The sharing economy

A business case of Uber and Airbnb

Iris Quak
“Somebody asked me ‘what's the job of a CEO’, and there's a number of things a CEO does. What you mostly do is articulate the vision, develop the strategy, and you gotta hire people to fit the culture. If you do those three things, you basically have a company. And that company will hopefully be successful, if you have the right vision, the right strategy, and good people”.

- Brian Chesky, CEO Airbnb
Executive summary
The sharing economy is a business concept that highlights the ability for individuals to rent or borrow equipment, services and skills from other individuals rather than buying and owning them. This thesis was intended to investigate how the two largest businesses in the sharing economy, Uber and Airbnb, became these large billion dollar companies. In order to determine the success factors of the companies, this thesis can be used to help other companies to start a successful business in the sharing economy.

Important factors for starting a business in the sharing economy are receiving funding and arranging the supply. It is important to foster trust among potential customers, to choose partners and to have a simple payment method as well. Additionally, one should focus on brand-building and growing the business. This research revolves around comparing Uber and Airbnb by creating a benchmark which was conducted after two case-studies of Uber and Airbnb and a questionnaire was conducted.

The founders of Uber are Kalanick and Camp who launched the app Uber where customers can order a taxi in just one click in 2010 in San Francisco. Uber is now the highest valued start-up in the world. Airbnb was created by Gabbia and Chesky in 2007. Airbnb is an online platform where people can rent-out their houses or rooms to travellers. In 2011 Airbnb had expanded to 88 countries and is now the third highest valued start-up in the world.

Furthermore, the results of the questionnaire were analysed. Most of the respondents were students between the 18 and 24 with a discretionary income between 0 and 1,200 euros. The most important factor for choosing Uber and Airbnb is because these services are cheaper than the original services. The results showed as well that customers are loyal and satisfied about Uber and Airbnb and that reviews and feedback are very important to the respondents.

Uber and Airbnb were compared and analysed in two models based on the theory and the analyses of the questionnaire. It was concluded that the combination of the theory of Andruss and Taylor applied to Uber and Airbnb, however, research shows that some factors were more important than others. The most important factor is to have an exceptional idea that solves real problems in the world and then it is very important to receive funding. Thenceforth, Uber and Airbnb were able to focus on fostering trust, finding partners and brand-building.

When starting a business in the sharing economy, it is recommended to find investors and close good partnerships to become a successful company. However, the most important factor is to have an exceptional idea that solves real problems that can best be solved by communities and provide the infrastructure to do so.
Table of Contents

Introduction .................................................................................................................. 1

1. Setting up a business in the sharing economy ...................................................... 4
   1.1 The sharing economy ....................................................................................... 4
   1.2 The five key factors of truly collaborative sharing ........................................... 5
   1.3 Starting a business in general ...................................................................... 5
   1.4 Starting a business in the sharing economy ................................................. 6

2. Methodology .......................................................................................................... 10
   2.1 Research design ............................................................................................ 10
   2.2 Desk research .................................................................................................. 10
   2.3 Field research ............................................................................................... 11

3. Uber .......................................................................................................................... 13
   3.1 History of Uber ............................................................................................. 13
   3.2 Important factors to Uber’s success .............................................................. 16

4. Airbnb ...................................................................................................................... 18
   4.1 History ............................................................................................................ 18
   4.2 Important factors to Airbnb’s success .......................................................... 22

5. Customer’s value .................................................................................................... 24
   5.1 Why do people use Uber? ......................................................................... 25
   5.2 Privacy and Safety of Uber .......................................................................... 27
   5.3 Environmental friendly ................................................................................ 27
   5.4 Loyalty .......................................................................................................... 28
   5.5 Why do people use Airbnb? ........................................................................ 30
   5.6 Safety and privacy of Airbnb ...................................................................... 31
   5.7 Satisfaction and connection ......................................................................... 31
   5.8 Loyalty .......................................................................................................... 32
   5.9 Simple payment ............................................................................................. 33

Conclusion .................................................................................................................. 34

6. Benchmarking Uber and Airbnb ............................................................................ 35
   6.1 Comparing Uber and Airbnb ...................................................................... 35
   6.2 Important factors ............................................................................................ 39

7. Conclusion ................................................................................................................. 41

8. Recommendations .................................................................................................... 44
The sharing economy

Iris Quak

References .......................................................................................................................... 46
Appendices .......................................................................................................................... 51
  Appendix A: Operationalisation model ........................................................................... 51
  Appendix B: Questionnaire ............................................................................................ 53
  Appendix C: Pie charts questionnaire ............................................................................. 58
  Appendix D: Student Ethics Form ................................................................................... 64
Introduction
The sharing economy has been a trend the past few years. This economy, also known as collaborative consumption or peer-to-peer economy, is a business concept that highlights the ability for individuals to rent or borrow equipment, services and skills from other individuals rather than buying and owning them. It is about sharing resources with one another through the Internet, which is one of the most important factors of the establishment of the sharing economy (Rouse, 2013). The Internet offers the possibility to connect people that own certain goods or services that could be convenient for other individuals as well. These resources are mostly provided for a significantly lower price than traditional retail and employment arrangements. The sharing economy can be seen as one big highly flexible economic network (Martucci, n.d.).

Two of the largest sharing businesses are Uber and Airbnb. Uber started with two guys named Travis Kalanick and Garrett Camp who could not get a taxi to stop when they needed one. The guys launched an application named Uber in 2009, where one can order a taxi via the application anytime and anywhere and individuals with their own car will be the taxi driver. The biggest advantage of Uber is that consumers can get taxi rides for a lower price and individuals can make some money by registering as an Uber driver (Uber, n.d.). Uber currently operates in 58 countries (Hartmans & McAlone, 2016).

The idea of Airbnb came up in 2007. Two entrepreneurs, named Joe Gebbia and Brian Chesky from San Francisco, decided to rent-out their living room during a conference as they could not afford to pay their own rent anymore. The next day they created a website called airbedandbreakfast.com and six days later the guys had three people sleeping in their apartment. After that, the two entrepreneurs decided to create a website based on renting-out someone’s house to travellers. Airbnb is a platform that makes it possible for individuals to rent-out their house or a room in their house to other people (Indora, n.d.). Today, the company has had more than 10 million nights booked in more than 19.000 cities spread over 192 countries. Right now, every two seconds an Airbnb room is booked (Salter, 2012).

In 2014, Airbnb was valued on $10 billion dollars. This is more than the famous American hotel chains Hyatt Hotels, which has a trade value of $8.4 billion dollars, and Intercontinental Hotels with a trade value of 8 billion dollars. The market value of Uber is being valued at $17 billion dollars (Indora, n.d.).

These two examples of businesses in the sharing economy are very successful, but how can companies start a successful business in the sharing economy? Starting a peer-to-peer business is easy as long as the internet is present, but what made Uber and Airbnb - the two most well-known
sharing businesses in the world - so large in the real taxi- and hotel industry. How did these two businesses grow into these multinational, billion dollar companies?

This thesis is intended to investigate how sharing economy businesses such as Airbnb and Uber became these large, well-known, billion dollar companies. In order to determine the success factors of Airbnb and Uber this thesis can be used to help other companies to start a successful business in the sharing economy.

Therefore, a benchmark will be made of these two companies. A benchmark is a research where the achievements and qualities of the two companies will be researched and compared to each other in an identical manner (Claudia de Graauw, n.d.). In this way, the success factors of both companies will be discovered and used as example for other sharing businesses. Moreover, this benchmark will show what is needed for companies to successfully start a business in the sharing economy. Therefore the central question of this report is:

“How can the success of Uber and Airbnb in the sharing economy be explained?”

In order to answer this central question, sub questions will be used. The sub questions that are going to be answered are:

1. What is known in the existing literature about the sharing economy and starting a successful business in it?
2. How did Airbnb develop into a successful sharing business?
3. How did Uber develop into a successful sharing business?
4. What do customers value in Airbnb and Uber?
5. Comparing Airbnb and Uber, what are both their key factors for their success?

The second chapter of this research will start by explaining the sharing economy further. Afterwards, it will be discussed how one can set up a business in general followed by an explanation of how setting up a business is done in the sharing economy.

In the chapter three a case study of Uber will be shown. The history of the company will be explained and how this company achieved to be a billion dollar business.

In the fourth chapter the same will be done with Airbnb. Again, it will be discussed how this company developed into this billion dollar business and how this success was achieved.
The fifth chapter will be about the customers of Airbnb and Uber. By doing a questionnaire, information will be collected that will be used in this chapter to find out what the customers value in Airbnb and Uber.

For the sixth chapter the information of the previous chapters will be used to make a benchmark in order to analyse and compare the two companies to find out what their qualities are and what the two companies have in common.

From these results, a conclusion will be drawn which shows the success factors of Uber and Airbnb. After that, recommendations will be made for companies to start a successful business in the sharing economy.
1. Setting up a business in the sharing economy

This chapter is about setting up a business in the sharing economy. First, the sharing economy is further explained and examples are used. Secondly, it is presented how to set up a business in general and after this is discussed, it is explained how to set up a business in the sharing economy, as this is a little different.

1.1 The sharing economy

If one looked up sharing economy in the dictionary, it states that the sharing economy is a system in which people rent, borrow or share commodities, services and resources owned by individuals, usually with the aid of online technology, in an effort to save money, cut costs and reduce waste (Dictionary, n.d.). The sharing economy is also sometimes referred to as peer economy, peer-to-peer businesses, collaborative consumption or collaborative economy. It is an economy that does not exist of large businesses and organisations but is mostly about individuals that offer their own commodities, services and resources to another individual (Martucci, n.d.).

A few years ago, owning a car was a sign of personal status, as much a statement of social mobility as an indicator of financial stability (Tyson, 2016). That idea is changing with the introduction of the sharing economy. People are changing their perspectives on what is necessary in life. It is not about ownership anymore, but about access. It is about using things when needed and often for a better price. To use transport as example, more people are now opting to forgo car ownership in favour of ride-sharing and car-sharing. Uber and Lyft offer the possibility to access affordable drives via Apps. BlaBlaCar focuses on carpooling and Zipcar delivers hassle-free car rental at the convenience of the user. All made possible by the use of Apps and the Internet (Tyson, 2016).

