

**THE STRUCTURE AND MICRO-FOUNDATION OF
HYBRID GOVERNANCE:
THE CASE OF THE SHARING ECONOMY**

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ABSTRACT

By designing and leveraging digital infrastructure that allows different parties to interact, a sharing platform lets individuals access a pool of physical or human assets. It represents a novel organizing form that builds collaborative architecture to optimize resource distribution. For motivating individuals to participate and contribute to social and economic value creation, sharing platforms use a mix of incentives and simultaneously facilitate social bonds and economic transactions between people. Whether a platform enables the desired mixed relationship and brings on board sufficient participants can decide its success. However, we know little about how sharing platforms' coupling of the potentially conflicting relationships varies and evolves. The dissertation asks two questions: How do sharing platforms combine social and economic logics differently to facilitate peer relations? How does a sharing platform address its conflicts with members when it changes the social rules of sharing?

For laying the conceptual foundation, the first paper introduces a framework that unpacks the distinct but interplaying values and practices of facilitating social bonds and economic transactions in sharing activities. Drawing on the framework and a configurational method, the second paper maps out the patterns of how sharing platforms from five industries combine these values and practices. The patterns reveal both the flexibilities and asymmetric limiting conditions of integrating and developing hybrid governance. The third paper identifies a prototypical case of a sharing platform that made a significant change in its long-existing social rules of sharing homes. New consensus and execution of the change were managed through the platform's contestation with members in digital spaces. The dissertation unveils the complexity of governing sharing platforms to mix potentially competing rationales and promote multi-value creation. It provides initial explanations and systematic evidence on how the complementarity and internal conflict of multiple logics can shape platform governance structure and evolution. It elaborates on the perceptual nature of 'mission drift' and promotes the investigation of institutional complexity and change in digital transformation.

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INTRODUCTION

“It was not the money involved that determined the relationship’s quality, but the relationship that defined the appropriateness of one sort of payment or another.”

— Viviana A. Zelizer, *‘The Purchase of Intimacy’*, 2000

Knowingly or unknowingly, social actors blend market and non-market relationships in their daily lives across different occasions, from developing business partnerships (Uzzi, 1997) to living on intimacy (Zelizer, 2000). The capacity of doing so without all ending up with ‘contamination’ and conflicts can be traced to the malleability of individual cognition in specific circumstances (Bowles & Polanía-Reyes, 2012), or the strength of will to seek for a consensus or joint action (Boltanski & Thévenot, 2006; North, 1992). An agreement, either explicit or implicit, on the mixed status and norms of interpersonal interaction could be reached, and the ‘terms’ are negotiable based on the specific conditions of involved parties (Boltanski & Thévenot, 2006; North, 1992; Thornton, Ocasio, & Lounsbury, 2012). The question is, to what extent can an organization deploy the mixed relationships for its value-creating goal?

In 2015, when Airbnb CEO Brian Chesky told the story of an Airbnb host who received seven phone calls from previous guests to confirm his safety during London riots – even before his mom did – the entrepreneur himself was even amazed at the friendships that emerged from, but went ‘beyond the transaction.’ The blending of economic transactions that pursue efficiency and scalability with social bonds that appreciate solidarity marks the distinctiveness of its business in meeting people’s complex material and psychological demands. And it has persisted and evolved since those early days of the company. However, similar content of distinctiveness has disappeared quietly from the early self-presentations of Uber. The marketing of surprising human encounters and connections that used to draw the attention of drivers and riders seem to have been filtered away and can hardly be perceived from the constantly improved rating systems and standardized comments on driving services. Meanwhile, after a long haul of justification and communication with users, the home-swapping platform

HomeExchange finally managed to settle down its adoption of a virtual currency for valuing individual homes. So, the exchanges can be reciprocated with the 'non-monetary' currency instead of based entirely on the mutual commitment to each other's invaluable home like what traditional home swappers have been doing since 1953.

The sharing economy is a microcosm of these societal trends. Sharing as a social activity has long existed in human societies (Belk, 2010). But only with the widespread use of digital technology, it starts breaking the circle of close family and friends, moving to a scale that includes strangers around the globe (Gerwe & Silva, 2020). Under the label of 'sharing economy', new practices and meanings have been attached by businesses, media, and the public to the original frame of 'sharing.' Some of them are still controversial and contingent on the evolving practice, which keeps the conceptual boundaries fuzzy (Gerwe & Silva, 2020). In a broad sense, the sharing economy represents a business model that grants temporary access to physical and human assets and enables value-generating interactions between participants through online platforms (Gerwe & Silva, 2020; Reischauer & Mair, 2018). Thus, a sharing platform is an organization that facilitates individual access to physical and human assets and optimizes resource distribution by designing and leveraging digital infrastructure that allows different parties to interact.

For sharing platforms, mediating and managing individual participants' relationships is a central task (Reischauer & Mair, 2018; Sundararajan, 2016). With the vision of simultaneously creating social and economic value, many sharing platforms enable and sustain a mix of bonded and transactional relationships between people to different degrees and in different ways (Mair & Reischauer, 2017). The idiosyncratic experiences of different sharing platforms in exploring the complementarities of bonded and transactional relationships to motivate individual participation and contribution centre around how their coupling of values and practices that enable the dual relationships vary and evolve. The variation points to the fundamental issue to what extent the complementarities of the mixed relationships can be deployed for organizational value creation and how internal conflicts of a sharing platform can be addressed.

Simultaneously facilitating social bonds and economic transactions adds variants and complexities to organizational governance – it entails a hybrid form of governance that leverages social and economic incentives and relevant activities to shape individual behaviour (Benkler, 2017; Mair & Reischauer, 2017). In a broad sense, governance refers to ‘the means by which to infuse order,’ thereby mitigating conflict and realizing mutual gains (Williamson, 2005, p. 3). From an organizational perspective, governance involves various mechanisms that mobilize resources and resolve conflicts between organizational stakeholders (Daily, Dalton, & Cannella, 2003), giving directions, controlling activities, and managing relationships (Mair, Mayer, & Lutz, 2015). Managing the relationships between key constituents and establishing the rules for their interaction to optimize overall organizational interests is the core. As a new organizing form founded on digital infrastructure, a platform’s governance shares the core mission with but differs from conventional organizations. Individual participants make different forms of contributions to platforms’ sustained development and become a key stakeholder. Rather than commanding and controlling, a platform governance's central goal is nudging and shaping activities, since platform participants are more ‘free agents’ than employees (Tiwana, 2013, p. 117). A sharing platform connects individual participants – either the demanders or suppliers of assets and services – and captures value from their interactions (Reischauer & Mair, 2018). Generally, platform governance refers to who decides what on a platform (Tiwana, 2013, p. 39). To ensure participants' actions are aligned with the platform goal, platform governance establishes the rules for how decision rights are divided between the platform and platform participants, what formal and informal mechanisms are used to control participants’ behaviour, and how to incentivize them. Which of these structures and mechanisms are implemented, and how they are designed, have a direct influence on the nature of the relationship between participants and the value-creating outcome of the platform.

Organizational innovation driven by society-level changes

Hybrid governance of sharing platforms is related to two fundamental and on-going changes in our society. The first change is the digitalization and platformization trend, which started taking off from the beginning of the 21st century. The other change is a

value-oriented tendency that places a growing expectancy on firms to generate value beyond profit. The consumerization of digital devices, and the platform infrastructure supported by distributed computing, peer-to-peer network, or blockchain technologies, make it possible to enable interpersonal interactions and relationship-building dynamics in virtual scenarios at reduced costs (Sundararajan, 2016). With the technical feasibility, what brings individual contribution and human connectedness to the centre of value creation is the emergence of a collaborative architecture for organizing economic activities (Fjeldstad, Snow, Miles, & Lettl, 2012). The collaborative architecture – predominantly in the form of a platform – brings together individual knowledge and resources and creates the ‘commons’ that participants can access and self-organize (Fjeldstad et al., 2012). Its facets and significant potential for resource economization in a complex and dynamic environment are captured by scholars with concepts such as peer production (Benkler, 2006), C-Form (Seidel & Stewart, 2011), and open innovation (Chesbrough, 2003; Von Hippel, 2006). The application of this platform-based architecture was initially for generating innovative solutions and limited to the ‘crowding’ and ‘sharing’ of knowledge, expertise, and information, e.g., in open-source software and professional communities (Fjeldstad et al., 2012; O’Mahony, 2007). However, in less than a decade, it has expanded to a variety of physical and intangible assets owned by individuals, ranging from skills and temporary labour to objects as small as a book, and high-value assets like a car or a house, converging under the widely used reference of the ‘sharing economy.’

