTRACT II		QUOTE
Cyrus 51 _RENTER	Cost savings Purposive value Information Purposive value Convenience Purposive value	To save costs To get local inside knowledge To live in good location	only for cost reasons because you can find accomodation in big, urban cities and you get a little bit of a connection to the city through the people you live at and		ABSTRACT I	QUOTE	ABSTRACT II	ABSTRACTI	QUOTE	ABSTRACT II Open-mindedness	Internationality Urban	handle own belongings more liberal-minded
Alexandra 28_HOST	Convenience Purposive value Income Purposive value		I find it very practical and good I can get some of the money back	Relationship maintainance Social bonding Maintaining interpersonal connectivity value	To get to know people	Well, you also get to know people, what can be funny sometimes Last time there were some cool guys from Englandwell, then you meet them We went for a drink, which was fun. [] it is not important at all to be honest, maybe a nice add-on				Consciousness	To be conscious about posessions	not having to own so much

	COMMUNITY PERCEIVED VALUES										
ADCTD ACT !!		eferent		oup referent	OUGTS	A DCTD A CT II	Experiential	QUOTE	A DCTD A CT II	ADSTRACT	Other
ABSTRACT II	ABSTRACT I	QUOTE	ABSTRACT II	ABSTRACT I	QUOTE	ABSTRACT II	ABSTRACT	QUOTE	ABSTRACT II	ABSTRACT	QUOTE
Learn about others Self-discovery value Cost savings Purposive value	To learn how people live	and I think that a lot do it to get in contact with the people who live in the cities, because they are interested in how they live, what they do Ich suppose the typical user is young, interested in new things, wants to travel cheap and liberal-minded and through Airbnb he can probably also travel more compared to going to a hotel and has the possibility to get to know locals	Relationship maintainance Social bonding Maintaining interpersonal connectivity value	To get to know people	and I think that nonetheless a lot of people do it to get in contact with the people that live in the cities, because they are interested in how they live, what they do				Open- mindedness Interest	Interested in new things, cosmopolita n	Ich suppose the typical user is young, interested in new things, wants to travel cheap and liberal-minded and through Airbnb he can probably also travel more compared to going to a hotel and has the possibility to get to know locals
Turposive value	money	to know locals			get to know locals						
Income Purposive value	To gain money	I think that a lot of people use it to cover their costs from the earnings.	Relationship maintainance Social bonding Maintaining	To get to know people, get	probably also to get to know people and maybe not be alone in a new and big city maybe people start a new job or university and have rented an	Play Entertainment value	Try new things	sure it is people that are affine towards new things and that want to try something it has an appeal to see how it works and so on	Open- mindedness Interest	Interested in new things, cosmopolita n	sure it is people that are affine towards new things and that want to try something.
		I think it is mainly about earnings	interpersonal connectivity value	connections , build network	apartment that is too big, maybe to get some connections that's what I can imagine I think actually a lot of people that use it to make contacts or a network. and yes, somehow I think I am too less of a globetrotter for that						

	Social Identity													
			gnitive				Affective				Evaluative			Group Norms
	ABSTRACT II	ABSTRACT I	QUOTE		ABSTRACT II	ABSTRACT I	QUOTE		ABSTRACT II	ABSTRACT I	QUOTE	ABSTRACT II ABSTRAC		QUOTE
YES			People who use shared services are similar I think	YES			I was in contact with the people every day I got invited to meetups, like get togethers with other hosts in Munic, which I thought to attend but then never did. But it felt like a community. It felt like there is somebody that you could go to. Or there are other people in the city that do the same as you do and you can go and meet them. It felt like a community.	YES	Feeling of importance	Feeling like an important member of the community	like good hosts. That's what made us feel good and kind of important to the community because we rented out the room a lot			And when they came the interactions were all very professional and really friendly.
			also many people or I don't know so many people from the community but I would say it feels like we are likeminded				Me. How connected do you feel to the community? C. well yes, I am happy. I am not the one who celebrates it or emphasize that but then it is nice to meet somebody who also is doing it and then it is like, ah you also do Airbnb.				I would describe it more or less in the same way as me feeling important. We had a nice apartment and the room was very pretty and I would also say that we were friendly hosts. But as well they valued to stay with us and airbnb valued I think that people like to stay with us.			I found them always very friendly and very keen that you have a nice stay
	Cognitive like- mindedness	Feeling likeminded in general	Well, people who use it probably have similar motivations				I guess it would be then somebody who shares my mentality I find it pleasant and it gives me a good feeling.				Me. Do you feel like a valuable member of the group J. I guess I'm a good guest and I take care of the places I'm intherefore yeah why not			it was always very pleasant
			People who use [Airbnb] and travel this way would probably also take a car2go or share a bike or so. I definitely think that all think in the same direction		Sign value		Probably the fundamental principle of Airbnb. But other than that I'd say quite little connects me to the community I wouldn't go to meetups or so.			Feeling like a valuable member of the community	ratings, so yeah.			they showed you or told you were you can go and what ou can do
			yes It's the same type of people I'd say, from the same generation, with similar possibilities.		Internation ality		what connects me well, I have chosen them There are others, but I came across them while browsing and I felt more connected to them maybe because it is more international When I travel I like to be not only among Germans.		Feeling of value		the most valuable, because I don't use it that often and probably I don't bring them that much.but I am someone who recommends it quite a lot and is very positive about it. From this perspective, yes I am probably valuable.		Helpfulness, Reciprocity	
			they like to travel, I like to travel, we all use airbnbso yeah				I maybe feel financially connected				a. I don't know for sure I rent out my apartment so of course I feel kind of valuable because without me or other hosts it would not workand be a community but personally I would say now			It was uncomplicated and we had a personal relationship during our stay We took on post for him, he came home and drank our beers but the bought new one It felt a little bit like home