According to MoneyCrashers, the sharing economy is built on the idea that sharing goods, services and skills is more efficient (Martucci, n.d.). By using something or someone only when necessary, one does not have to deal with the problems that comes from ownership and employment. Car and health insurance, maintenance and HR issues are not included in the sharing economy. In essence, the sharing economy cuts out the middleman, whether that is a traditional employer or the company one buys its goods and services from (Martucci, n.d.). Furthermore, the sharing economy offers extra income to providers. By sharing your house, car or talent that would not be utilized every day, one can generate a little extra income. On the other hand, for people that cannot afford a lot, the sharing economy makes it possible to still have access to such things as a car when needed (Martucci, n.d.).

Concerns about the sharing economy are mostly about privacy and safety. Because it is peer-to-peer, one can never be sure if it is safe to get inside someone’s car or someone’s house. Traditional taxi services and hotels must be licensed and have regulations to ensure the safety of its customers.
though this does not apply to the sharing economy according to Martucci (Martucci, n.d.). Furthermore, good services cannot be guaranteed. It cannot be guaranteed that one will get a good stay in an Airbnb home and on the other hand, visitors can damage one’s house or refuse to pay and there is no insurance that will cover these actions. The sharing economy consists of close cooperation between people on each side of the transaction. This can lead to less independence or privacy as one is living in someone’s house, which is different than staying in a hotel (Martucci, n.d.).

1.2 The five key factors of truly collaborative sharing
Rachel Botsman, the writer of What’s Mine is Yours: The Rise of Collaborative Consumption, wrote an article about the definition of the sharing economy. According to her, there are five key ingredients to truly collaborative, sharing driven companies (Botsman, 2015):

1. The core business idea involves unlocking the value of unused or under-utilized assets (“idling capacity”) whether it is for monetary or non-monetary benefits.
2. The company should have a clear values-driven mission and be built on meaningful principles including transparency, humanness, and authenticity that inform short and long-term strategic decisions.
3. The providers on the supply-side should be valued, respected and empowered and the companies committed to making the lives of these providers economically and socially better.
4. The customers on the demand side of the platforms should benefit from the ability to get goods and services in more efficient ways that mean they pay for access instead of ownership.
5. The business should be built on distributed marketplaces or decentralized networks that create a sense of belonging, collective accountability and mutual benefit through the community they build.

The sharing economy can be shortly defined as a business idea that involves unlocking the value of unused or under-utilized assets. It is about individuals offering their own commodities, services and resources to another individual. Businesses in the sharing economy are third-party platforms that connects these people. For setting up such a platform, it is important to know how to set up a business in general.

1.3 Starting a business in general
The first step for starting a business, and not in particular for a business in the sharing economy, is writing a business plan. According to Nicole Fallon Taylor (Taylor, 2016) one has to ask himself what the purpose of his business is, who he is selling to, what his end goals are and how he will finance the
The sharing economy

start-up costs. After writing the business plan, it is important to determine how the costs are going to be covered. Many entrepreneurs put their own money into their new companies, however, it is possible to borrow money as well. Another way to get funding is by having investors.

The next step is to register with the government and decide what kind of entity it is. For a business in the sharing economy, these steps are not included. The idea of the sharing economy is that it is peer-to-peer. For Uber, drivers use their own cars to transport passengers and Airbnb connects people that have extra living space to people that need a place to stay, therefore these platforms are not registered companies but a third-party that connects the demand and supply. By connecting the demand and the supply, Uber and Airbnb earn a percentage of the revenue that is made by the supply (West & Karsten, 2015).

The next step is to choose partners. It is critical to find someone that can be trusted, as these partners have access to vital and potentially sensitive business data. After this, it is important that a team is build; employees need to be hired. These people will build the product of the company so this is an very important step in setting up a business (Taylor, 2016).

Additionally, the entrepreneur can start building up the brand and start advertising. People need to know about the company. A company website and social media are essential in today’s world. A recognizing logo should be created and used on every social media that is used. On the social media, discount or coupons can be offered to attract the customers (Taylor, 2016).

The last step to launch a business, is to grow it. In order to make a profit, the business should always be growing. Reaching out to other companies or for example influential bloggers to ask for promotion can help. Giving products or time to charity organizations can help as well to get the company’s name out (Taylor, 2016).

1.4 Starting a business in the sharing economy

Starting a business in the sharing economy differs a little from just starting a business in general. Beth Buczynski, the author of Sharing Is good. How to Save Money, Time and Resources Through Collaborative Consumption, states that for starting a business in the sharing economy one needs to take the time to look for real problems that need real solutions – problems that can be best solved by communities – and then provide the infrastructure so they can (Andruss, n.d.). Five factors to success will be explained in the following paragraphs.

The first factor is to start with the supply according to Andruss. The supply is equally as important as the demand side. Some entrepreneurs of peer-to-peer businesses state that it is important to get the supply infrastructure in place before one can push for the demand side. For example, when Uber
wants to expand to a city, it should ensure that there are drivers in that city that are interested in providing their taxi-services through Uber. Uber cannot exist without its drivers and that is why the supply is just as important as the demand (Andruss, n.d.).

Furthermore, it is important to conduct extensive screening and training. To use Uber as example again, the taxi drivers are the faces of Uber’s business and therefore it is crucial to train them accordingly. Sharing businesses could do background checks and verification of social media accounts. Online trainings and exams can be offered as well. To become an Uber driver, one has to complete an application. Personal information will be asked so Uber can perform a background check. Uber will check if the driver does not have any felonies or other criminal records and if the driver does not have too many driver infractions or accidents (Brandon, 2015). Vehicle information shall be given to Uber and the potential driver will be asked to upload pictures of one’s driver’s license, insurance, car registration etc. Uber will then verify if the documents are all up to date. Following, the car of the potential Uber driver will be inspected. Uber will check on working headlights, seat belt, mirrors and more to ensure that the care is safe. When this is all ok, Uber will approve the potential Uber driver and he will receive an Uber sticker to place on his window.

The third step in setting up a peer-to-peer business is to foster trust. It is important for sharing businesses to build trust with its customers because it is hard to trust a stranger over an online platform. When one calls an Uber, this person will get the name, number plate, picture and reviews of the Uber driver so they will know who is going to come. After every Uber drive, feedback can be given and Uber will check this feedback to make every drive as comfortable as possible (Uber, n.d.).

The fourth factor is to keep payments simple. A hassle-free payment process is critical to the success of any sharing business (Andruss, n.d.). Uber users can select their payment method on their Uber account in the App. One can choose to pay cash or to pay with card. The customer then has to fill in the credit/debit card information or scan the card. After the trip, there is a “Pay Now” button where the individual has to type in one’s OTP or I-Pin. The receipt will be send to the registered email address (Kashyap, 2015).

The last step for setting up a business in the sharing economy, is to focus on brand-building. It is important to have a community of people who are engaging with and talking about the business (Andruss, n.d.).

Furthermore, CEO of Airbnb Brian Chesky stated that is just as important to acknowledge the fact that people no longer simply want to buy a product, but an experience and relationship with other
people. He states: “The stuff that matters in life is no longer stuff, it’s other people. It’s relationships. It’s experience” (Duerson, 2013).

These are the factors that need to be considered when starting a business in the sharing economy alongside the steps of setting up a business in general. In Model 1.1 a conceptual model is shown. The three paragraphs of this chapter are interrelated and Model 1.1 gives a good overview of the relationship between the three paragraphs. It shows how a business is started in the sharing economy. The blue arrows stand for the co-relation between these three paragraphs and the steps that need to be followed to start a business in the sharing economy and starting a business in general. The green arrow shows the same step in the model.

The red arrows stand for the steps that need to be followed to start a business in the sharing economy, where the steps of starting a business in general needs to be considered as well. Starting a business in the sharing economy only differs because it is in a different environment but the ground rules still apply there as well which are explained in the paragraph about starting a business in general. According to the theory, the red arrows need to be followed to start a successful business in the sharing economy.
Model 1.1: Conceptual model for setting up a business in the sharing economy
2. Methodology

In this chapter the methodology of this thesis is explained. First the research design is discussed, additionally it is explained which websites and keywords were used and eventually the field research is explained.

2.1. Research design

The research of this thesis is revolved around comparing Uber and Airbnb to find out what the key factors for their success are. This research was done by creating a benchmark to compare these two companies in order to see which success factors these companies have in common. A benchmark is a research that investigates a set of standards for evaluating performance or level of quality (BusinessDictionary, n.d.). The aim of this research was to investigate which factors are needed for companies to start a successful business in the sharing economy, by looking at Uber and Airbnb. With this benchmark and the rest of this research, the central question of this dissertation was answered.

The scope of this thesis is limited to researching only the success factors of Uber and Airbnb. Furthermore, the first three sub questions were mostly answered using desk-research which makes these questions restricted to the information available on the internet, while the other two sub questions are based on field research as well. In Table 2.1 this will be made more clear.

<table>
<thead>
<tr>
<th>Sub-question</th>
<th>Research method</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is known in the existing literature about the sharing economy and starting a successful business in it?</td>
<td>Desk research</td>
</tr>
<tr>
<td>How did Airbnb develop into a successful sharing business?</td>
<td>Desk research</td>
</tr>
<tr>
<td>How did Uber develop into a successful sharing business?</td>
<td>Desk research</td>
</tr>
<tr>
<td>What do customers value in Airbnb and Uber?</td>
<td>Field research (questionnaire)</td>
</tr>
<tr>
<td>Comparing Airbnb and Uber, what are both their key factors for their success?</td>
<td>Field research and desk research (benchmark)</td>
</tr>
</tbody>
</table>

Table 2.1

2.2. Desk research

The first three sub-questions are answered based on desk research. Different sources were used to answer these questions. Some sources that were used are the websites of Airbnb and Uber and articles of Rachel Botsman, Paula Andrus, Nicole Fallon Tayler and Brian Martucci.
Some keywords that were used in the databases for this research are: Uber, Airbnb, sharing economy, starting a business, growth Uber and Airbnb, success Uber and Airbnb, Benchmark.