The evolution of technical infrastructure and organizational design happens along with the shifting of the value orientation and institutional requirements on the societal level, with the expectation for businesses to not only meet material needs and create and capture economic value but also contribute to social value such as social cohesion and wellbeing. Both the platform-based architecture's technical feasibility and governance potential seem to have provided a natural fitness for responding to the demand of such multi-value creation (Bussgang & Bacon, 2020, January; Tans, 2019, October 3). For fast-growing platforms with the strategic vision to explore individual contribution and human connectedness, the prospect has gone well beyond ‘connecting’ to ‘mediating’ ‘enabling’ or even ‘reshaping’ interpersonal and collective interactions, i.e., governance

that focuses on ‘orchestrating’ activities between platform constituents (Tiwana, 2013, p. 117). To motivate and sustain individual contributions to create social and economic value, a platform established on ‘sharing’ ‘crowding’ or ‘collaborating’ faces the general challenge of finding its way through the tension in participants between ‘What do I contribute’ and ‘What can I get in return from my collaborative relations with others’ (Benkler, 2006). The ‘return’ that nurtures individual motivation can vary from pure altruistic pleasure to pure material and monetary payback, which comes from and fosters relationships of different nature (Belk, 2007, 2010; Benkler, 2006, 2017). Therefore, whether and how a platform manages to enable the type of social relation that optimizes people’s motivation to contribute to value creation can decide its success. The plurality of individual motives, and the societal expectation for multi-value creation, bring in the impetus and the necessity for many platform organizations to navigate the complementarity of the transactional and bonded relationships and their relevant logics of governance for optimal value creation.

Facilitating mixed relationships to govern sharing activities integrates different rationales, assumptions of appropriateness, and prescriptions in practice, that is, different institutional logics. An institutional logic refers to a set of ‘material practices, assumptions, values, and beliefs’ that provides organizing principles to the social actors in a specific field (Reay & Hinings, 2009; Thornton & Ocasio, 1999, p. 804). It conveys ‘the rules or reasons for who gets to do what, for what purpose, in which way, and in what setting’ (Green Jr & Li, 2011, p. 1676). Some sharing platforms seek a relative balance between the organizing principles of the social and economic logic, like Airbnb. In contrast, others are inclined to rely on one predominant logic, focusing on facilitating economic transactions between individuals like Uber, or developing social bonds as traditional home-swapping platforms. Rare but important, there are also cases – such as HomeExchange – which break the current balance between social and economic logics and try to leverage and revise these field-level principles for strategic purposes.

Therefore, the complexity of sharing governance is primarily reflected in a seemingly broad variation in the structure and extent of blending the social and economic logic, on the one hand. On the other hand, it also depends on how malleable the institutional

logics are, to what extent the agency could reshape these field-level logics, and in what conditions. While there is a risk of invading social bonds by infusing transactional incentives and mechanisms (Bowles & Polanía-Reyes, 2012) – or vice versa – the level of difficulty sustaining their internal harmony through platform mediation is susceptible to various conditions and contingencies. For example, it can depend on the nature of the shared object (Belk, 2007), the state of existing institutions (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011), the action of key agency (Besharov & Smith, 2014; Venkataraman, Vermeulen, Raaijmakers, & Mair, 2016), or even fortuitous events. Clarifying the first type of complexity calls for revealing the non-random pattern of variation in sharing platforms' hybrid governance on peer relations. By contrast, the second complexity points to organizations' search for opportunities to break the status quo, take distinctive paths that may be inconsistent with common organizing principles and approaches, and optimize value-creation outcomes.

Research objective, strategy, and contribution

This dissertation aims to uncover the variation and evolution of the hybrid governance of sharing platforms. First, it explores how sharing platforms combine values and practices from social and economic logics differently to facilitate peer relations (Q1). Second, it investigates how a sharing platform addresses its conflicts with members when the platform changes the social rules of sharing (Q2).

The dissertation consists of three stand-alone, yet interconnected papers. Papers 1 and 2 provide answers to Q1. Neither the formation of bonded nor transactional relationships results from a single condition or force but involves elements and practices working on different dimensions of individual behaviour (Giddens, 1997; Scott, 2013). Thus, investigating the variation of organizational governance that stimulates and manages the two types of relation firstly requires identifying the elements and practices that enable social bonds and economic transactions. Despite the increasing attention given to hybrid organizations that espouses multiple rationales (Battilana, Besharov, & Mitzinneck, 2017; Mair et al., 2015) and its importance in the sharing economy (Mair & Reischauer, 2017), there is an absence of a conceptual framework that brings the role of the

organization to the fore with regard to sharing activities. The relevant social and economic logic – i.e., values, assumptions, practices, and rules – that facilitate social bonds and economic transactions in the sharing economy are unspecified. Therefore, the objective of Paper 1 is to develop a framework that unpacks the respective logic of developing social bonds and economic transactions in the sharing economy. The paper identifies their relevant governance elements and practices, and illustrates their potential interplay. The goal is achieved by tracing the sources of the dual logics to the relevant sociological, economics, management, and marketing literature and establishing their linkages with the sharing economy research. The framework lays the foundation for operationalizing the dual logics and mapping out the variation of the sharing platforms' hybrid governance in Paper 2.

Paper 2 investigates how platforms combine the practices that facilitate social bonds and economic transactions differently to govern sharing relations. The dataset consists of all web pages and legal files of 56 sharing platforms from five industries by January 2018. The dataset has been content-analyzed to capture the governance practices associated with the social and economic logic. The framework introduced in Paper 1 is applied to the sample to evaluate the degree to which each platform prioritizes either the social or economic logic in a specific practice. The paper adopts a configurational method named Fuzzy-set Qualitative Comparative Analysis (fs/QCA) to analyze how practices from the dual logics are configured to different degrees and in different ways by these platforms. The analysis systematically captures the varied structures and degrees that sharing platforms resort to the two complementary and contradictory logics to govern interpersonal exchanges. Moreover, it reveals that some governance practices are so tightly coupled that they generate rigidity in constructing hybrid governance. The uneven distribution of logic incompatibility across different governance elements could be an important explanation and a shaping force of the present pattern of variation. The findings also uncover the few cases that have constructed highly mixed logics for governing sharing activities. It helps to identify an appropriate case for the investigation of Q2 in the third paper.

Addressing Q2, Paper 3 is a longitudinal case study on a sharing platform that tried to promote a strategic change in the multiple logics that forms the foundation of its activities. The platform intended to enhance people's tolerance to integrating a transactional mechanism with its existing pro-social exchange mode. With the risk of invading the social logic and undermining organizational legitimacy, the platform strived to increase the economic logic's weight and navigated another point of balance in its governance by addressing its conflict with users in digital spaces. The conflict was triggered by people's perception that their prosocial relationships got 'contaminated' by a market-like mechanism. Through a rhetorical analysis on the user- and platform-generated content spanning over a year, Paper 3 explicates how the platform, as the mediator and curator, communicated with members and sought to mitigate the tension, for the purpose of optimizing network effect while sustaining community cohesion.

The research makes three main contributions. The first contribution is to the sharing economy research, which is currently in a state of development. It unveils the highly varied business practices in the sharing economy field and their relevance with a prominent governance challenge faced by sharing platforms, i.e., seeking a balance between exploiting network scalability and exploring community cohesion. Putting on hold the long-standing controversy on whether many mutations of the sharing economy model reflect the essence of 'sharing' or just reinventing 'capitalism' (Eckhardt & Bardhi, 2015; Schor, Fitzmaurice, Carfagna, Attwood-Charles, & Poteat, 2016), the dissertation takes a different approach to analyze how and why sharing practices vary systematically, and how they are enacted and transformed through platform-individual interaction. On the one hand, the research reveals that the variation that sharing platforms combine the development of social bonds and economic transactions is limited in scope. Different governance practices from the dual logics are 'prioritized' or 'balanced' by sharing platforms to serve their goals, but a considerable number of organizations choose only to (or are only able to) blend insignificant proportions or less enduring elements of a different logic. This limited diversity is especially prominent if the platform delivers strong commercially-oriented identity and offerings, facilitates predominant social institutions, and relies on intensive assurance instruments to govern sharing activities. Thus, the study clarifies the conceptual ambiguity in the sharing

economy, illustrates the division between/integration of cohesion-focused and efficiency-focused models in this field, and locates their sources. The discovery of highly mixed and successfully transformed cases suggests the possibilities and conditions of overcoming the structural constraints and cognitive challenges of constructing hybrid governance, mitigating the tension between the inconsistent requirements of facilitating social bonds and economic transactions.

