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How do sharing economy organisations create and disrupt institutions?

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Markets Equities

Sharing economy disruption, maybe not so disruptive?



JULY 10 2015 By: **Izabella Kaminska**

Airbnb has bulldozed its way onto the hotel market unleashing untold capacity and cratering prices. In 2015 the network orchestrator, as sector analysts describe the model, is likely to take \$900m in disruption revenues.

And over the next five years Airbnb's planned the growth could take its global market share from 1 per cent to 9 per cent, challenging even the largest existing online travel agents (OTA) leaders. And all because the platform's figured out how to tap amateur hotelier capacity — other people's assets basically — and make it commercially viable.

Read next

Thomas Hale

Further

2 HOURS AGO By

FT Alpha



Jemima
@jem

To the handfu
who I haven't
£1.50 bus fare
excruciating c
ft.com/conter
[@financialtim](https://twitter.com/financialtim)



Disruptio

HOUSEWIVES RESCUED FROM WASHING-DAY DRUDGERY

THE NEW HOOVER ELECTRIC WASHING MACHINE

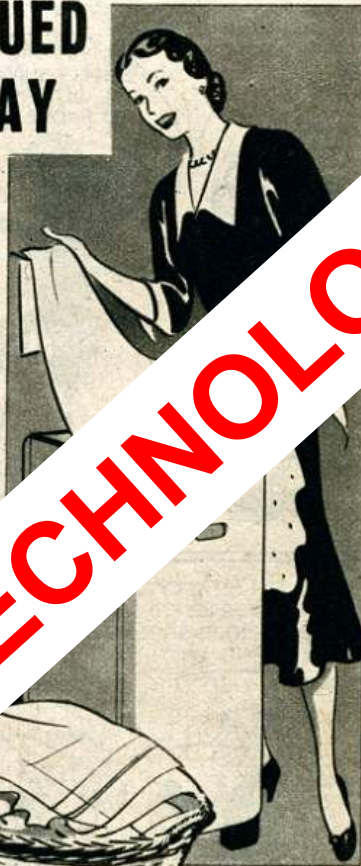
does the full weekly wash for a large family

THE marvellous new Hoover Electric Washing Machine has already rescued many thousands of housewives from hard washing-day drudgery. And it can do the same for *you*.

It is astonishingly quick, very gentle with the clothes and washes everything spotless clean. Just exactly what you've wanted for years.

WORTH WAITING FOR!

such an enormous demand for the Hoover Electric Washing Machine that your Dealer may not be able to supply you at once. Which is all the more reason why you should order *now*. It is absolutely nothing to be without with it, so even if there may be a little delay, it is *worth waiting for!*



£25

(plus £6.5.0d. tax)

Demand is heavy, so see your Hoover Dealer now. Hire Purchase available.

IT'S MADE BY **HOOVER** TRADE MARK

MAKERS OF THE WORLD'S BEST CLEANER

NOT JUST A TECHNOLOGY



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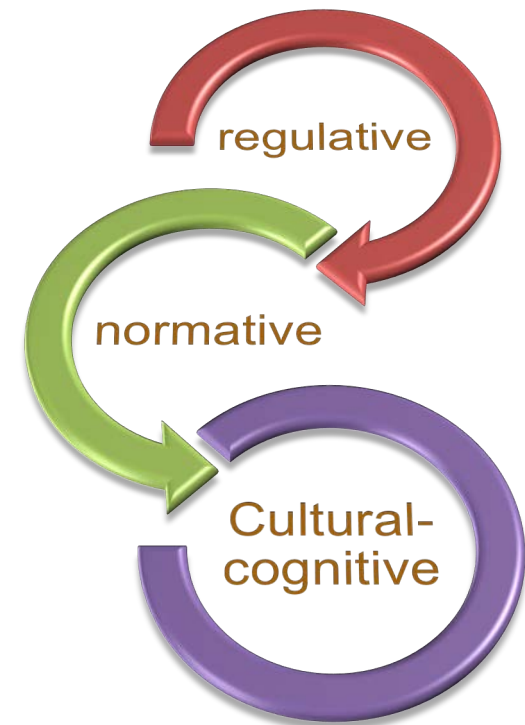
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Disruption & Creation of Institutions