2.3. Field research

For the fourth sub-question, a questionnaire was used. The questions of the questionnaire were formulated based on an operationalization model, which can be found in Appendix A. Operationalization is the process of strictly defining variables into measurable factors and the use ensures a larger validity of the questions of the questionnaire (Schuttleworth, n.d.). The type of the questionnaire is an internet-mediated questionnaire as it was conducted via the Internet (Saunders, Lewis, & Thornhill, 2009). The questionnaire can be found in Appendix B. The website Survio.com was used to conduct the questionnaires and the people that were approached are users of Airbnb and/or Uber. These people were chosen to be approached through Facebook and forum as this is the easiest way to reach a lot of people at the same time. The questionnaire was posted in different groups on Facebook to reach a lot of different people. Furthermore, people were approached personally as well.

Population

Uber has over 8 million users and is available in 60 cities, most of its users are from the United States (Freier, 2015). Three quarters of Uber’s users are people between the 16 and 34 years old (McGrath, 2015). When 271 customers of Uber fill out the questionnaire, the reliability is 90% and the margin of error is 5% (Steekproefcalculator, n.d.).

The number of people that have used Airbnb is 100 million (DMR, 2016). According to Steekproefcalculator, 271 people should fill out the survey. (Steekproefcalculator, n.d.). This is similar to the respondents of Uber and has a reliability of 90% again and 5% margin of error. The survey asks questions about Uber and Airbnb, therefore the goal is to have 271 people to fill out the survey that have used Airbnb and 271 that have used Uber. Due to time limit, this goal could not been reached, hence the goal was reset to 160 people in total. The reliability is still 90%, however, the margin of error is now 6,5% (Steekproefcalculator, n.d.).

First, five people tested the questionnaire to ensure that the survey was clear and if everything worked as it was supposed to via Survio.com. When the analyses were written, 160 people had filled out the questionnaire.
The sharing economy

Iris Quak

Analyses
The results are showed by Survio.com and these are analysed in chapter five. The analyses will mostly be descriptive while pie charts and pivot tables are used. To analyse these results, desk research was used as well to complement and support these analyses. The questions of the questionnaire can be found in Appendix B.

<table>
<thead>
<tr>
<th>Type of questionnaire:</th>
<th>Internet-mediated questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium used:</td>
<td>Survio.com</td>
</tr>
<tr>
<td>People:</td>
<td>Users of Uber and/or Airbnb</td>
</tr>
<tr>
<td>How to reach:</td>
<td>Through Facebook/forum/in person</td>
</tr>
<tr>
<td>Number:</td>
<td>160 in total</td>
</tr>
</tbody>
</table>

*Table 2.2*
3. Uber

In this chapter a case-study is presented about Uber. It is explained how Uber started and how it grew to be a successful company. Uber’s availability, social aspect, marketing campaigns and the struggles with the law will be highlighted as well, as these were important factors for the success of Uber.

3.1. History of Uber

As explained, the founders of Uber Travis Kalanick and Garret Camp were attending an annual tech conference in Paris in 2008. Kalanick and Camp were not able to stop a taxi on their way back to the hotel and so the idea of Uber was born. The guys figured that this was a problem that countless travellers all over the world have to face (SuccessStory, n.d.). At first, the idea was for a luxury car service that could be ordered via an app. When Garret Camp returned to San Francisco, his home town, he created a website called UberCab.com. Camp and Kalanick tested the app in New York early 2010 by using only three cars. The official launch of the App took place in San Francisco in May 2010. Kalanick got its first drivers by calling chauffeurs in San Francisco he found on google. He called ten guys and three out of them were interested in meeting up with Kalanick (Efti, 2014).

Customers can book an Uber cab through the Uber App, which is a mobile application. Users have to turn on their GPS and Uber notifies the driver who is close to the location of the customer. Uber thereby ensures that taxis can pick up the customer as soon as possible. The drivers of an Uber are private car owners that have signed up to Uber as a driver (SuccessStory, n.d.). Because of the ease and simplicity of ordering a car, the popularity of the app was rising. In October 2010, Uber received its first big funding of $1.25 million, funded by First Round Capital (Blystone, 2015).

In October of 2010, the company had to change its name from UberCab to Uber as they got a cease-and-desist order from the San Francisco Municipal Transportation Agency. The main issue was the word “cab” in UberCab, and therefore Camp and Kalanick simply changed it to Uber, and designed a new website (Blystone, 2015).

In 2011 the company raised $11 million dollars of funding and Uber expanded to New York, Seattle, Boston, Chicago, Washington D.C and Paris. In December 2011 at the LeWeb Conference in Paris, Kalanick announced that Uber raised $37 million series B funding from Menlo Ventures, Jeff Bezos and Goldman Sachs. In 2012 Uber decided to broaden their offering by launching UberX. The customer can choose the service of UberX which provides a less expensive car (Blystone, 2015).

In 2013, Uber offered free transportation to local schools when there was a bus strike going on. This gave Uber big publicity and integrated itself into the local community. This strategy worked really
well and in the end of 2013, Uber had expanded from 12 to 35 cities and its revenue was growing by 18% a month (Tsang, n.d.). Uber found out that their growth was driven by word of mouth: “When someone sees the ease of use, the fact that they press a button on their phone and under five minutes a car appears, they inevitably become a brand advocate”, says Max J. Crowley, business developer at Uber (Crowley, 2013).

In August 2013 Uber expands to India and Africa and it closes a Series C funding of $258 million investment from Google ventures. Uber is at that time estimated around a value of $3.76 billion. In July 2014 Uber expands to China as well after raising a $1.2 billion funding. China will eventually be one of Uber’s biggest markets. Today five out of Uber’s 10 largest cities are in China (Hartmans & McAlone, 2016).

In 2014 Uber starts to get difficulties with traditional taxi services who claim that Uber is illegal. Taxi companies are protesting and claiming that since Uber avoids their expensive license fees and laws it creates unfair competition (Blystone, 2015). Furthermore, the California Labor Commission rules that an Uber driver is an employee and not a contractor. According to Bart Pals, one of Uber’s success factors is that all its costs, risks and responsibilities are for the Uber drivers. According to Uber, the drivers are not employees but are self-employed, however, this is being contradicted by California judge Edward Chen (Pals, 2015). A final ruling is not yet been made and therefore Uber can still operate in California, nevertheless, when there will be decided that Uber drivers are employees in California, the costs of Uber will skyrocket (Shontell, 2015). Moreover, UberPOP has been banned in various countries and cities in Europe. UberPOP is the service of Uber where the Uber driver is not obligatory to have a taxi license. However, it can still operate in these countries as long as the Uber drivers have a taxi license (Reformatsch Dagblad, 2014). Furthermore, in June 2016 Kalanick said that it was losing $1 billion dollars each year in its fight against Chinese rival Didi (Hartmans & McAlone, 2016). In July 2016, the rivalry comes to an end when Uber and Didi decide to merge in a $35 billion dollar deal.

At the moment Uber is still expanding to Africa and South America and it remains the highest-valued start-up in the world despite the problems Uber is facing (Hartmans & McAlone, 2016). Right now, Uber has had over two billion rides in total and provides nearly 170,000 rides a day in one of their biggest markets New York city between April 2015 and April 2016 (Alba, 2016). In Figure 3.1 the funding growth of Uber is showed and Figure 3.2 shows that Uber is the world biggest start-up.
Figure 3.1. (Ferenstein, 2014)

Figure 3.2. (Brandt, 2015)
### 3.2 Important factors to Uber’s success

Some important factors to Uber’s success were its availability, the social aspect of the company, the fact that Uber could turn its hurdles with the law into successes and its marketing campaigns. These factors were very important for Uber’s great success and will therefore be further explained.

**Availability**

Uber is everywhere, especially in the United States Uber is impossible to avoid. An Uber can be called from an Apple watch, Pebble smartwatch or Microsoft Band 2 Fitness Tracker (Weinberger, The secret to Uber’s success: Be everywhere all the time, 2015). Facebook messenger has an Uber app built in and in Google maps one can order an Uber as well. Uber is found in many other applications and devices used in the United States. In this way, Uber is seen and available almost everywhere online. It shows how aggressive Uber is to march towards world domination (Weinberger, The secret to Uber’s success: Be everywhere all the time, 2015). For example, Microsoft has a hard time finding developers to make apps that are compatible for Windows phones, as most companies only focus on Google for the Android devices and on Apple devices. While developers left the Windows Store entirely, Uber built a super-deluxe app for Windows computers, tablets and smartphones. Uber was the first app for the desktop computer of Microsoft (Weinberger, The secret to Uber’s success: Be everywhere all the time, 2015).

In the US, Uber partnered with SquadUp for releasing Uber API. SquadUp is a New York City-based start-up and it sells tickets for events. By partnering with Uber, the visitors of an event receive a message asking if an Uber car can take them to the venue of the event. Half an hour before the event ends, the visitor receives a message again asking if they want to order an Uber to go home. Uber API lets developers work in the ability to call a car straight into their own apps (Weinberger, A deal with Uber might save this startup from raising more money, 2015).

These developments are not cheap or easy and historically this strategy, where the app is everywhere, only worked for huge tech companies such as Amazon, Google or Microsoft and even these companies find it a big risk. However, Uber is taking that risk to attract as many customers as possible and staying ahead of their competitors by moving fast (Weinberger, The secret to Uber’s success: Be everywhere all the time, 2015).

**Social aspect**

According to Mark Jones, chief story teller and CEO of Filtered Media, one of Australia’s most respected brand storytelling agencies, Uber is not an economic story but a social one (Jones, 2016). Jones has used Uber for a few months when he writes his article on Businessinsider.com and he tells that there is a secret to Uber’s success that is hidden in plain sight. He states that “the curious and perhaps unintended consequence of this platform is the type of person attracted to drive for Uber”.