Second, based on the sharing economy context, the research findings point to a broader scope of achieving multi-value creation through managing ‘crowd-based’ relationships and enriches the much-needed knowledge on how intermediary platforms operate and govern. The platformization trend signifies the transitions of both organizational and individual roles in creating and capturing value. Instead of producing and controlling as traditional firms do, platform governance is more about ‘orchestration’ (Tiwana, 2013, p. 117), nudging and shaping individual behaviour towards the desired direction.

Beyond products and services, intrinsic demands, self-identity, and individual autonomy become prominent motivations (Belk, 2013; Benkler, 2006). While Paper 1 submits relevant theoretical propositions, Paper 2 provides empirical evidence for the different levels of tension and rigidity in distinct governance practices of mixed relationships. Through the inductive analysis of the third paper, the opportunities, challenges, and processes of reconstructing and communicating counter-intuitive hybridity are unearthed and explicated. A change in hybrid governance entails re-balancing the mixed incentives and activities by conveying refined ‘social signals’ to people through digital channels. The reconstruction of organizational legitimacy involves mobilizing discursive resources produced by users of different motives in digital spaces and seeking partial resonance with the existing assumptions of appropriateness and ‘patching’ for a new meaning of technical artefacts.

Finally, the research findings make theoretical contributions to the hybrid organization and institutional complexity literature by responding to two underexplored questions in the two streams. The sharing economy platform represents a type of hybrid organization or organizing which embraces multiple institutional logics in its goals and governance (Mair et al., 2015). The first question concerns the *structure* of the variation in hybrid

governance. The structural properties of variation reflect how incompatibility and tension are unevenly distributed in different practices of the multiple logics at play (Greenwood et al., 2011; Pache & Santos, 2010), and how they are internally associated (Battilana & Lee, 2014). Paper 2 reveals these structural properties and provides systematic empirical evidence for the extant theoretical propositions and a few small-scale studies. It corroborates the tension in the competing ‘goals’ could be more challenging to alleviate than that in the ‘means’ (Greenwood et al., 2011; Pache & Santos, 2010). But the type of ‘means’ that develops stable institutions still adds considerable rigidity into hybrid governance and indicates strong incompatibility with the alternative logic. More importantly, the finding proves that different institutional logics constrain hybrid governance construction in very different ways.

The second question points to the *micro-foundation* of transforming hybrid governance (Powell & Rerup, 2017), about how the organization facilitates a deliberate shift in its multiple logics of governance and restores the balance. Instead of substituting a present logic or adding a new one, a change in the hybridity reflects a subtle ‘shift of weight’ in the existing logics. It poses the unique challenge of weakening the present assumption of legitimacy while still working under and needing to sustain most of its underlying values and norms. Paper 3 explicates the micro-foundation of tackling the challenge by relying on platform communication, for the dual purposes of maximizing network effects and sustaining community cohesion. As an initial study investigating the two questions in the new organizing form – i.e., the platform – this doctoral research contributes to these relatively nascent areas in institutional complexity and change analysis, especially in a digital context of significant practical relevance. It promotes the practices for moving the hybrid organization and mission drift research beyond social enterprises (Grimes, Williams, & Zhao, 2019, 2020) and towards an era of digital transformation that calls for organizational innovation.

PAPER ONE

The Governance Practices of Sharing Platforms: Unpacking the Interplay Between Social Bonds and Economic Transactions ¹

Abstract

The sharing economy represents a form of governance that combines practices which facilitate social bonds and economic transactions. Based on the understanding that enabling desired socio-economic relations between individuals forms the core of the governance of sharing activities, this paper develops a conceptual framework which shows how governance practices for sharing vary in terms of the weight given to social bonding development and economic transaction facilitation. Drawing on literature from management, marketing, economics and sociology as well as empirical studies on the sharing economy, this paper identifies the governance practices to which sharing economy organizations resort to different degrees and in different ways to structure their sharing activities. Potential contradictions and complementarities between governance practices are specified as they can be an important source shaping the specific governance mix of sharing economy organizations. The proposed framework contributes to a fine-grained understanding of the complexity of governance in the sharing economy, it highlights the relevance of the interplay between the social and economic governance practices, and it lays the foundation to capture the governance mix of sharing economy organizations empirically.

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Keywords

Sharing economy; governance practices; governance mix; social bonding; economic transaction

1. Introduction

Many organizations are now seen as being part of the sharing economy, even if in their business models are vastly different (Acquier, Daudigeos, & Pinkse, 2017; Mair & Reischauer, 2017). In mobility, for example, the ride-hailing platform Uber and the ride-sharing platform Skjutsgruppen are both considered sharing platforms, but the former is a profit-oriented multinational corporation making random connections between strangers while the latter is a local environmental movement in Sweden motivating people to become friends and travel in groups for an equal share of the cost. Playing the role of intermediaries, what both organizations have in common is that they have built a business model around the creation of relationships between people on a Web 2.0-based platform and incentivize the exchange of a good or a service (Belk, 2014). Both organizations also face the challenge of looking for ways to encourage users to participate in their platform and to maintain a degree of trust between them so they will continue doing so. A key difference, though, is the type of interpersonal relationship they consider ideal to encourage user participation on their platform and create value. Moreover, they rely on different governance practices ‘to encourage participation and to direct, coordinate, and control interactions among individuals’ (Reischauer & Mair, 2018, p. 221). While the governance of relationships between users is a key feature of sharing platforms, the practices which sharing economy organizations have adopted for this purpose vary widely (Perren & Kozinets, 2018; Reischauer & Mair, 2018).

Governance is ‘the means by which to infuse order’ with the aim to mitigate conflict and realize mutual gains (Williamson, 2005, p. 3). For an organization, governance concerns the construction of relational systems which provide structure to activities (Scott, 2013) and involves practices that provide direction and control and manage relationships

between various stakeholders (Mair et al., 2015). Governance is a well-studied topic, but it has unique features in a sharing economy context because value creation depends on the facilitation of interactions between platform users that do not have a formal relation with the sharing economy organization (Reischauer & Mair, 2018). As the organization is merely an intermediary connecting users, the potential governance problems are immense because users who offer and users who demand goods or services will only continue using the platform if there is sufficient trust that their counterpart will deliver. To structure sharing activities and build trust between users, some sharing economy organizations put a stronger emphasis on building personal connections, fostering communities, and developing social norms of interaction among individual users of a platform (Belk, 2014), while other organizations focus more on contracting, pricing, and maximizing the economic return for the users and the platform (Eckhardt & Bardhi, 2015). Simply put, sharing economy organizations use specific governance practices to facilitate two types of interpersonal relationships – social bonding and economic transaction – that form the foundation of how users interact on their platform. Although this duality has been conceptualized before, reflected in sharing vs exchange (Belk, 2007; Habibi, Kim, & Laroche, 2016), non-market vs market (Eckhardt & Bardhi, 2016; Laurell & Sandström, 2017), and public vs private (John, 2013), in what way specific governance practices facilitate social bonding and economic transaction, respectively, to direct, coordinate and control individual actions and group activities is less well understood.

The main objective of this paper is to conceptualize how organizational governance practices structure interpersonal relationships between users of sharing platforms and whether these practices are geared more towards developing social bonds or towards generating economic transactions. Based on theoretical insights from management, marketing, economics and sociology as well as the empirical sharing economy literature from across disciplines, we propose a conceptual framework that identifies the practices that sharing economy organizations can resort to, to govern how users interact when sharing goods or services on their platform. Our framework distinguishes between governance practices in terms of their motivational, interactional, and institutional dimension and the relative emphasis put on facilitating social bonds or economic

transactions. However, our aim is not only to identify specific governance practices but also to analyse the interplay between the practices in a governance mix. We conceptualize potential complementarities and contradictions between practices when used jointly in a governance mix.

With our paper, we seek to make several contributions to the sharing economy literature. Our framework provides a fine-grained insight into the nature of and the interplay between the governance practices that sharing economy organizations use to facilitate social bonds and economic transactions. In doing so, we move beyond the simple dichotomy of pure sharing and pure exchange suggested by scholars (Belk, 2007; Habibi et al., 2016) and show which governance practices form the basis for building the type of interpersonal relationship sharing economy organizations rely on to encourage user participation on their platform. With our framework, we lay the foundation to capture the governance practices empirically that sharing economy organizations use. Moreover, we show which practices are more likely to be used jointly in a governance mix because they are complementary, and which seem mutually exclusive because they are in contradiction with each other. We thus provide insight into the stability of specific governance mixes and the extent to which there seems to be alignment between the purpose and the governance of sharing platforms. Gaining a deeper understanding of how sharing activities are governed is important as it shows to what extent sharing economy organizations try to deliver on the promise of ‘new forms of collaboration, solidarity and social bonding’ or instead just ‘recreate the inequalities of the capitalist markets, but in different ways’ (Acquier et al., 2017, p. 2; Benkler, 2017; Schor et al., 2016). Our framework explains why so many views exist with regard to the promises and paradoxes of organizing the sharing economy (Acquier et al., 2017; Murillo, Buckland, & Val, 2017).