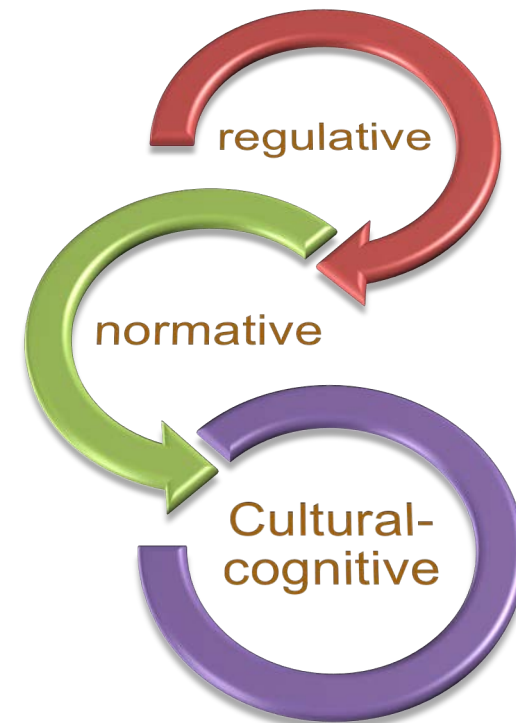
- **Disruption:** ‘an interruption in the way that a system, process or event works’ (Cambridge dictionary)
- **Institution =**
 - "stable, valued, recurring patterns of behavior"
 - “Provides stability and meaning to social life”
 - (ex: money, family, education system)



Institutionalising the sharing economy

- Institutional work = the purposive action of organisations & individuals to **create, disrupt** and maintain institutions
- Unit of analysis = micro-institutional practices of actors

(Lawrence & Suddaby, 2006)



Methods

- 58 semi-structured interviews



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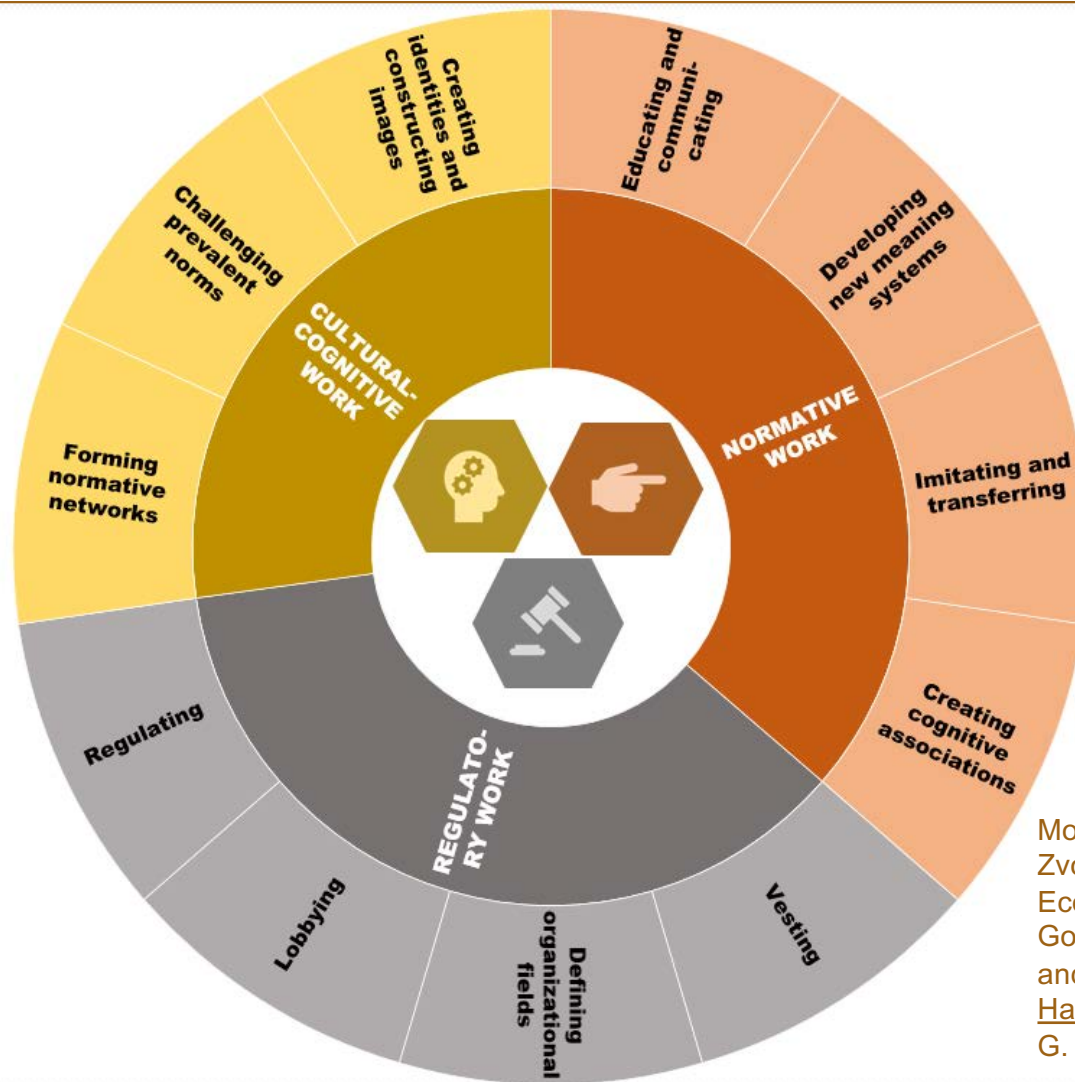
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How do SE organisations work to create institutions?