Iris Quak
For Jones, the success of Uber is in the humanity of the Uber drivers. In his eyes that is the difference between other taxi services, where contact between the driver and the customer is being discouraged as a result of the systems and structures wrapped around the taxi drivers. On the contrary, Uber creates a connection with the driver and the passenger from the moment a booking has been placed and the names are shared. Jones says that he is being greeted by name and he is greeting his driver by name which already leads to a connection between the driver and the passenger (Jones, 2016). For Markus Giesler, a York University marketing professor who has studied Uber for about four years, says the company’s brand success can be summed up in one word: Empathy. Giesler states: “Uber manages to extract value out of ride experiences that traditional industry players haven’t kept up with” (Husser, 2015).

Turning business hurdles into growth
The problems that Uber is facing with the law, other taxi services and the protests that are going on is something Uber took smart advantage from. When Uber is expanding to a new city it faces lawsuits from existing interests, challenges to their legality from the state and local lawmakers and varying degrees of support or resistance from drivers. Uber has done a great job by turning these problems into a platform to tell their pro-consumer story. Everywhere Uber launches their services, it is big news as these controversies are played out in the court of public opinion (Brown, n.d.).

Marketing campaigns
During the time of Uber’s existence, it designed very smart marketing campaigns which made customers talk about the brand. Mouth-to-mouth marketing was used to make Uber grow to be this large company (ReferralCandy, n.d.). For example, Uber had an ice cream campaign in the US. With a simple tab in the app of Uber, users could order ice cream which would be delivered on their doorstep within minutes. Every Christmas, Uber cars visit dozen of cities around the world to collect toys for those in need. In 2013, Uber cars picked up more than 60,000 toys. The by ReferralCandy called breakthrough performance of Uber was when Uber teamed up with Cheezburger and the ASPCA in October 2013 and 2014 for its UberKittens promotion. Kittens that were up for adoption got delivered by Uber cars to customers who would enjoy a 15 minute petting session. Uber raised $14,268 dollars with this action for shelters in Seattle, NYC and San Francisco (ReferralCandy, n.d.).

In conclusion, Uber launched its service in San Francisco in 2010. The popularity of the app rose because of the ease and simplicity of ordering a taxi. In 2011 the company raised $11 million dollar funding and Uber started expanding and the company kept growing and receiving investments. Some important factors for Uber’s success were its availability, the social aspect of the company and its smart marketing campaigns. Uber faced problems with the law, however, it is now the highest valued start-up company in the world.
4. Airbnb

This chapter presents a case-study of Airbnb. The history of Uber is discussed and it is explained how Uber became a successful company. Some important factors for the success of Uber were the mails that Uber sent to the users of Craigslist, the fact that the company visited users of their website to take professional pictures of the rooms and the shifting social landscape that was happening at the same time. Therefore, these factors will be explained.

4.1 History

As explained in the introduction, Joe Gabbia and Brian Chesky had a problem with paying the rent for their room in San Francisco in 2007. It all started with one email that Gabbia had sent to Chesky. The email said:

“Brian
I thought of a way to make a few bucks – turning our place into “designers bed and breakfast” – offering young designers who come into town a place to crash during the 4 day event, complete with wireless internet, a small desk space, sleeping mat, and breakfast each morning. Ha!

Joe” (Carson, 2016)

At the time, there was a large design conference coming to San Francisco and there was a shortage in hotel rooms at the moment. Gabbia and Chesky created a website called airbedandbreakfast.com and bought three air mattresses. The first guests of Gabbia and Chesky were two men and a woman. The guests payed $80 dollars each and slept on the air mattresses. Soon after these guests arrival, the entrepreneurs realized this could be a huge idea. To implement the idea, Gabbia and Chesky started working together with their old roommate Nathan Blecharczyck. Blecharczyck was a computer science graduate and he developed the website of Airbnb (Salter, 2012). In the summer of 2008, the entrepreneurs came with their final version of Air Bed and Breakfast after two failed attempts. The guys went to meet investors but these investors were not interested.

At that time Gabbia, Chesky and Blecharcyck were broke and in debt. They decided to launch Air Bed and Breakfast again at the 2008 Democratic National Convention in Denver. From their first time hosting, the entrepreneurs knew that people would start looking for other options because it would be hard to find a hotel during this convention. Within a week they gained 800 listings, however, the website was not making any money. The three decided to make cereal boxes that they transformed into Obama O’s and Cap’n McCains and sold these on the streets for 40 dollars a pop. Each cereal box
The sharing economy

Iris Quak

came with a limited-edition number and information about their company. With this smart marketing strategy they earned $30,000 dollars to put toward the company (Carson, 2016).

The first guy that noticed the company was Paul Graham and he invited the guys to join Y Combinator, a prestigious start-up accelerator that doles out cash and training in exchange for a small part of the company. The guys received $20,000 dollar funding and spent three months working at the accelerator to make their product perfect. The team then realised they had to handle payments and charged up to 15% of the booking (Salter, 2012). Even then, the guys got rejected again by famous investors.

In March 2009 the company decided to simplify the name to “Airbnb” and a month later Airbnb finally received an investment of $600,000 dollars from Sequoia Capital. At that moment the company started to grow. In November 2010 the guys raised another $7.2 million from a venture capitalist and in May 2011 actor Ashton Kutcher invested a significant amount of money as well. In 2011 Airbnb had expanded to 88 countries and had one million nights booked on the platform. In that year, the company also won the break-out mobile app award at SXSW. Airbnb was then valued behind the scenes at $1.3 billion dollars (Salter, 2012).

In July 2011 the company received a further $112 million dollars in venture funding which meant that the guys could hire more staff and move into an office (Salter, 2012). Right now, Airbnb is a $25.5 billion dollar business.

In 2014, Airbnb started to work together with Jonathan Mildenhall, a marketer who was working together with Coca-Cola. Airbnb had a difficult challenge in that the idea of staying in a stranger’s home, or allowing a stranger to stay in your home, is scary. When a host creates an account on Airbnb, a background check is done. Databases of public state and criminal records will be checked as well as national sex offender registries for criminal convictions and sex offender registrations (Airbnb, n.d.). The OFAC list will be checked as well, however, people still find it scary. This challenge became Mildenhall’s marketing strategy to gain trust for users of Airbnb. Airbnb formed other strategic partnerships as well. It partnered with KLM to create an overnight experience in a KLM airplane (Richards, 2015).

Airbnb is facing problems with the law and governments of countries as well. In 2016 New York passed a law banning apartment rentals for less than 30 days on Airbnb (Tusk, 2016). Airbnb finds itself under growing attack from city authorities around the world. In Barcelona, Airbnb has been fined with €30,000 euros for breaching local tourism laws and in Berlin city officials have created a new housing law banning regular short-term letting of room without permission of the authorities.
Airbnb still continues to have hosts in those cities but needs to ensure that all the hosts follow the rules made by the government. Airbnb is continuing to fight in court and is engaging in aggressive PR campaigning as well (Coldwell, 2014).

Not all countries are negative about Airbnb and its innovation. In February 2016, Amsterdam became the first city to pass an “Airbnb-friendly law”. It permits residents to rent out their homes or rooms for up to two months of the year up to four people at a time. However, the owners still have to pay its taxes and a tourist tax. Later in 2016, France also passed a bill legalising short term rentals of primary residences, which is positive for Airbnb. The government of the United Kingdom is also supportive of Airbnb and has announced reforms that would scrap rules preventing homeowners from renting their properties to sites such as Airbnb. According to Eric Pickles, secretary of communities and local government, “the internet is changing the way we work and live, and the law needs to catch up” (Coldwell, 2014).

The company is now the third highest valued start-up in the world and in Figure 4.1 an overview of the growing funding of Airbnb is shown. In Figure 4.2 the growth of the listings of Airbnb is shown. When the funding started to grow from the end of 2010, the listings started to grow as well. The more funding there is, the more listings Airbnb received.

![AirBnB Funding Growth](image)

*Figure 4.1. (Ferenstein, 2014)*
Figure 4.2. (Ferenstein, 2014)
4.2 Important factors to Airbnb’s success

Some important factors for the success of Airbnb were the users of the website Craigslist, the fact that the company visited users of the website to take professional pictures of the rooms and the shifting social landscape. These factors contributed to the success of Uber and will therefore be further explained.

Craigslist

After Gabbia and Chesky had their first visitors in their own home, they designed a website. The entrepreneurs needed to start with the supply in order to push for the demand side and thus to make the website successful, it should have listings. The guys needed people that would want to make an account on the Airbnb website and would rent out their houses or rooms (Gooden, 2011).

To make this happen, Gabbia and Chesky came up with a very smart plan. In 2007 there was already a marketplace with lots of inventory, called Craigslist Vacation Homes. The team behind Airbnb started to send messages to users of Craigslist, asking if they wanted to make an account on the Airbnb website as well. User of Craigslist received emails referring to Airbnb:

“Hello,

I am emailing you because you have one of the nicest listings in Craigslist in the Tahoe area, and I want to recommend you feature it to one of the largest vacation rental marketplaces on the web, Airbnb. The site already has 3,000,000 page views a month! Check it out here: http://www.airbnb.com

Jill D” (Gooden, 2011)

Airbnb denies that it has ever been involved with sending these emails, however, it is not new for companies to do this. A guy named Dave Gooden was determined to investigate this and uploaded some vacation rentals on Craigslist. A couple of hours later he received an email from a “young lady” telling him about the website of Airbnb. The email was sent from a Gmail account and not from Airbnb. To find more evidence, Gooden built a website himself and used the marketing strategy he believed Airbnb was using. He sent emails to users of Craigslist as well and he discovered that more than 1000 vacation rental owners signed up and listed the properties on Gooden’s test website. Additionally, Gooden posted four advertisements on Craigslist in the following weeks. After each advertisement he received emails from different “young ladies” to take a look at the website of Airbnb. In this way (although Airbnb never confirmed it) one can reach thousands of highly targeted people per day and so Airbnb quickly gained 60,000 members on their supply side, which is the most important part of the marketplace (Gooden, 2011).
After Chesky and Gabbia started working together with Paul Graham and the Y Combinator, the guys took a critical look at their website. Together they looked at the New York City listings and after a while they realized that there was one similarity between all those listings: The pictures of the rooms and houses were terrible. Most of them were made with camera phones, were not focused or from a really bad angle (Kirjonen, 2014).