2. Setting the boundary of the sharing economy

The ‘sharing economy’ as a term became popular after the emergence of the eye-catching cases of Uber and Airbnb around 2013. Its content has vastly expanded since then with the re-inclusion of more traditional sharing activities and the business model

innovations of platform organizations which adopt diversified practices of combining the social elements of ‘sharing’ and the transactional elements of ‘economy.’ There is a broad diversity in the types of organizations that are associated with the sharing economy and definitions tend to diverge (Acquier et al., 2017). According to Gerwe and Silva (2020), definitional debates revolve around three issues: 1) the boundaries, i.e., which organizations belong to the sharing economy; 2) the tensions between social elements and economic elements; and 3) what assets are shared, i.e., physical and/or human assets. Ambiguities also exist around whether the shared resources should be underutilized (Botsman, 2013, November 21; Muñoz & Cohen, 2017), whether the assets need to be privately owned (Frenken, Meelen, Arets, & Van de Glind, 2015, May 20), and whether the process could involve the transfer of ownership or commercial activities (Frenken et al., 2015, May 20; Hamari, Sjoklint, & Ukkonen, 2016). Definitions will continue to evolve as organizations in this space will keep changing their ‘sharing’ activities. For example, while many platforms started out relying on underutilized assets and facilitating peer-to-peer transactions, some are already moving away from this (Gerwe & Silva, 2020).

Since we seek to explain the variety of organizational governance practices across platforms we adopt a relatively broad definition of the sharing economy. Following Gerwe and Silva (2020, p. 71), we consider ‘the sharing economy broadly as a socioeconomic system that allows peers to grant temporary access to their underutilized physical and human assets through online platforms.’ This definition fits our view of the sharing economy as we see it as a confluence of for-profit and non-profit organizations. It allows us to compare rather different platforms and their governance practices which aim to develop social bonds or generate economic transactions. Moreover, the definition includes platforms that share physical assets, human assets, or both. As we will explain in Section 5, we expect the nature of the assets to be related to the ways in which sharing platforms govern interpersonal relationships between users. While this definition comprises a wide variety of platforms, designing and developing effective strategies, approaches, and technical infrastructures to govern the interpersonal relationship and create value have become an important focus for all of them (BlaBlaCar, 2018; Perren & Kozinets, 2018; Reischauer & Mair, 2018).

3. Governance practices to manage interpersonal relationships in the sharing economy

In this paper, we adopt an institutional perspective on governance which proposes that an organization's governance practices craft order and bring structure to organizational activities (Williamson, 2005) and provide the stimuli, resources, guidelines, and constraints for individual actions and actors (Scott, 2013). The infusion and maintenance of order and structure involve providing proper incentives, shaping human interaction, and forming shared values, norms and rules for key actors (Scott, 2013). An institutional perspective thus considers the governance of interpersonal relations as having a *motivational, interactional, and institutional* dimension that work together in bringing order and structure to organizational activities. Order and structure can be delivered and achieved through the use of symbolic systems such as interpretation and framing, the building of social ties and interaction modes of different characteristics, the emergence of activity routines, and the creation of artefacts such as technical tools, all to shape individual perception and bring about repetitive modes of individual action (Giddens, 1997; Scott, 2013). Hence, governance contains elements of social bonding and economic transaction which have long been identified as co-existing modes to manage interpersonal relations in markets and society (Polanyi, 1957; Zelizer, 2012), also beyond a sharing economy context.

Social bonding refers to an individual's social ties which can differ in terms of strength and binding force. The discussion of people's motivation to build social bonds can be traced back to the intuitive 'conscience' and natural will that Tönnies (1887/2001) proposed. This intuitive conscience and natural will comes from the desire for pleasure, as well as the shared experience and memory of pleasure, in contrast to the 'self-consciousness', calculative and rational-choice-making will, which has widely been identified in economic transactions in the market. With regard to the interaction form in social bonding, Granovetter (1973, p. 1361) defines the 'strength' of a positive and symmetric interpersonal tie as 'a (probably linear) combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterise the tie.' So, social bonding, in a positive and symmetric sense, not

only implies sufficient interpersonal interaction but also involves reciprocity, emotion, and intimacy. In terms of its institutional foundation, Hirschi (1969) uses ‘social bonds’ to refer to individuals’ binding ties with families, schools, workplaces or communities. The stronger a person’s social bonds, the less likely they will conduct deviant behaviour (Hirschi, 1969). Social bonds not only denote stronger ties between people but also infuse individuals with the values and norms of the group or society they are in, working as an important mechanism to guide and discipline individual actions. Social consensus and norms produced and reproduced in individual and collective activities provide stability and meaning to the working of social bonding (Tönnies, 1887/2001).

An economic transaction is the relationship of trading, exchanging and contracting between two or more parties in the market (Williamson, 1979). Involved parties are motivated to act upon the rational calculation of financial gains and costs (Tönnies, 1887/2001; Weintraub, 2007). In the neoclassical market, pricing is considered as the most important mechanism in the operation of economic transactions (Weintraub, 2007), while New Institutional Economics emphasizes the importance of contract designs and laws instead (Williamson, 1979, 1985). Ex-post institutions such as vertical integration and assurance instruments could be adopted to complement or substitute for contracts to economize on transaction costs (Williamson, 1979, 1985). So, in an economic transaction, with involved parties acting based on calculative rationality of costs and benefits, the exchange happens mainly through price signals, contracting and assurance instruments to safeguard the transactions. Pricing, contracting, and assurance instruments form the institutional basis to structure interpersonal relationships between market participants that exchange goods and services.

In line with this institutional perspective on governance (Scott, 2013) and to identify the governance practices that sharing economy organizations can resort to, we propose three dimensions which constitute the foundation of initiating and sustaining social bonds and economic transactions: *a motivational dimension* which reflects and promotes the compatible incentives of key actors to interact; *an interactional dimension* which facilitates the appropriate form of interpersonal interaction; and *an institutional dimension* which establishes the compatible rules, norms, and alternative control

mechanisms that provide stability to the interpersonal relationships. Driven and supported by distinct cognitive, behavioural and institutional bases, developing social bonding and facilitating economic transaction are distinct along the three dimensions (see Table 1). We posit that social bonding development contains a motivational dimension of *shared desire and experience for pleasure, sociality, and communal support*; an interactional dimension of *reciprocal interactions and binding sentiment*; and an institutional dimension of *social consensus and norms*. In contrast, economic transaction facilitation includes a motivational dimension of *pursuing profitability and efficiency*; an interactional dimension of *immediate and calculative interactions*; and an institutional dimension of *contracts and control mechanisms including sanctions and assurances*.

While we present the governance practices that facilitate social bonding and economic transactions as a clear-cut dichotomy, they are ideal types that form the endpoints of a continuum (Doty & Glick, 1994). In practice, sharing platforms exhibit a more complex mix of governance practices to manage interpersonal relations (Zelizer, 1988, 2012). Moreover, large organizations like Uber and AirBnB are not homogenous units (Lutz & Newlands, 2018). They tend to offer various different sharing options on the same platform or operate several platforms across sectors such as UberEats and AirBnB Experiences. Given the differences in their specific offerings and market context, these organizations will resort to a different mix of governance practices for each of their sharing options or platforms. For example, in the case of AirBnB, whether users opt for a shared room, private room, or entire home will have implications for their motivation to make use of the service, the expected interaction with other platform users, and the need for control mechanisms. While the shared room option is more likely to rely on social bonding, it also requires stricter practices to handle trust issues as people feel more vulnerable (Lutz & Newlands, 2018).

In their role as intermediaries, sharing economy organizations exert influence on the ways in which participants engage in sharing platforms. They utilize the underlying symbolic systems, featured interaction modes, activity routines, and technical objects of social as well as economic practices to different degrees (Sundararajan, 2016) and they

combine them in different ways (Mair & Reischauer, 2017). Recent evidence shows that sharing economy organizations strategically design their governance practices and ‘[e]ach of these practices encompasses activities to encourage participation and to direct, coordinate, and control interactions’ (Reischauer & Mair, 2018, p. 221). Hence, they purposefully use these practices to make sure that specific types of social and economic relationships develop between users.