Mont, Oksana, Voytenko Palgan, Yuliya Zvolzka, Lucie (2019). How Sharing Economy Organizations and City Governments Engage in Institutional Work and How This Shapes Sustainability. Handbook of the Sharing Economy. R. Belk, G. M. Eckhardt and F. Bardhi, Edward Elgar.



Lobbying

– Big and powerful actors

“We approach them [local government officials] on undemanding level: (...) we would like to function within the legal system. We are one of the (only) companies that can really provide the case of reducing car use in the city. So far it has been really positive.”

“The London Mayor used air quality as one of the cornerstones of his election strategy. We get asked about this by the municipality, and we can show them how much carbon we’ve saved.”



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Litigation

The screenshot shows the top navigation bar of The Guardian website with categories like News, Opinion, Sport, Culture, Lifestyle, and More. The main headline is "Uber wins 15-month probationary licence to work in London" by Gwyn Topham, a transport correspondent. The article includes a sub-headline "Ride-hailing service impresses judge with sweeping changes to its practices" and a photograph of a hand holding a smartphone displaying a map, with a red double-decker bus in the background. A "most viewed" sidebar on the right lists several other news items, including Germany's World Cup performance and Elon Musk's dispute with a potter.

Uber

Uber wins 15-month probationary licence to work in London

Ride-hailing service impresses judge with sweeping changes to its practices

Gwyn Topham *Transport correspondent*
@GwynTopham
Tue 26 Jun 2018 17:36 BST



▲ Uber says it has made 'wholesale' reforms since being told it would lose its London licence in September. Photograph: Henry Nicholls/Reuters

Uber will be able to continue operating in London, after a court decided the

most viewed

- Germany crash out of World Cup group stage after defeat to South Korea
- Elon Musk drawn into farting unicorn dispute with potter
- This was not the Germany we are used to - I feel completely empty
Thomas Hitzlsperger
- Live South Korea 2-0 Germany: World Cup 2018 - as it happened
- Gareth Southgate: 'Let Germany defeat be a warning for England'

Forming normative networks

INDUSTRY ASSOCIATIONS

- **Inter-industrial**

- BikePlus
- CarPlus

- **Intra-industrial**

- SEUK
- EUCoLab
- The People Who Share
- OuiShare



Mimicry and isomorphism

- Taken-for-granted practices, technologies and rules of traditional organisations
 - Sustainability advisory board (Airbnb)
 - Wimdu hotel rooms
- Each other
 - Lobbying
 - Copycats
 - » Accommodation
 - » Food
 - » Cars
 - » Tools