The solution for this was to travel to New York, rent a camera and visit the people that had their house for rent on the website. The guys replaced the amateur photography with high-resolution pictures and uploaded these on their website. There was no data that this would help to get more customers, however, a week later the results were significant. The pictures doubled the weekly revenue to 400 dollars per week (First Round Review, n.d.).

Shifting social landscape
At the same time, social media was coming up. People were sharing personal information, photos and moments via social media. This was something that would not have been inconceivable a decade before (Helm, 2014). Furthermore, online shopping came up as well. People were buying a lot online and the U.S. was just recently out of its recession. As a result of this, a lot of cost conscious customers were created who were less scared by things that are not that private. Therefore these customers were ripe for what Airbnb was building (Helm, 2014).

Chesky and Gabbia then simplified the payment process of their website. Visitors could enter a Credit Card number and hosts would get paid automatically once the stay was successful. Furthermore, the entrepreneurs let hosts publish their Airbnb listing on Craigslist and hosts could schedule a free professional photographer to take pictures of their room or house for their Airbnb profile. Michael Munger, an economics professor at Duke University and an expert of the sharing economy, explained that these improvements had acquire Airbnb an aura of style, respectability, safety and trustworthiness. Something that previous sharing companies had not managed. He said: “It’s these tiny initial differences that lead to cascades” (Helm, 2014).

All in all, Airbnb created their website in 2008 when the entrepreneurs had problems with paying the rent for their room in San Francisco. The entrepreneurs met with investors but these were not interested. Airbnb used Craigslist to recruit hosts for Airbnb and together with Paul Graham, the entrepreneurs visited the hosts in New York to replace the amateur photography with high resolution pictures. In March 2009 Airbnb finally received an investment of $600.000 dollars and in 2010 $7.2 million dollars. Airbnb had expanded to 88 countries in 2011 and now is the third highest valued start-up in the world.
5. Customer’s value

In this chapter the results of the questionnaire are analysed. The most important outcomes are shown and analysed and the goal of these analyses is to show what customers value most in the companies Uber and Airbnb. N=160 users of Uber and/or Airbnb filled out this survey. Uber has 8 million users while Airbnb has 100 million users (Freier, 2015) (DMR, 2016). From the 160 users that filled out the survey, more people have used Airbnb. N=106 respondents used Uber and n=128 respondents used Airbnb, this seems logical as the real world population of Airbnb is larger than the real world population of Uber.

Most of the respondents are from the Netherlands as this survey is conducted there. Most of the users of Uber and Airbnb are from the United States, as these companies started in the USA and therefore these statistics differ. The four biggest groups of the respondents are identified in Figure 5.1. In the category “other” most of the respondents are from European countries, however, one respondent is from Australia, one is from Africa and two from Asia filled out this survey as well.

Looking at the other demographics, 71.1% (n=115) of the respondents are between 18 and 24 years old and 80.6% (n=129) have a discretionary income between 0 and 1,200 euros. These outcomes are related to the fact that most of the respondents are students (74.4%/n= 119), this is showed as well in Table 5.2. Uber is in particular popular under college students and thus the demographics of Uber and this questionnaire mostly agree in this area, however, the results of this questionnaire should be viewed as an indication of the outcomes rather than a binding outcome (Usmani, 2016).

Three quarters of Uber’s users are people between the 16 and 34 years old, in this questionnaire 88.6% (n=142) are people between the 18 and 34 (McGrath, 2015). This number is a little higher than the real population of Uber. The same applies for Airbnb where most of the users are between 16 and 34 years as well (Statista, n.d.). In Appendix C all pie charts of the questions that are discussed in this chapter can be found.
The sharing economy

Iris Quak

Figure 5.1: Pie chart “Geographical”

<table>
<thead>
<tr>
<th>Discretionary income per month</th>
<th>Students (N=119)</th>
<th>0 to 1.200 euros (n=111)</th>
<th>1.201 to 2.400 euros (n=7)</th>
<th>2.401 to 3.600 euros (n=1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 24 years (n=102)</td>
<td>80,7%</td>
<td>4,2%</td>
<td>0,84%</td>
<td></td>
</tr>
<tr>
<td>25 to 34 years (n=15)</td>
<td>10,9%</td>
<td>1,6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 to 54 years (n=1)</td>
<td>0,84%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 18 years (n=1)</td>
<td>0,84%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5.2: Discretionary income of students

Uber

5.1 Why do people use Uber?

The most important reason for Uber users to use Uber is because it is cheaper than a normal taxi (33.3%). This can be related to the lower discretionary income of the students. Furthermore, 31.2% of the users order an Uber as well because of the ease of ordering a taxi fast. Thus, the most important factors for people choosing Uber is that customers value the price and the ease of the company. In addition, when asked on a scale of 1 to 5 how much the price influences the respondents’ choice for Uber, 51.6% rate a 5. Table 6.4 shows that most of the respondents who rate a 5, have a discretionary income between 0 and 1.200 euros. This shows that respondents with a low discretionary income are most influenced by the lower price of Uber.
The sharing economy

Figure 5.3: Pie chart “Why do you use Uber?”

Table 5.4: Discretionary income of respondents who find the cheaper price of Uber very important

<table>
<thead>
<tr>
<th>Importance cheaper price</th>
<th>Choice: 5, cheaper price is very important (N=48)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary income</td>
<td></td>
</tr>
<tr>
<td>0 to 1.200 euros</td>
<td>87.5 %</td>
</tr>
<tr>
<td>1.201 to 2.400 euros</td>
<td>10.4 %</td>
</tr>
<tr>
<td>2.401 to 3.600 euros</td>
<td>2.1 %</td>
</tr>
<tr>
<td>Total:</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Iris Quak
5.2 Privacy and Safety of Uber
In the first chapter of this thesis, concerns about the safety and privacy of the sharing economy were mentioned. When asked how safe the respondents felt on a scale of 1 to 5, 76.3% rate a 4 or 5. Only 5.4% choose a 1 or 2. Looking at privacy, respondents are positive as well; 55.9% rate a 4 or 5 which means these users experienced a lot of privacy. Striking is that most of the users who choose a 5 for safety, choose a 5 for privacy as well as can be seen in Table 5.5. It can be said that these factors are connected with each other; when respondents have much privacy, they tend to feel safe as well.

<table>
<thead>
<tr>
<th>Safety</th>
<th>Choice: 5, very safe</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N=35</td>
</tr>
<tr>
<td>Privacy</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>5.7 %</td>
</tr>
<tr>
<td>3</td>
<td>5.7 %</td>
</tr>
<tr>
<td>4</td>
<td>25.7 %</td>
</tr>
<tr>
<td>5, much privacy</td>
<td>62.9 %</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Model 5.5: Answers of respondents on privacy who chose a 5 when asked about safety

5.3 Environmental friendly
Uber is leading to less car-use and therefore to less carbon emission. Most of Uber’s users (31.2%, n=29) choose a 4 on a scale of 1 to 5 when asked if this is an important factor for them. It shows that users of Uber are concerned about the fact that Uber is environmental friendly. Only a small percentage (14%, n=12) rate a 1 or 2 when this question was asked, as can be seen in Table 5.6.
The respondents of the questionnaire were asked to what extent they would tell their family and friends about Uber on a scale of 1 to 10. One quarter of the respondents (25.5%, n=24) rate a 10, which means that they would definitely tell their friends and/or family about Uber. Only 7.5% (n=7) rate a 1, 2 or 3 when this question was asked as can be seen in Figure 5.7. This shows that customers are very loyal to Uber, as loyalty is measured by this question (Netpromoter, n.d.). Most of the users who would definitely tell friends and family about Uber are users between the 18 and 24. However, this is slightly logical as most of the respondents are between 18 and 24.
14. To what extent would you tell friends/family to make use of Uber?

Figure 5.7: “To what extent would you tell friends/family to make use of Uber?”

Table 5.8: Age of respondents who would definitely tell friends/family about Uber

<table>
<thead>
<tr>
<th>Age</th>
<th>Choice: Definitely tell friends/family (N=24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 24 years</td>
<td>66.7%</td>
</tr>
<tr>
<td>25 to 34 years</td>
<td>20.8%</td>
</tr>
<tr>
<td>35 to 44 years</td>
<td>8.3%</td>
</tr>
<tr>
<td>45 to 54 years</td>
<td>4.2%</td>
</tr>
<tr>
<td>Total:</td>
<td>100 %</td>
</tr>
</tbody>
</table>
Airbnb

5.5 Why do people use Airbnb?
In the questionnaire people were asked why they use Airbnb. Five options were given as can be seen in Table 5.9. Most of the users of Airbnb (31.4%, n=38) choose to stay in an Airbnb because it is cheaper than normal hotels. Furthermore, 28.9% (n=35) choose for the option “all of the above” as these respondents like the cheaper price but are also interested in feeling like a local, think that Airbnb is better than a normal hotel and like the concept of Airbnb. When asked how much the cheaper prices influences the choice for Airbnb, 34.4% (n=41) rate 4, as can be seen in Figure 5.10. The cheaper price is therefore a big factor for customers to choose for renting an Airbnb. Noticeable is that mostly students choose the option “cheaper than normal hotels” when asked why they use Airbnb.

![Pie chart “Why do you use Airbnb?”](image-url)
5.6 Safety and privacy of Airbnb
When asking users of Airbnb about how safe they felt during their stay in an Airbnb, 77.3% (n=92) rate a 4 or 5 on a scale of 1 to 5. Only 4.2% (n=5) of the respondents felt unsafe during their stay. When asked how much privacy the users experienced 37.8% (n=45) rate a 5 as they had a lot of privacy. As can be seen in Table 5.11, the users of Airbnb who rate a 5 for safety, are very satisfied about Airbnb as well. Most of the respondents who rate a 5 for safety, choose a 10 for satisfaction, and lowest is a 6. Therefore it can be said that safety and satisfaction are connected with each other.

When one feels safe, one is more satisfied as well.

<table>
<thead>
<tr>
<th>Safety</th>
<th>Choice: Very safe</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>1.9 %</td>
</tr>
<tr>
<td>7</td>
<td>5.6 %</td>
</tr>
<tr>
<td>8</td>
<td>26 %</td>
</tr>
<tr>
<td>9</td>
<td>22.2 %</td>
</tr>
<tr>
<td>10, very satisfied</td>
<td>44.4 %</td>
</tr>
<tr>
<td>Total:</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Table 5.11: Answers on satisfaction of respondents who choose a 5 on safety.