Table 1 Governance practices to facilitate social bonds and economic transactions

<i>Interpersonal relationship development</i>		
<i>Dimension</i>	Social bonds	Economic transactions
Motivational	Shared desire and experience for pleasure, sociality and communal support	Pursuing profitability and efficiency
Interactional	Reciprocal interaction and binding sentiment	Immediate and calculative interaction
Institutional	Social consensus and norms	Contracts and control mechanisms including sanctions and assurances

The co-existence and interplay of social and economic governance practices to direct, coordinate and control interpersonal relationship development in the sharing economy can be observed from how organizations articulate the definitions of the relationship between individual participants in different ways. Many sharing economy organizations assume or define the relationship between users as ‘contractual’; the activities they conduct are ‘transactions’ in the legal sense. In its terms and conditions, AirBnB states, for example:

When Members make or accept a booking, they are entering into a contract directly with each other. Airbnb is not and does not become a party to or other

participant in any contractual relationship between Members, nor is Airbnb a real estate broker or insurer.²

Nonetheless, AirBnB co-founder Joe Gebbia argued that the promise of building up social relationships forms a key component which they deliberately designed into their platform:

How do we design for just the right amount of (personal information) disclosure (in the interpersonal communication process)? We use the size of the box to suggest the right length, and we guide them with prompts to encourage sharing. We bet our whole company, on the hope that, with the right design, people would be willing to overcome the stranger-danger bias. [...] How do sharing and transactions go together? So, let's be clear, it is about commerce. But if you just called it the rental economy, it would be incomplete. The sharing economy is commerce with the promise of human connection. People share part of themselves, and that changes everything.³

There are also organizations which describe the relationship between their users as 'communal' and 'social'; community activities and personal interactions form part of the exchange process. For example, Frédéric Mazzella, Founder and CEO of BlaBlaCar, emphasized that their business starts with building community and economic gains only follow from this activity:

I don't feel any kind of special pressure regarding that [the high expectation for a unicorn to create value], because we know that we are still only scratching the surface of what's possible in terms of optimization. We know that along the way we're building a community where people help each other and that's the most important. And then evaluations or the financial pressures are just something which goes with the development of the activity but it's not the core of the

² AirBnB (2020), Terms of Service for European Users, Retrieved 22 January 2020, from <https://www.airbnb.co.uk/terms>.

³ TED (2016), How Airbnb designs for trust, Retrieved 22 January 2020, from <https://www.youtube.com/watch?v=16cM-RFid9U>.

*business we are building. The core of the business we're building is a community in 22 countries where people are able to share the cost together.*⁴

Still, as Love Home Swap-founder Debbie Woskow explained, even for community-oriented platforms the economic component remains important as well:

*So, to 150,000 homes we are not Airbnb and to that extent we won't ever be Airbnb, in that we are all about building a community in a club. It's not just a purely transactional holiday-based website; it's a community of homeowners. [...] There are two sides of the sharing economy: there's the money end of things, so are you making money and saving money. And there's the experience. And all data demonstrates that those two are of equal importance.*⁵

Moreover, it is not uncommon for sharing economy organizations to deliver the interpersonal relationship between participants in obscure terms, or demonstrate it as 'contractual' in legal statements while highlighting the 'communal' nature in other public spaces, e.g. in the forum or the blog, thus ascribing to both discourses without treating them as contradictory. For example, HomeExchange hosts "Members only" Facebook groups to let travelers build social relationships with each other.⁶

To explain how different sharing economy organizations design, effectuate, and balance governance practices and leverage them in distinct ways, we unpack the specific governance practices that deliver the respective outcomes of forming social bonds and economic transactions on the motivational, interactional, and institutional dimensions. We develop our framework based on theoretical insights from a multidisciplinary body of literature from management, marketing, economics, and sociology. We theoretically explain how governance practices in terms of their different motivations, interaction forms, underlying values, norms and rules facilitate social bonding and economic transaction. In addition, we present insights from previously published empirical

⁴ An interview with Frédéric Mazzella, Founder and CEO of BlaBlaCar (2016), Retrieved 9 April 2020, from <https://www.youtube.com/watch?v=huvhJXSmUmw>

⁵ Thomson Reuters/Cass Business School (2016), Trust in the sharing economy, Retrieved 22 January 2020, from <https://www.youtube.com/watch?v=H9TVSbWUusw>.

⁶ HomeExchange (2020), The HomeExchange Membership, Retrieved 22 January 2020, from <https://www.homeexchange.com/choose-plan>.

Table 2 Governance practices of sharing platforms: A conceptual framework

<i>Interpersonal relationship development</i>			
<i>Dimension</i>	<i>Practice</i>	Social bonds	Economic transactions
Motivational	Signalling of organizational identity	Stronger signalling of socially focused identity reflects the inclination to highlight social bonding development	Stronger signalling of commercially focused identity reflects the inclination to highlight economic transaction facilitation
	Promoting specific offerings to individual participants	Stronger promotion of social benefits indicates the attempt to align individual motive and behaviour with social bonding development	Stronger promotion of economic benefits indicates the attempt to align individual motive and behaviour with economic transaction facilitation
Interactional	Creating opportunities for repeated interpersonal interaction	Creating more opportunities for repeated interaction refers more to social bonding development	Creating fewer opportunities for repeated interaction refers more to economic transaction facilitation
	Creating opportunities for unmediated co-presence	Creating more opportunities for unmediated co-presence shows a stronger focus on social bonding development	Creating fewer opportunities for unmediated co-presence shows a stronger focus on economic transaction facilitation
Institutional	Developing central rules and norms of sharing activities	Stronger development of communal norms and shared experiences shows the tendency and is a more compatible way of forming social bonds	Stronger development of contractual arrangements and sanctions reveals the tendency and is a more compatible way of driving economic transaction
	Providing intensive assurance instruments	Weaker provision of intensive assurance instruments aligns better with social bonding development	Stronger provision of intensive assurance instruments aligns better with economic transaction facilitation
		←	→
<i>Governance style</i>		<i>'Loose and decentralized'</i>	<i>'Tight and centralized'</i>

research on the sharing economy to capture the salient approaches that (1) are observed as being adopted by sharing economy organizations to enable and manage interpersonal relationships and (2) are associated with the respective motivational, interactional, and institutional foundations of social bonds and economic transactions. With this analytical approach, we identify six governance practices that exhibit key differences between the two ideal types of social bonding development and economic transaction facilitation (see Table 2).

4. Contrasting social bonding development and economic transaction facilitation in governance practices of sharing platforms

4.1. The motivational dimension

To incentivize people to engage in sharing activities, sharing economy organizations' governance on the motivational dimension is realized mainly through the use of symbolic systems to shape individuals' perception on the organization and its sharing activities. Specifically, the two governance practices in which social bonding development and economic transaction facilitation differ on the motivational dimension include the demonstration of organizational identity and specific offerings to individual participants.

4.1.1. Signalling of organizational identity

Whether a sharing economy organization gives more weight to the formation of social bonds or to facilitating economic transactions first comes to the fore in its identity. An organization's identity describes 'Who are we' 'What businesses are we in', and 'What do we want to be', and conveys the central, enduring, and distinctive components of an organization (Albert & Whetten, 2004). The identity directs how an organization allocates resources and implements strategies to meet commitments and it guides individual actions within the organization (Whetten, 2016). Usually communicated through its core goals, mission, or business storytelling, the demonstration of organizational identity sends signals to stakeholders outside the organization and shapes its image (Whetten, 2016). The identity is a strategic device, though, that is used to

create a favourable image of the organization (Gioia, Schultz, & Corley, 2000). Organizations could develop an identity that sits well with strategically relevant stakeholders but might not be fully congruent with their deeply held values and objectives. While sharing economy organizations commonly claim both social and economic objectives, an organization's signalling of its central goal and role, i.e. whether they are socially or commercially focused, has a strong bearing on its business model and self-representation (Schor, 2014, October; Wruk, Oberg, Klutt, & Maurer, 2019). It sends a message to the public about what type of user relationship the organization plans to build, how it organizes the exchange process, and how it invests resources and makes revenues in this process (Constantiou, Marton, & Tuunainen, 2017), which all contribute to people's consistent or inconsistent perception of the organization's claimed values and practices (Whetten, 2016).