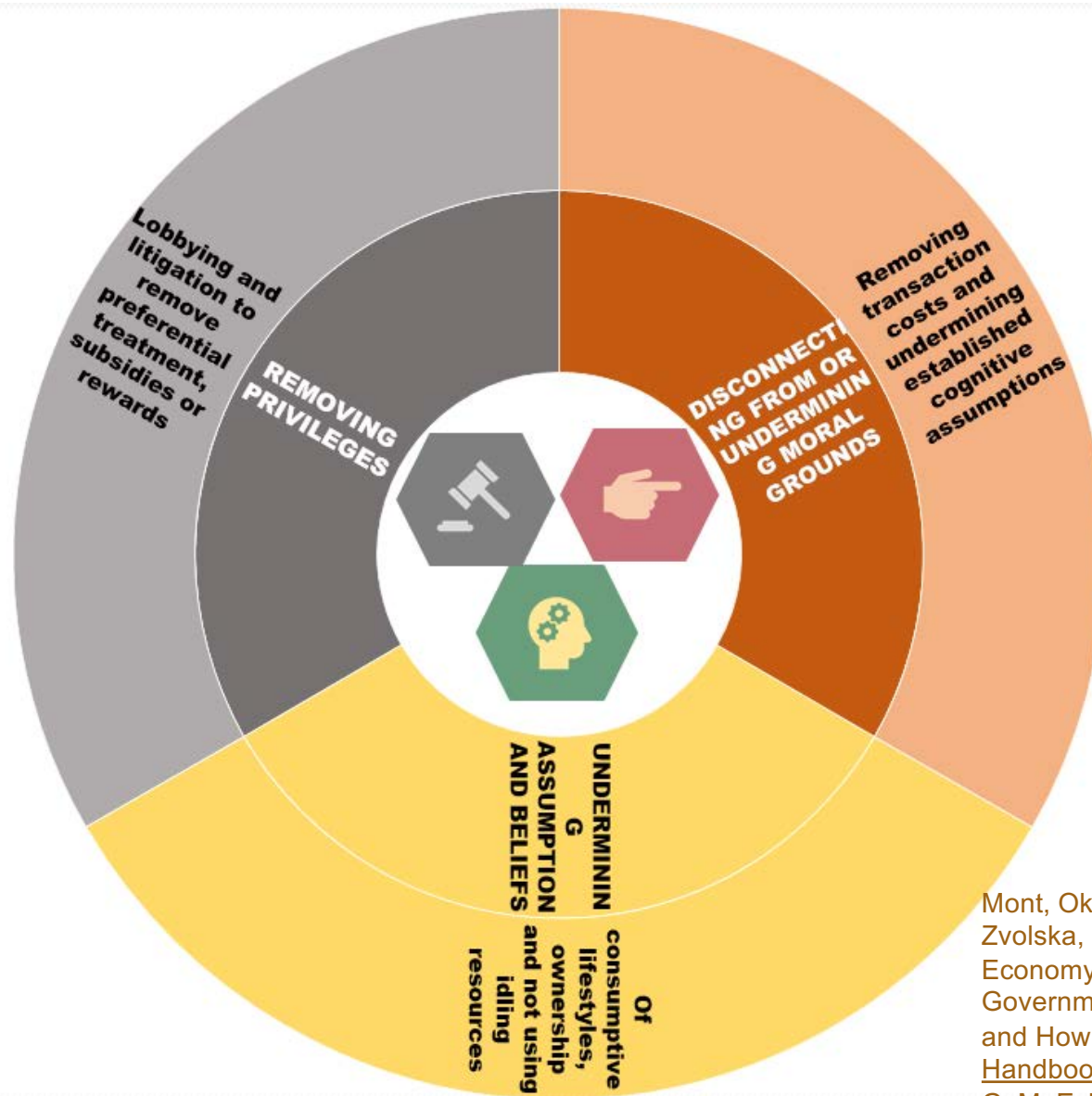
Developing new meaning systems

- Creating own vocabulary and new meaning systems to support legitimacy creation for the sharing economy
- New currencies: Echo, Malmö SwopShop hearts
- New verbs: to uber, to Airbnb

- Uber and Airbnb as a term scaled us
- Sharing economy remains contested



How do USOs work to disrupt institutions?



Mont, Oksana, Voytenko Palgan, Yuliya Zvolkska, Lucie (2019). How Sharing Economy Organizations and City Governments Engage in Institutional Work and How This Shapes Sustainability. Handbook of the Sharing Economy. R. Belk, G. M. Eckhardt and F. Bardhi, Edward Elgar



Removing privileges

“We want the city authorities to set a bold plan to reduce private car initiatives (...). We want the city to be really bold and say: ‘the only way we’re going to meet the [sustainability] challenges, is if we redefine what the car and the city look like.’ That means discouraging private car initiatives because it’s a very inefficient model in a city and encouraging car sharing. It’s a mixture of carrots and sticks that we’re looking for: taxing private cars, whether it be congestion charges, road pricing; and encouraging behaviour change towards more sustainable modes such as car sharing, walking and cycling.”



Disconnecting from or undermining moral grounds, and Undermining assumptions and believes

- Questioning the institution of ownership as a prerequisite for traditional and appropriate ways of consumption
- Undermining cultural-cognitive assumptions
 - Access over ownership
 - Hosting strangers in one's home



Conclusions

- Non-profits often gain legitimacy by being distinctly different from the mainstream companies, but lack the power or resources to engage in political work
- USOs found it easier to engage in discussion with local governments if they could demonstrate common sustainability goals