5.7 Satisfaction and connection
Respondents were asked how satisfied they are about Airbnb. The largest group (29.2%, n=35) rate a 8 on a scale of 1 to 10. In total 63.3% (n=76) rate a 8, 9 or 10. Most of the respondents are therefore satisfied to very satisfied about Airbnb. However, it is striking that satisfaction does not have a clear connection with the question about how connected the users feel to the brand of Airbnb. From the respondents who rate a 8, 9 or 10 when asked about satisfaction, most of them choose a 3 on a scale of 1 to 5 when asked how connected they feel to the brand Airbnb, as can be seen in Table 5.12. This
means that these respondents do not know if they feel connected to the brand. Only 10.6% of these respondents feel very connected to the brand.

<table>
<thead>
<tr>
<th>Feeling connected to Airbnb</th>
<th>Rating 8, 9, 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, not connected</td>
<td>N=76</td>
</tr>
<tr>
<td>2</td>
<td>7.9 %</td>
</tr>
<tr>
<td>3</td>
<td>2.6 %</td>
</tr>
<tr>
<td>4</td>
<td>44.8 %</td>
</tr>
<tr>
<td>5, very connected</td>
<td>34.2 %</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Table 5.12: Answers on connection of respondents who choose a 8, 9 or 10 when asked about satisfaction

5.8 Loyalty
In the questionnaire it was asked again to what extent the respondents would tell their family and friends about Airbnb. Most of the respondents (43.7%, n=42) choose a 10 on a scale of 1 to 10, which means they would definitely tell their friends and family about Airbnb. This shows that these users are very loyal to the brand Airbnb.

Model 5.13: “To what extent would you tell your friends/family to make use of Airbnb?”
The sharing economy

Iris Quak

About Uber and Airbnb

5.8. Reviews and feedback
Respondents of the questionnaire were asked how important it is for them on a scale of 1 to 5 to read feedback and reviews before using Uber and/or Airbnb. More than half of the respondents rate a 5, which means that it is very important to them. Noticeable is that only 1.2% (n=2) rate a 1 and 2. Only 10% (n=16) would continue to use Uber and/or Airbnb if there were no reviews and feedback about the services. Again, more than half of the respondents (55%, n=88) would not continue to use these services if there were no reviews and feedback. This shows that reviews and feedback are very important for the services of Uber and Airbnb as the companies would lose half of their customers according to the answers of the questionnaire.

<table>
<thead>
<tr>
<th>Would you use Uber and/or Airbnb if there were no reviews or feedback? (N=160)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don’t know</td>
</tr>
<tr>
<td>No, I would not use these services</td>
</tr>
<tr>
<td>Yes, I would still use these services</td>
</tr>
<tr>
<td>Total:</td>
</tr>
</tbody>
</table>

Table 5.14: “Would you use Uber/Airbnb if there were no reviews or feedback?”

5.9 Simple payment system
As explained in the second chapter of this thesis, a simple payment method is an important factor for a business in the sharing economy to be successful. Respondents were asked on a scale of 1 to 5 how important a simple payment system is for them. As can be seen in Figure 5.15, 84.4% (n=135) rate a 4 or 5. Users of these services therefore find a simple payment system very important.
Conclusion

It can be concluded that respondents of the questionnaire are very positive about Uber and Airbnb. The main reason for people to choose for these services is because Uber and Airbnb are cheaper than normal taxis and hotels. Respondents are very satisfied and loyal to the brands, however, more than half of the respondents would not continue to use the services if there were no reviews or feedback. Therefore, feedback and reviews are very important for Uber and Airbnb.
6. Benchmarking Uber and Airbnb

In this chapter the success factors of Uber and Airbnb are compared to see which factors are necessary to start a successful business in the sharing economy. These success factors are discussed in the previous chapters and analysed in this chapter. Furthermore, the questionnaire answers are taken in account to see what the customers value in Uber and Airbnb.

6.1 Comparing Uber and Airbnb

In chapter one, the factors for starting a successful business in the sharing economy are explained. In this section it will be explained if and how Uber and Airbnb have used these factors to become a successful business and these will be compared to each other in Table 6.1 and explained further.

<table>
<thead>
<tr>
<th></th>
<th>Uber</th>
<th>Airbnb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding</strong></td>
<td>- Immediately large investors and could start expanding</td>
<td>- Problems with finding investors&lt;br&gt;- Funded itself by setting up campaigns&lt;br&gt;- Eventually received big funding and could start expanding</td>
</tr>
<tr>
<td><strong>Supply</strong></td>
<td>- Called the first Uber drivers in person</td>
<td>- Sent emails to users of Craigslist and asked for posting their rooms/houses on their website</td>
</tr>
<tr>
<td><strong>Screening and training</strong></td>
<td>- Background checks&lt;br&gt;- Documents and car checks&lt;br&gt;- 55.9% feel safe/very safe</td>
<td>- Background checks&lt;br&gt;- 76.3% feel safe/very safe</td>
</tr>
<tr>
<td><strong>Foster trust</strong></td>
<td>- Giving personal information to customer&lt;br&gt;- Reviews&lt;br&gt;- 55% would stop using Uber/Airbnb without reviews</td>
<td>- Hosts have profile pages&lt;br&gt;- Reviews&lt;br&gt;- 55% would stop using Uber/Airbnb without reviews</td>
</tr>
<tr>
<td><strong>Choose partners</strong></td>
<td>- Started working together with Facebook, Apple etc. to reach more customers</td>
<td>- Started working together with Nathan Blecharcyck, Paul Graham and Jonathan Mildenhall to create a better company</td>
</tr>
</tbody>
</table>
The sharing economy

Iris Quak

Have a simple payment method

- Credit Card/ Pay Pal
- Done automatically after successful ride
- 84.4% of respondents think it is important/very important

Brand-building

- Free transportation to local schools
- Ice cream campaign
- UberKittens campaign
- Created mouth-to-mouth marketing

Grow the business

- Highest valued start-up company

Table 6.1: Comparing Uber and Airbnb

Funding

Uber received funding immediately while Airbnb struggled to find investors. Because of the funding, Uber could start expanding immediately while Airbnb could start expanding when they first received their large funding. Funding is very important because both companies started to grow after it received its first big funding, thus this is an essential part of starting a business.

Supply

Uber had the supply arranged before the service was launched as this is an essential part of their business, Kalanick called chauffeurs in San Francisco asking if they would like to become an Uber driver. Airbnb quickly gained members after it used the website Craigslist to approach potential users of Airbnb. From there, both the companies could start building their service as the supply needed to be arranged first in order to be successful in the sharing economy. The companies made sure that this was arranged; Airbnb set up a smart marketing action for that.

Extensive screening and training

The companies do background checks when one signs up to be a host for Airbnb or a driver for Uber. Uber performs car and document checks as well when someone wants to become an Uber driver. According to the respondents of the questionnaire that was conducted, almost 60% of the users of Uber feel safe to very safe. For Airbnb more than three quarters of the respondents feel safe to very safe, this means that Uber and Airbnb perform well in selecting their hosts and drivers as most
respondents feel very safe with them. Additionally, the questionnaire showed that respondents who feel safe, are very satisfied about the service and therefore this helps the brand-building of Uber and Airbnb.

**Foster trust**
To foster trust, Uber is giving personal information about the driver when a customer orders an Uber. Airbnb on the other hand lets hosts build profile pages with pictures of themselves and a description. Furthermore, the companies have users review their driver or host on the websites. This is very important as more than half of the respondents of the questionnaire would not continue to use these services if there were no reviews. Half of the respondents think it is very important to read reviews and feedback before choosing Uber and/or Airbnb. This shows that having reviews and feedback is a very positive feature of Uber and Airbnb.

**Choose partners**
Uber has closed strategic partnerships with various companies such as Apple, Windows and Facebook hence an Uber can be ordered in various other apps, which widens Uber’s reach. Thus it can be said that Uber made partnerships after it was successful, to become even larger and more successful. Airbnb closed other kinds of partnerships and these partnerships were mostly to become successful when Airbnb was not that successful yet. For example, Nathan Blecharczyck created a better website for Airbnb and Paul Graham helped to focus on things that needed improvement. These partnerships contributed to a better company to eventually become successful, while Uber’s partnerships contributed to more success.

**Have a simple payment system**
Both Uber and Airbnb use Credit Card and in addition Uber uses Pay Pal for customers to pay. After the ride or the stay was successful, the payment is done automatically. Almost 85% of the respondents of the questionnaire find a simple payment system very important, this means that Uber and Airbnb should continue to keep payments as simple as possible.

**Brand-building**
Uber and Airbnb are both companies that have set up smart marketing campaigns and ensured that almost everyone knows about Uber and Airbnb. Uber offered free transportation for school children when there was a bus strike and created mouth-to-mouth marketing with their UberKittens campaign. Airbnb worked together with KLM to offer a special overnight stay and Jonathan Mildenhall created campaigns to ensure that people do not feel scared to sleep at a stranger’s house. When the respondents were asked to what extent they would tell their families about Uber, one quarter of the respondents said that they would definitely tell their friends and family. Only a small percentage of the respondents choose that they would not tell friends and family. For Uber, 35%
would definitely tell friends and family about the company and none of the respondents would definitely not tell their friends and family. This outcome shows that mouth-to-mouth marketing is practiced by the users of Uber and Airbnb and complements the theory as this was an important factors for the success of Uber and Airbnb as well. However, striking was the fact that respondents of the questionnaire do not feel very connected to the brands even though they are very satisfied about the services. This is something that the companies could work on, as feeling connected is related to loyalty which is very important.