Legal status reflects the general difference in sharing economy organizations' identities. The sharing economy encompasses for-profit businesses, social enterprises, and non-profit organizations. Typically, sharing economy organizations which have a more enduring focus on revenue maximization, market share and assets register as for-profit businesses (Schor, 2014, October). Uber, for example, portrays itself as a technology start-up that creates a new standard for consumer convenience, brings in disruptive innovation,⁷ and supports self-employment.⁸ Algorithm development is a key investment for Uber to connect drivers and passengers and achieve higher exchange efficiency and profitability. It achieves its commercial objective by charging service fees from drivers and passengers and by adopting a surge pricing system. Uber's identity as a technology company is strategic, as it allows them to avoid having to comply with all kinds of regulations that apply to transportation companies.⁹ And, while Uber and AirBnB have both been engaged in community-building initiatives among their users, the underlying motive was the furthering of their commercial objectives. For example,

⁷ *Uber Technologies, Inc. - A letter from our CEO.* (2019). *Uber.com*. Retrieved 17 December 2019, from https://investor.uber.com/a-letter-from-our-ceo/?_ga=2.127271181.1642215352.1576610802-1824535341.1575665538

⁸ *Become a Driver - 3 Things to Know About Driving | Uber.* (2019). *Uber.com*. Retrieved 9 December 2019, from <https://www.uber.com/us/en/drive/how-it-works/>

⁹ *A transport service or a tech company? Uber's future is uncertain.* Retrieved 8 April 2020, from <https://www.smartcompany.com.au/industries/transport-logistics/uber-london-ban/>

both organizations mobilized their users in US cities such as San Francisco and Portland to lobby regulators to prevent any restrictions for the use of their platforms. They did not bring together users for social bonding purposes but for their own political benefit (Pollman & Barry, 2016).

In contrast, non-profit organizations, and to a lesser extent social enterprises, explicitly target delivering social objectives related to the improvement of human relations and social wellbeing, provide services with little requirement for a fee, invest more in community management, and involve fewer monetary exchanges between participating individuals (Albinsson & Perera, 2012; McArthur, 2015). These practices send the signal to participants that social value is a focus of the exchange designed by the organization and influence their perception of the organization (Porter & Donthu, 2008). For instance, the non-profit Swedish ridesharing platform Skjutsgruppen defines itself as an environmental movement. It encourages donations from users but requires no compulsory fee. Upcoming trips are posted in groups and shared fees are agreed between drivers and riders. Active in-group conversations are strongly promoted to strengthen social bonds between participants based on the shared environmental value as well as improve the sharing experience.¹⁰

Therefore, we submit that a stronger signalling of a socially focused identity is a primary reflection of its inclination to highlight social bonding development in its governance of interpersonal relations. It shapes the organization's choices of the basic exchange mode, resource allocation strategy, and revenue-making channel and signals its potential investment in social value to individual participants. In contrast, a stronger signalling of a commercially focused identity reflects an emphasis on economic transaction facilitation.

4.1.2. Promoting specific offerings to individual participants

The second governance element within the motivational dimension concerns what kind of offering a sharing economy organization presents to motivate individual participants to participate in sharing on their platform. The offering conveys what will be the

¹⁰ Skjutsgruppen. (2019). *Old.skjutsgruppen.nu*. Retrieved 9 December 2019, from http://old.skjutsgruppen.nu/about_us

perceived benefit for people participating in the sharing activities that the organization facilitates. While the signalling of organizational identity tends to shape individuals' perception of the general orientation and public image of the sharing economy organization; the specific offerings show what assured benefits people can expect by engaging in the type of sharing relationship the organization develops. By specifying the payback for individuals who take part in sharing and presenting testimonials and experiences of existing participants, sharing economy organizations create direct incentives for people to participate. Compared to identity, promoting specific offerings forms a more concrete and direct stimulation to motivate people to participate in sharing as it conveys the message "What is in it for them?".

People are motivated to participate in building social bonds for the pleasure they bring, the shared experience, as well as the pursuit for mutual support and community cohesion. In contrast, the expectation for financial gains and efficiency maximization incentivizes people to conduct economic transactions (Tönnies, 1887/2001). In social psychology, self-regard and reciprocity are viewed as two core personal traits concerning cooperative actions (Bogaert, Boone, & Declerck, 2008). Individuals with the former trait tend to maximize their personal payoffs (Fehr & Gintis, 2007), while those with the latter trait attach great importance to the payoffs for both themselves and others, as well as reciprocal fairness (De Cremer & Van Lange, 2001) and equity (Bridoux, Coeurderoy, & Durand, 2011).

By motivating individual participants with the right benefits, sharing economy organizations can increase the possibility of generating the desired type of relationship between participants. Widely evidenced by sharing economy research, economic benefits – typically the functional and utilitarian performance of the shared resources (Sheth, Newman, & Gross, 1991), such as quality, convenience, price, and monetary payback – serve as a significant motivator for people to engage in sharing (Barnes & Mattsson, 2017; Benkler, 2004; Bucher, Fieseler, & Lutz, 2016; Hamari et al., 2016; Lamberton & Rose, 2012). Yet, social benefits are also a prominent incentive in the sharing economy (Benkler, 2017). They have a strong association with people's social and affective demands of human connection, feeling of pleasure and belonging, or

emotional support and communication (Sheth et al., 1991), especially where people seek a sense of community (Barnes & Mattsson, 2017), want to build durable ties (Wiertz & Ruyter, 2007), or are influenced by moral boundaries and class inequality (Aptekar, 2016). The stronger the users' incentives for social benefits, the more likely they will behave reciprocally and build enduring ties with their sharing counterparts (Roos & Hahn, 2017). Besides the two most prominent types of benefits, other motivations, such as the pursuit of environmental sustainability or novelty, can be attached or supportive to either economic or social incentives, depending on the interpretation and condition of the specific sharing economy organization. In the discourse of Didi Chuxing, for example, environmental sustainability is linked with functional value, i.e. improving transportation alternatives and efficiency.¹¹

Specifically, sharing economy organizations' promotion of specific benefits to stimulate the compatibility of individual incentives could take effect in two ways. On the one hand, by promising participants explicit economic or social benefits, they attract people who applaud the same value and are more likely to form transactional or bonded relations with each other and reinforce the expected behaviours (Bridoux et al., 2011; Porter & Donthu, 2008). BlaBlaCar's advertising of saving money and making extra money represents the former, while its promotion of building friendships via carpooling shows the latter.¹² On the other hand, by taking measures to constrain people's profit-making motives, some organizations intend to filter out those participants driven by strong commercial incentives and create an environment that allows social bonds to develop (Kyprianou, 2018). Shareyourmeal's prohibition of commercial caterers and restaurants reflects this approach. Technical tools with a constraining effect on individuals' commercial incentives and activities – e.g. a virtual currency where the organization decides the exchange rate based on egalitarian notions (Schor & Fitzmaurice, 2015) – have also been adopted by the sharing platforms Economy of Hours and BookMooch.

¹¹ *Social Responsibility – Didi Chuxing*. (2019). *Didiglobal.com*. Retrieved 7 December 2019, from <https://www.didiglobal.com/about-didi/responsibility>

¹² *About Us - BlaBlaCar*. (2018). *Blablacar.com*. Retrieved 16 March 2018, from <https://blog.blablacar.com/about-us>

Thus, a sharing economy organization's promotion of stronger social benefits to stimulate individual participants – including promises to deliver social benefits and measures to constrain commercial incentives – is an important indication of an organization's attempt to align individual motives and behaviour with social bonding development, while the stimulation with stronger economic benefits reflects the organization's tendency to drive economic transaction.

4.2. The interactional dimension

The facilitation of the appropriate interaction mode between individual participants is effectuated by promoting and routinizing compatible interactive behaviours and activities among people. The design of technical infrastructures such as platform features, mediated communication tools, and the delivery of symbolic meanings also play significant parts in advancing this procedure. The two governance practices in which social bonding development and economic transaction facilitation differ on the interactional dimension refer to how the frequency and the media of interpersonal interaction are managed.

4.2.1. Creating opportunities for repeated interpersonal interaction

The third governance practice captures to what extent a sharing economy organization creates a context that facilitates repeated interaction between participating individuals, regardless of whether the interaction is mediated or unmediated. The amount of time people spend interacting, which is widely operationalized as the frequency of meeting, is a major contributing factor to the strength of an interpersonal tie (Granovetter, 1973; Krackhardt, 1992). Repeated interaction can also contribute to economic transactions, not only by delivering more reliable and qualitative information about pricing (Powell, 1990), but also by generating trust between people (Kramer, 1999; Zucker, 1986), discouraging malfeasance, and developing long-term cooperation (Granovetter, 1985). With the advancement of information and communication technology, mediated communication via telephone, email, social media and other devices is widely adopted in interpersonal interaction. These technologies, which are usually integrated into sharing economy platforms, make frequent, remote communication feasible and help overcome spatial obstacles of interaction (Licoppe, 2004).

