Chapter 1
A Conceptual Framework of Value Sharing in the Sharing Economy

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ABSTRACT
The sharing economy is a fast-growing phenomenon that has significantly disrupted traditional businesses. In order to identify the success factor of this new business model, this chapter discusses the unique features of sharing economy practices considering the concept of value sharing. First, the theoretical foundation of value sharing is explained using the value co-creation literature, which is derived from the service logics. Next, four types of values, namely economic, social, functional, and hedonic, are discussed in sharing economy practices. Finally, a conceptual framework of value sharing that depicts the benefits and costs of participation in the sharing economy is provided. Based on this framework, sharing each aforementioned value has its own benefits, which acts as an incentive for both resource suppliers and consumers in the sharing economy. However, the sharing process has its own costs that may be considered as a deterrent for sharing economy participants.

INTRODUCTION
The mode of consumption has been changing from ownership to access during recent years because of the shift in consumers’ perception of value and the advancement of technology (Frenken & Schor, 2017). With the advent of online platforms that has made unlimited number of tangible and intangible resources accessible, ownership has lost its value in the consumers’ mind (Bardhi & Eckhardt, 2012). Consumers believe that access to resources is associated with fewer risks than ownership, for example, they believe that the potential financial and social loss is greater in the purchase of a product than in the

free or fee-based access to the product (Schaefers, Lawson, & Kular-Kinny, 2016). All these new changes and beliefs have created a sharing practice named “sharing economy” in which individuals share their resources with others through online networks and promote the culture of collaborative consumption (Bucher, Fieseler, & Lutz, 2016). Sharing economy practices, which are seen in different sectors such as Airbnb in the lodging sector and Uber in the transportation sector, have become very popular and started to disrupt traditional businesses (Henten & Windekilde, 2016). Thus, researchers and practitioners have become interested in knowing the success factors of these practices.

Prior studies on the success factors of sharing economy majorly investigated the factors that motivate consumers to participate in the sharing economy. For example, using Self-Determination Theory, Hamari, Sjöklint, and Ukkonen (2016) found that the economic outcome is the major extrinsic motivation and enjoyment and reputation are the major intrinsic motivations for individuals to participate in the sharing economy, or, using a sustainability framework, Böcker and Meelen (2017) found that economic, social and environmental factors are the major drivers of accommodation sharing, meal sharing, and ride sharing respectively. Although these studies identified the general motivation categories of the participation in the sharing economy (e.g., economic and social motivations), they didn’t investigate the specific motivators of each category. In addition, although value is an integral element in the sharing economy (Zhang, Gu, & Jahromi, 2018a), the studies didn’t address the concept of ‘value sharing’ and didn’t explore the drivers of the sharing economy using a value sharing perspective. Furthermore, prior studies mostly focused on the consumers’ motivation and overlooked the suppliers’ motivation to participate in sharing economy practices. Thus, in order to address the gaps in the sharing economy literature, this chapter aims to provide a conceptual framework of value sharing in the sharing economy by discussing the general and specific values that may drive and the costs that may deter both suppliers and consumers to adopt/readapt the sharing economy.

To achieve the above-mentioned objectives, the current chapter is developed as follows: first, the background of the sharing economy including evolving definitions and industry practices will be reviewed. Second, the concept of value sharing and its relation with value co-creation will be discussed. Next, four types of economic, social, functional, and hedonic values that are intrinsic in the sharing economy activities will be explained from the perspectives of suppliers and consumers. Fourth, a conceptual framework of value sharing will be provided adopting the Social Exchange Theory (Figure 1). According to this theory, in addition to the perceived values of any exchange (i.e., the sharing economy), perceived costs should be considered as the antecedent of participation in that exchange. Thus, in this section, first, the benefits, and, then, the costs inherent in sharing economy practices will be discussed.

BACKGROUND

The sharing economy has changed the classic notion of economic transaction by promoting collaborative consumption of products and services (Schor, 2016). This new economy practice is defined as sharing under-utilized human and non-human resources with others typically at an affordable price or free through online platforms (Frenken & Schor, 2017; Kathan, Matzler & Veider, 2016; Stephany, 2015). The sharing economy is found in different types of businesses, for example, in transportation, when a car owner gives a paid/free ride to his peers (e.g., Uber); in lodging, when a condo owner rents his condo while he is not using it (e.g., Airbnb); and in dining, when a chef shares paid/free dining experiences with others (e.g., Feastly). These peer-to-peer businesses have significantly disrupted traditional