Grow the business
Uber is the highest valued start-up company in the world being valued at $50.0 billion dollars. Airbnb is in third place, being valued at $25.5 billion dollars. Both companies went to an enormous growth since they launched the companies in 2007 and 2009 and are still growing despite the problems both companies are facing with the law.
6.2 Important factors

In Table 6.2 an overview is shown of the eight important factors to start a successful business in the sharing economy which has been discussed in chapter one. The factors are rated in extent to how important these factors were for Uber and Airbnb. Difference has been made in the start-up phase and the rest of the existence of the company.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Uber</th>
<th>Airbnb</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Funding</td>
<td>+++</td>
<td>+++</td>
</tr>
<tr>
<td>2. Supply</td>
<td>+++</td>
<td>+</td>
</tr>
<tr>
<td>3. Screening and training</td>
<td>++</td>
<td>+++</td>
</tr>
<tr>
<td>4. Foster trust</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>5. Choose partners</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>6. Have a simple payment system</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>7. Brand-building</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>8. Grow the business</td>
<td>+++</td>
<td>+++</td>
</tr>
</tbody>
</table>

Table 6.2: Important factors Uber and Airbnb

In the theory of chapter one, no distinction was made between the importance of the factors of starting a successful business in the sharing economy. However, this analysis of the cases shows that in the start-up phase of the companies, Uber and Airbnb were mostly focused on finding investors and finding people to provide the supply of the companies. The other factors became more important when this was all in place, afterwards the companies started to focus on fostering trust, having simple payment method and brand-building to gain more users and to remain these users.

For Airbnb, choosing partners was an important step in becoming a successful business. For Uber this was a factor that became important after they had become successful. Uber used these partnerships to become more successful while Airbnb used this factor to create a better company to eventually become successful. Therefore, the importance and the level of partnerships can differ. For Airbnb these partners were essential in becoming successful, while Uber did not particularly need the partners to become successful, however, it helped Uber become larger and more successful.
Funding was a very important factor for both Uber and Airbnb, however, Airbnb was given a minus because it had struggled a lot in the beginning with finding investors. As explained, Airbnb only started growing after finding investors and thus this is an essential factor in becoming successful.

Both companies started their businesses because of real problems that occurred to the founders of Uber and Airbnb. The entrepreneurs found a solution to problems that people all over the world faced. According to Beth Buczynski this is the beginning of starting a business in the sharing economy, by looking at real problems that need real solutions which can best be resolved by communities. Uber and Airbnb provided the infrastructure to solve these problems.

Looking at the theory of chapter one, it can be said that some factors were more important for Uber and Airbnb than other factors. The most important factor is to have an exceptional idea and subsequently it is essential to have the funding in order to realize the idea. Additionally, it is very important to close partnerships that bring the company to a higher level. Afterwards, the companies started to focus on brand-building, fostering trust, having a simple payment method and conducting screening and training, which are very important factors as well. However, these factors became important only after the company had the idea, the funding and the right people to work with.
7. Conclusion

In order to answer the research question “How can the success of Uber and Airbnb in the sharing economy be explained?” it can be concluded that the success of Uber and Airbnb can be explained by the following factors.

It can be said that the combination of the theory of Paula Andruss and Nicole Fallon Taylor applied to Uber and Airbnb. Research shows that this theory recommended the same factors as Uber and Airbnb have taken in their way to success, however, this research shows that some factors have been more important than others for Uber and Airbnb to become successful.

First, the companies received funding which is an important step in becoming successful as research shows that the companies could start expanding only after receiving funding. Uber received funding immediately while Airbnb struggled to find investors in the beginning. Furthermore, Uber started calling chauffeurs in San Francisco to ensure that the supply was well arranged before the company launched its services. For Airbnb applies the same, Airbnb recruited users through the website Craigslist and thus there were no problems with having too much demand and no supply.

The companies conducted training and screening before hosts or drivers were accepted to rent-out their house or become a driver by doing background checks and car checks. Furthermore, the companies were able to foster trust among the potential users by providing personal information about the hosts and drivers, which led to more people trying the service with a positive outcome. The outcome of the questionnaire complements this as most respondents felt very safe using the services of Uber and Airbnb. Furthermore, most of the respondents are satisfied to very satisfied about the services of the companies. As the supply is the face of the company in the sharing economy, Uber and Airbnb have been very successful in conducting screening and training to have the right people being part of the company’s name. Having reviews and feedback contributed to fostering trust of the potential customers of Uber and Airbnb as well, as more than half of the respondents of the questionnaire would not use the services if the reviews and feedback did not exist, therefore this is one of the most important features of the companies.

Another important factor was the strategic and smart partnerships that Uber and Airbnb closed to help the company grow into a larger and more successful company. Uber started working together with other large companies to create more awareness while Airbnb closed partnerships with people such as Nathan Blecharczyck and Paul Graham to create a better website and to help the company become larger. The companies were able to set up a simple payment system as well. Payments are done automatically via Credit Card or Pay Pal when a stay or ride was successful, which is very important as an hassle free payment is critical for any business in the sharing economy according to
Andruss and according to the outcomes of the questionnaire as 85% of the respondents find this important to very important.

This research shows that both companies are very strong in brand-building. Uber and Airbnb have set up very smart marketing campaigns which created more brand awareness and mouth-to-mouth marketing. Outcomes of the questionnaire show that many respondents engage in mouth-to-mouth marketing and therefore help the brand-building of the companies. This outcome also shows that the respondents are loyal to the brand of Uber and Airbnb. Furthermore, Uber offered free rides when there was a bus strike and it provided other services as UberKitten as well. Airbnb on the other hand partnered with KLM to create an overnight experience and hired a marketer from Coca-Cola to create strong marketing campaigns. This ensured that people engage and talk about the brand, which is very important for brand-building. However, the outcome of the questionnaire shows that the respondents do not feel very connected to Uber and Airbnb even though they are very satisfied about the services.

The businesses have grown to be the highest and third highest valued start-ups in the world. The reasons that these companies have grown to be these large companies is because Uber and Airbnb are the perfect examples of performing the right steps and having the right factors to become successful, along the fact that they had enough funding to realize strong marketing campaigns and to expand to other countries. However, the biggest factor of their success is the fact that both Uber and Airbnb offered a solution to a real problem in the industries they now are the biggest in. Uber provided fast and cheaper taxi rides in a time where people were struggling to find taxis on their way home and in a time were taxis are very expensive. Airbnb did the same; it offered rooms and houses when there was a shortage and often for a cheaper price. Uber and Airbnb solved a problem that could best be solved by communities and provided the infrastructure to do so.

However, the results of this study should be viewed as an indication of the outcomes rather than a binding outcome. This research is based on a theory of Andruss on how to set up a business in the sharing economy, in combination with the theory of Nicole Fallon Tyler on how to set up a business in general. This research is therefore concentrated on the factors of these theories and therefore it is suggested to do further research into Uber, Airbnb and starting a successful business in the sharing economy to investigate this in more detail. Furthermore, this research gives a recommendation to entrepreneurs wanting to set up a business in the sharing economy. However, this research only focusses on Uber and Airbnb and therefore it is suggested as well to do additional research into other successful sharing businesses as for example Lyft and BlaBlaCar to see what their success factors are and if these agree with the success factors of Uber and Airbnb.
All in all, this thesis was intended to investigate how sharing economy businesses such as Airbnb and Uber became these large, well-known, billion dollar companies. In order to determine the success factors of Airbnb and Uber, this thesis can be used to help other companies to start a successful business in the sharing economy. After the research has been conducted, it can be said that the two most important factors for the success of Uber and Airbnb were the fact that the companies had an exceptional idea to solve problems that people all over the world faced by providing the infrastructure to do so, along with the fact that the companies received enough funding to realize the idea's in the best way possible. This is additional to the theory because the importance of the steps is not explained in the theory of the first chapter. However, the research of this thesis shows that for Uber and Airbnb, these two factors were the most important. Therefore, companies that want to set up a business in the sharing economy should have a great idea to solve real problems in the world and should have or receive the funding to realize this idea.
8. Recommendations

In order to reach the research objective of finding out how the success of Uber and Airbnb can be explained, and how entrepreneurs could learn from this success in setting up their own business in the sharing economy, several actions are recommended to take.

First, it is essential to have a great idea for setting up a business in the sharing economy. The idea should revolve around a problem where a solution should be found for. Uber and Airbnb provided the infrastructure for problems people all over the world faced and this was very important for their success as people need to be interested in the service you offer. Therefore, when starting a business in the sharing economy one should focus on the problems it faces in today’s society and find a solution that can best be solved by communities and provide the infrastructure to do so.

When one has such an idea, additionally the most important factor is to find investors and receive funding. Without investors and funding, Airbnb was not able to expand and grow and thus this is very important. When there is funding, one can start expanding, has more options for brand-building and fostering trust among potential customers. However, the supply should be arranged before the service is launched as the service cannot be performed without having the supply. Thus, a strategy should be found to arrange the supply.

Fostering trust among potential customers should be done by letting customers provide reviews and feedback about the services it has received. It is important as well to provide personal information about the one who provides your service to the customer, as this creates a connection. Trust is formed by conducting screening and training to ensure that the right people are part of the service your company offers. This should be done by conducting background checks and evaluating the feedback and reviews of customers.

Furthermore, it is important to close good partnerships to become a successful company or to become even more successful. When closing partnerships it is important to find partners that can create more value for your company and eventually will bring the company to a higher level as Airbnb did when it started working together with Nathan Blecharcyck and Paul Graham. Uber closed partnerships with other companies to reach a larger audience, this can be done after the company has become successful.

Brand-building is important to take a company to a higher level as well. Mouth-to-mouth marketing was a really important factor for Uber and Airbnb and therefore, smart marketing campaigns should be created to make people engage and talk about the brand. Additionally, it is important to have a Credit Card or PayPal system which does the payment automatically after the service has been
successful, a simple payment system is a crucial point for having a successful business and therefore attention should be payed to this.