Creating opportunities for repeated interaction between individuals, either mediated or face-to-face, is a strong focus of many platform organizations to enable social bonding, including the sharing economy (Kraut & Resnick, 2012; Porter & Donthu, 2008; Reischauer & Mair, 2018). A common approach is promoting meet-ups and events next to the focal exchanges, organized either by the organization or the users themselves (Reischauer & Mair, 2018). For example, Couchsurfers who share spare living spaces with each other can also join regular meet-ups and events organized by other Couchsurfers in their local communities.¹³ Although freelancers on Fiverr.com offer digital services, the platform is active in arranging offline resources, education, and networking events for users located in different cities around the world.¹⁴ However, as the failure of Homejoy – a platform for cleaning services – shows, there is a risk of allowing offline interactions between users because once social relationships have developed, they no longer need the platform to connect.¹⁵ In a mediated manner, developing platform communication tools like messages and features such as ‘Follow’, ‘Friend’ and ‘Group’ is another way to promote repeated interaction (Reischauer & Mair, 2018). On Didi Hitchhike and Dida Carpool, drivers and riders can keep in touch and carpool repeatedly with the mobile application feature ‘Follow’ and ‘My Friends.’ In the book-swapping network BookMooch, users can add each other as ‘Friends’ and know what their friends, or friends of friends, are collecting and reading.¹⁶

Not only is repeated interaction essential to building stronger social ties, its symbolic meaning is in highlighting tie strength and bringing in more contacts. Representing individual trustworthiness and reputation, frequency of interaction works as an indicator of relationship strength on many sharing platforms. A case in point is the pet-sitting platform Rover.com, which displays the number of repeat clients on the sitter profile to show the reliability of the pet sitter,¹⁷ while on Couchsurfing the number of ‘friends’

¹³ *Couchsurfing*. (2019). *Couchsurfing.com*. Retrieved 9 December 2019, from <https://www.couchsurfing.com/events>

¹⁴ *Fiverr Events*. (2020). *Fiverr.com*. Retrieved 15 January 2020, from <https://www.eventbrite.com/o/fiverr-4664044361>

¹⁵ The limits of Uberization: How far can platforms go? (2016) Retrieved 23 January 2020, from <https://www.oii.ox.ac.uk/blog/the-limits-of-uberization-how-far-can-platforms-go/>.

¹⁶ *Interview with BookMooch founder John Buckman*. (2019). *Bookmooch.com*. Retrieved 9 December 2019, from <http://bookmooch.com/about/interview>

¹⁷ Information is based on the sitter profiles on the Rover.com website on 9 December 2019.

reveals that a Couchsurfer is welcoming and trustworthy to connect with.¹⁸ However, when a platform plays a dominant role in the resource-searching-and-matching process, the chance of interacting and building connections between participants is minor (Bardhi & Eckhardt, 2012; Kyprianou, 2018). In ride-hailing services such as UberX and UberPool of Uber or Didi Express of Didi Chuxing, where drivers and passengers are randomly matched by algorithms, interpersonal interaction is usually one-off and the chance for social bonding is limited. But for those carpooling models where the passenger searches and negotiates with the driver, e.g. Skjutsgruppen or Didi Hitchhiking of Didi Chuxing, the chance of repeated interaction is relatively higher.

How strongly repeated interpersonal interaction is stimulated differentiates the governance of sharing activities between organizations. We posit that a sharing economy organization which creates more opportunities for repeated interpersonal interaction can be seen as aiming for stronger social bonding development, whereas an organization creating fewer opportunities for repeated interpersonal interaction depends more on facilitating economic transaction to govern sharing activities.

4.2.2. Creating opportunities for unmediated co-presence

The fourth practice on which sharing economy organizations' governance varies concerns the degree of creating opportunities for unmediated co-presence between participants, which refers to face-to-face interaction between individuals (Goffman, 2005). The popularity of various forms of mediated communication, e.g. telephone, email, messaging system, video call, social media, adds to the frequency of distant interpersonal interaction. Research shows, however, that face-to-face interaction still plays a vital role for high-quality relationships. Mediated communication tends to complement rather than substitute face-to-face interaction in terms of building social relations (Altman & Tushman, 2017). Mutual attentiveness and social involvement are more spontaneously formed in face-to-face interaction. Multiple carriers – verbal or nonverbal – are available in physical co-presence to deliver intricate information (Giddens, 1997; Goffman, 1990). Visual and nonverbal behaviour, such as facial

¹⁸ Information is based on the user profiles on the Couchsurfing website on 9 December 2019.

expressions, body movements and postures, eye contacts and gestures, are social cues that affect how an individual perceives, interprets and evaluates others, which in turn relates to whether they want to continue the interaction (Bente, Rüggenberg, Krämer, & Eschenburg, 2008). Technologies delivering visual and nonverbal content are beneficial for social tasks for which feelings, emotions and social attitudes are important. A lack of visual content tends to deliver less interpersonal information and to make the interaction impersonal (Whittaker, 2003). Although face-to-face interaction is not a determinant of social bonding, it orchestrates this process with fewer restraints than mediated communication tools that are less interactive and more impersonal.

In the sharing economy context, face-to-face interaction, verbalized into ‘meeting’, ‘chatting’, ‘sharing moments’, ‘welcoming guests’, and other discourses, is highlighted to varying degrees. It is not only strongly encouraged but also normed in certain ways by many sharing economy organizations, e.g. offline meet-ups, events, and meeting conventions (Albinsson & Perera, 2012; Reischauer & Mair, 2018). For example, diversified face-to-face occasions and interactions between the guests, as well as between the guests and the chef, is what distinguishes Eatwith from traditional dining experiences.¹⁹ By contrast, there are platforms which base their sharing activities completely on online interaction and platform mediation (Bardhi & Eckhardt, 2012). Some platforms tend to overlook face-to-face interaction or even explicitly oppose it. On the Indian ridesharing platform Ola, riders and drivers are expected not to share personal information but ‘maintain decorum and refrain from indulging in heated discussions or debate(s) with each other’ and ‘avoid getting personal or overtly friendly with each other.’²⁰ Considering this negative attitude towards face-to-face interaction, social bonds are unlikely to develop.

Taking the current stage of the sharing economy into account, non-interactive and asynchronous communication technologies such as email, text and non-instant messaging systems are the major forms of mediated communication between distant

¹⁹ *Food Experiences With Locals Around The World / Eatwith.* (2019). *Eatwith.com*. Retrieved 9 December 2019, from <https://www.eatwith.com/pages/how-it-works>

²⁰ *Olacabs / Terms of Service.* (2019). *Olacabs.com*. Retrieved 9 December 2019, from https://olawebedn.com/v1/docs/website-tnc.html?source=post_page-----

providers and demanders; yet, face-to-face interaction still plays a significant role in spontaneously forming shared experiences and social bonds between individuals (Hughes, 2016, January 14). Empirical evidence suggesting that positive facial expression and perceived trustworthiness of hosts' photos on Airbnb affects guests' decision-making supports the significance of the quasi-presence of the 'face' in establishing visual-based trust in the sharing economy (Ert, Fleischer, & Magen, 2016; Fagerstrøm, Pawar, Sigurdsson, Foxall, & Yani-de-Soriano, 2017). Some sharing economy organizations strongly promote face-to-face interaction between participants, whereas others value flexibility and privacy over sociality, playing down or even opposing face-to-face interaction. Hence, we argue that sharing economy organizations which enable unmediated co-presence and more opportunities for non-verbal communication more strongly focus on developing social bonding, while those mainly using mediated co-presence rely more on facilitating economic transactions.

4.3. The institutional dimension

The institutional dimension concerns the rules, norms, and control mechanisms that sharing economy organizations build up to provide stability to individual actions. The formulation and enforcement of systematic rules and norms establish the regulative and normative structures of sharing activities (Scott, 2013), while sophisticated assurance instruments supported by platform technology are a major control mechanism in the sharing economy. On this dimension, we identify two governance practices that reflect the difference between social bonding development and economic transaction facilitation, including what type of constraining rules an organization establishes, and whether it relies on assurance instruments to enforce the established rules and control the sharing process.

4.3.1. Developing central rules and norms of sharing activities

The fifth governance practice concerns to what extent sharing economy organizations rely on the underlying rules and norms of either social bonding or economic transaction. The central institutions – that is, the established normative and regulative structures that are used to guide and control the behaviour of actors (Scott, 2013) – tend to differ in bonded and transactional relations. Mutual understanding or consensus is reached by

people when forming social bonds in the community (Tönnies, 1887/2001). Informal constraints based on the social agreement, such as reciprocal norms, social values, moral obligations and sense of community, are institutionally essential to enable and sustain interactions in social bonding, while formal constraints, including contracts, laws, and sanctions, are more typical institutional structures established to regulate transactions (Nooteboom, 2002; Powell, 1990; Scott, 2013). North (1992, p. 46) describes the difference between informal and formal constraints as ‘a continuum from taboos, customs, and traditions at one end to written constitutions at the other.’ Informal constraints tend to be oral, implicit and strengthened by social pressure, while formal constraints are more likely in written form, explicit and enforced by recognized authorities. Both types of constraint co-exist and complement each other to facilitate cooperation and stability (North, 1992).