To start a successful business in the sharing economy, one should take these factors in consideration in becoming successful. However, the most important factor is to have an exceptional idea where people are interested in and then find the investors to put the plan into action.
References
The sharing economy

Iris Quak


Appendices

Appendix A: Operationalisation model

<table>
<thead>
<tr>
<th>Operationalisation model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dimension</strong></td>
</tr>
</tbody>
</table>
| Sharing economy | Goods and services in more efficient way for cheaper price | - Price | - Why do you use Uber and/or Airbnb? (7, 15)  
- To what extend does the cheaper price influence your choice for Airbnb and Uber? (8, 16) |
| Sharing economy reduces waste | - Less carbon emission / greenhouse gas emission / waste / energy and water use. |  | - How important is it to you that Uber/Airbnb is reducing carbon emission/greenhouse gas emission? (13, 22) |
| Trust | - Reviews  
- Feedback |  | - Is it important for you to have reviews and feedback to see before taking the service? (23)  
- Would you use Uber and Airbnb if there were no reviews or feedback? (24) |
<p>| Simple payment method | - Selecting payment method in app |  | - Is it important for you to have a simple payment method? (25) |</p>
<table>
<thead>
<tr>
<th>Category</th>
<th>Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand-building</td>
<td>- Feeling connected to the brand</td>
</tr>
<tr>
<td></td>
<td>- Loyalty</td>
</tr>
<tr>
<td></td>
<td>- How much do you feel connected (12, 20)</td>
</tr>
<tr>
<td></td>
<td>- Would you tell your friends and family? (13, 21)</td>
</tr>
<tr>
<td>Safety</td>
<td>- No guarantee of good stay or ride</td>
</tr>
<tr>
<td></td>
<td>- Did you feel safe? (9,17)</td>
</tr>
<tr>
<td></td>
<td>- Were you satisfied? (11,19)</td>
</tr>
<tr>
<td>Privacy</td>
<td>- Less privacy because one stays in a house of someone else</td>
</tr>
<tr>
<td></td>
<td>- How much privacy did you have? (11,18)</td>
</tr>
</tbody>
</table>
Appendix B: Questionnaire

1. Where do you live? (country and city)

2. What is your marital status?
   - Single
   - Married
   - Divorced
   - Widowed

3. What is your occupation?
   - I am a student
   - I work
   - I am un-employed
   - I am retired

4. What is your age?
   - Under 18 years
   - 18 to 24 years
   - 25 to 34 years
   - 35 to 44 years
   - 45 to 54 years
   - 55 to 64 years
   - Age 65 or older

5. What is your discretionary income per month (monthly costs minus fixed costs and personal necessities)?
   - 0 to 1200 euros
   - 1201 to 2400 euros
   - 2401 to 3600 euros
   - 3601 to 4800 euros
   - 4801 or more

The questions about Uber will start from here. If you have not used Uber, go to question 15.

6. In the last year, how often have you used Uber?
   - Never
   - Once
   - Two to five times
   - Once a month
   - Once a week
   - More than once a week

7. Why do you use Uber?
   - I needed a taxi and this was the easiest way to get one fast
The sharing economy

Iris Quak

- It is cheaper
- I was curious about Uber
- I like to concept of Uber
- All of the above
- Other: …..

8. **To what extent does the cheaper price influence your choice for Uber?**
   - 1, cheaper price is not important
   - 2
   - 3
   - 4
   - 5, cheaper price is very important

9. **How safe did you feel?**
   - 1, not safe
   - 2
   - 3
   - 4
   - 5, very safe

10. **How much privacy did you have?**
    - 1, no privacy
    - 2
    - 3
    - 4
    - 5, much privacy

11. **Overall, how satisfied are you about Uber?**
    - 1, not satisfied
    - 2
    - 3
    - 4
    - 5
    - 6
    - 7
    - 8
    - 9
    - 10, very satisfied

12. **How connected do you feel to the brand Uber?**
    - 1, not connected
    - 2
    - 3
    - 4
    - 5, very connected
13. How important is it for you that Uber is leading to less car-use and therefore to less carbon emission?
   - 1, not important
   - 2
   - 3
   - 4
   - 5, very important

14. To what extent would you tell friends/family to make use of Uber?
   - 1, would definitely not tell my friends/family
   - 2
   - 3
   - 4
   - 5
   - 6
   - 7
   - 8
   - 9
   - 10, would definitely tell friends/family

The questions about Airbnb will start now. If you have not used Airbnb, go to question 24.

15. In the last three years, how often have you stayed in an Airbnb?
   - Never
   - Once
   - Twice
   - Once a year
   - Twice a year
   - More than twice a year

16. Why do you use Airbnb?
   - It is cheaper than normal hotels
   - I like the concept
   - It is better than normal hotels
   - I like to feel like a local
   - All of the above
   - Other: ..

17. To what extent does the cheaper price influence your choice for Airbnb?
   - 1, cheaper price is not important
   - 2
   - 3
   - 4
   - 5, cheaper price is very important
18. How safe did you feel?
   - 1, not safe
   - 2
   - 3
   - 4
   - 5, very safe

19. How much privacy did you have?
   - 1, no privacy
   - 2
   - 3
   - 4
   - 5, a lot of privacy

20. Overall, how satisfied are you about Airbnb?
   - 1, not satisfied
   - 2
   - 3
   - 4
   - 5
   - 6
   - 7
   - 8
   - 9
   - 10, very satisfied

21. How connected do you feel to the brand Airbnb?
   - 1, not connected
   - 2
   - 3
   - 4
   - 5, very connected

22. How important is it for you that using Airbnb is reducing energy and water use, greenhouse gas emissions and waste?
   - 1, not important
   - 2
   - 3
   - 4
   - 5, very important

23. To what extent would you tell your friends/family to make use of Airbnb?
   - 1, I would definitely not tell friends/family
   - 2
In this section, general questions will be asked.

24. **How important is it for you to read reviews and feedback before choosing the service?**
   - 1, not important
   - 2
   - 3
   - 4
   - 5, very important

25. **Would you use Uber and/or Airbnb if there were no reviews or feedback?**
   - Yes, I would still use these services
   - No, I would not use these services
   - I don’t know

26. **How important is a simple payment method for Uber and Airbnb for you?**
   - 1, not important
   - 2
   - 3
   - 4
   - 5, very important
Appendix C: Pie charts questionnaire

Figure 1: Pie chart Uber “What is your age?”

Figure 2: Pie chart Uber “How safe did you feel?”
The sharing economy

Iris Quak

Figure 3: Pie chart Uber “How much privacy did you had?”

Figure 4: Pie Chart Uber “To what extent would you tell friends/family about Uber?”
17. To what extent does the cheaper price influence your choice for Airbnb?

---

Figure 5: Pie chart “To what extent does the cheaper price influence your choice for Airbnb?”

18. How safe did you feel?

---

Figure 6: Pie chart “How safe did you feel?”
Figure 7: Pie chart “How much privacy did you have?”

Figure 8: Pie chart “How important is it for you that using Airbnb is reducing energy and water use, greenhouse gas emissions and waste?”
The sharing economy

Figure 10: Pie chart “To what extent would you tell your friends/family to make use of Airbnb?”

Figure 11: Pie chart “How important is it for you to read reviews and feedback before choosing the service?”
Figure 12: Pie chart “Would you use Uber and/or Airbnb if there were no reviews or feedback?”
Appendix D: Student Ethics form

Student Ethics Form

European Studies
Student Ethics Form

Your name: Iris Quak
Supervisor: Flora Visscher

Instructions/checklist
Before completing this form you should read the APA Ethics Code (http://www.apa.org/ethics/code/index.aspx). If you are planning research with human subjects you should also look at the sample consent form available in the Final Project and Dissertation Guide.

a. [x] Read section 3 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
b. [x] Complete sections 1 and, if you are using human subjects, section 2, of this form, and sign it.
c. [x] Ask your project supervisor to read these sections (and the draft consent form if you have one) and sign the form.
d. [x] Append this signed form as an appendix to your dissertation.

Section 1. Project Outline (to be completed by student)

(i) Title of Project: The sharing economy: A business case of Uber and Airbnb

(ii) Aims of project: Researching the success factors of Uber and Airbnb and use it as example for companies that want to start a business in the sharing economy.

(iii) Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer ‘NO’ to this question.)

YES / NO

If no: you should now sign the statement below and return the form to your supervisor. You have completed this form.

This project is not designed to include research with human subjects. I understand that I do not have ethical clearance to interview people (formally or informally) about the topic of my research, to carry out internet research (e.g. on chat rooms or discussion boards) or in any other way to use people as subjects in my research.

Student’s signature ___________________________ – date ____________________

If yes: you should complete the rest of this form.

Section 2 Complete this section only if you answered YES to question (iii) above.
(i) What will the participants have to do? (v. brief outline of procedure):

Fill out a questionnaire.

(ii) What sort of people will the participants be and how will they be recruited?

Users of Uber and Airbnb. The people will be recruited through the internet and personal.

(iii) What sort stimuli or materials will your participants be exposed to, tick the appropriate boxes and then state what they are in the space below?

Questionnaires[x]; Pictures[ ]; Sounds [ ]; Words[ ]; Other[ ].

(iv) Consent: Informed consent must be obtained for all participants before they take part in your project. Either verbally or by means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual.

(vi) What procedures will you follow in order to guarantee the confidentiality of participants' data? Personal data (name, addresses etc.) should not be stored in such a way that they can be associated with the participant’s data.

The questionnaire was anonymous as no personal data was collected or registered, except from the country and city of the respondent. Furthermore, at the beginning of the questionnaire it was said that that the information of the questionnaire would be strictly confidential and only used for the purpose of my thesis.

Student’s signature: .................................................. date: ......................

Supervisor’s signature (if satisfied with the proposed procedures): .......... date: ..............

See copy on next page
(i) What will the participants have to do? (v. brief outline of procedure):

Fill out a questionnaire.

(ii) What sort of people will the participants be and how will they be recruited?

Users of Uber and Airbnb. The people will be recruited through the internet and personal.

(iii) What sort stimuli or materials will your participants be exposed to, tick the appropriate boxes and then state what they are in the space below?

Questionnaires[ ]; Pictures[ ]; Sounds [ ]; Words[ ]; Other[ ].

(iv) Consent: Informed consent must be obtained for all participants before they take part in your project. Either verbally or by means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual.

(vi) What procedures will you follow in order to guarantee the confidentiality of participants’ data? Personal data (name, addresses etc.) should not be stored in such a way that they can be associated with the participant’s data.

Student’s signature: ........................................... date: ........................

Supervisor’s signature (if satisfied with the proposed procedures): ..........., date: 4/4/2017