The regulative function of formal rules, binding contracts and sanctions could contradict or even crowd-out the incentive of developing social bonding (Granovetter, 1985). Introducing legal contracts, sanctions, and surveillance can signal a lack of friendship (Macaulay, 1963), affect participants’ perceptions on whether they are making a business or an ethical decision (Tenbrunsel & Messick, 1999), generate vigilance and impair the positive outcomes of trust (Lumineau, 2014). While responding to reliability concerns, legalistic mechanisms tend to neglect value-related concerns (Sitkin & Roth, 1993). When binding contracts are applied to regulate cooperation, the involved parties tend to attribute the cooperation of the counterparts to the contractual constraints rather than to the counterparts themselves, making trust unlikely to develop (Malhotra & Murnighan, 2002). Molm et al. (2000) and Cheshire et al. (2010) also suggest that trust is less likely to develop in negotiated exchange with explicit binding agreements rather than in reciprocal exchange without such agreements. Therefore, formal contractual rules can limit signalling goodwill and generating social reciprocity, thus making social bonds difficult to develop. Conversely, informal and normative constraints featured by binding expectations, morals, and social obligations usually take time and effort to be agreed and internalized by people (Scott, 2013).

In platform organizations including those that are part of the sharing economy, it is common for organizations to integrate and balance both types of institutional constraints to regulate and structure user behaviours (Sibai, de Valck, Farrell, & Rudd, 2015). For instance, the home-swapping platform HomeExchange.com not only uses legal obligations and penalties to control users' misconduct and cancellations but has also developed 'Community Guidelines' and the 'Home Exchange Etiquette.'²¹ Nonetheless, in terms of relative importance, some sharing economy organizations more strongly promote informal constraints such as community guidelines and help sites, expectations for appropriate conducts and etiquette, as well as popularizing community notions, experiences and icons in the platform blog (Acquier et al., 2017; Albinsson & Perera, 2012), whereas others rely more on contractual clauses and strict sanctions, e.g. Terms and Conditions, Privacy Policies, or written agreements. Regarding the former, communal norms and shared experiences aim to strengthen users' interactions and generate a sense of community (Garrett, Spreitzer, & Bacevice, 2017). Sharing economy organizations without a legal statement of any contractual relationships, rights, obligations, and penalties also exist (Hausemer et al., May 2017). For instance, WWOOF, which facilitates the exchanges of farming labour and free accommodation, and Mama Bake, which allows women to share home-made food, depend on communal norms and shared experiences. For the latter, cases like Ola and Uber in ride-hailing, Park On My Drive in space-sharing, and ThredUp in goods-sharing, barely rely on explicitly formulated reciprocal norms. They have instead established clear definitions and comprehensive provisions on the contractual relation and sanctions (Hausemer et al., May 2017).

A significant number of sharing economy organizations combine formal and informal rules to establish appropriate conduct of participants but differ in terms of giving more weight to communal norms and shared experiences or contractual arrangements and sanctions. Consequently, we consider that having a stronger focus on developing communal norms and shared experiences is more compatible with forming social bonds,

²¹ *Home Exchange Etiquette*. (2018). *HomeExchange.com* Retrieved 16 March 2018, from <https://homeexchange.zendesk.com/hc/en-us/articles/115004127725-Home-Exchange-Etiquette>

while a reliance on extensive contractual clauses and stringent penalties may impede this process, thus revealing a stronger tendency to drive economic transactions instead.

4.3.2. Providing intensive assurance instruments

The degree to which organizations provide intensive assurance instruments – e.g. verification, ratings and reviews, and monitoring devices – is the sixth governance practice that we identify. Uncertainty resulting from incomplete information and opportunism tend to limit the effectiveness of ex-ante contracts (Akerlof, 1970; Williamson, 1979). In addition to the formal contracts and sanctions, alternative control mechanisms can be adopted to mitigate this situation (Williamson, 1985). As illustrated in the Section 4.2.1, social bonds developed through positive reciprocal interaction could fulfill this role by exchanging tacit information to reduce information asymmetry (Krackhardt, 1992; Powell, 1990) and by forming ‘a base of trust that can reduce resistance and provide comfort in the face of uncertainty’ (Krackhardt, 1992, p. 218). In contrast, assurance instruments reduce exchange uncertainty and contribute to trust by improving information quality and managing information visibility (ter Huurne, Ronteltap, Corten, & Buskens, 2017). Some platforms provide tailored guarantee and insurance schemes to sharing participants, increasing people’s confidence and feeling of security by sharing the risk with them. These assurances have become a prominent alternative control mechanism for digital platforms to facilitate efficient exchanges when no prior experience is available (Kramer, 1999; Williamson, 1979; Zucker, 1986). Trade-offs exist, however, between cooperation supported by assurance instruments and cooperation based on reciprocal interaction (Cheshire, 2011; Cook et al., 2005). Cheshire (2011) proposes that even though assurance instruments and reciprocal interaction can both lead to cooperation, only through long-term interactions can bonded relations and interpersonal trust be generated. In the absence of reciprocal interaction, one-off cooperation that depends on assurance instruments is unlikely to turn into long-term relationships of trust and even bears the risk of endangering or substituting trust. Since assurance instruments have already reduced the uncertainty in exchanges, the need for interpersonal trust, i.e. bonded relations, is undermined (Cheshire, 2011; Cheshire et al., 2010). Although assurance instruments can be efficient to connect people, the

connection is largely founded on the rational calculation between reduced risk and potential gain in an environment where opportunism and distrust are presumed (Williamson, 1979). Therefore, a strong reliance on assurance instruments tends to substitute for rather than strengthen the trust relationship (Nissenbaum, 2004).

In the sharing economy, different organizations either seek a balance between the implementation of assurance instruments and the patient nurturing of positive reciprocal interaction or rely on one of them. As risk generated by incomplete information and opportunism is exceptionally high when private assets are exchanged among strangers, sharing economy organizations have adopted various assurance instruments – such as rating and review systems of Airbnb and Couchsurfing, monitoring and GPS tracking devices of Uber and Getaround, Host Guarantee of Airbnb and Love Home Swap – to reduce information asymmetry and exchange uncertainty (Mauri, Minazzi, Nieto-García, & Viglia, 2018). With the rating and review system, users can obtain context-based, tacit information about their counterparts before the sharing process and evaluate if they are trustworthy without conducting direct and repeated interactions. The 5-star rating system of Airbnb is more quantified, standardized, and resembles hotel standards.²² In contrast, Couchsurfing’s reference system is designed in a more qualitative and personalized style. It is composed of three types of unstructured reviews: Host References, Surfer References, and Personal References (from friends on the platform or people met on other occasions).²³ So, the review system is not only a tool for delivering fine-grained and tacit information about the shared resources but could be designed in a less intensive and impersonal way of giving and receiving reciprocal feedback of personal experiences and social signals, which reflects the social orientation of the platform. Couchsurfing tries to reduce the quantitative, impersonal and information-provision features of rating, enhancing the feature of social reciprocity, as well as seeking a balance between genuine human interaction and exchange efficiency. Even so, the study of Parigi and State (2014) on Couchsurfing shows that while the online reputation system increases the amount of information circulating on the

²² Information is based on the rating and review system of Airbnb on 16 March 2018.

²³ Information is based on the rating and review system of Couchsurfing on 16 March 2018.

platform, reduces exchange uncertainty and lets users more easily connect, it also leads to a lower binding force of these connections.

In contrast, for the cases which strongly focus on building stronger ties between participants (e.g. Soup Swap, MamaBake), a review system is rarely applied. A large amount of pre-existing reputational information could even exert adverse effects on the highly pro-social and intimate interaction process. Instead of adopting intensive assurance instruments, these organizations depend on the dynamics of reciprocal interaction, offline activities, and fixed groups and communities to develop social norms and govern the sharing process. Although some sharing economy organizations claim to develop trust between people through reliable assurance systems (Newman & Antin, 2016, March 14; Ufford, 2015, February 10), they are facilitating immediate cooperation and reinforcing exchange security rather than building social relations in a strict sense. Therefore, governing the sharing process by depending on intensive assurance instruments and reducing the importance of reciprocal interactions aligns better with economic transaction facilitation, while refraining from using intensive assurance instruments and relying on reciprocal interaction seems more compatible with social bonding development.

5. The interplay between governance practices in the governance mix: Complementarities and contradictions

Unpacking the governance practices that promote the identity and incentives, facilitate the interaction forms, and establish the rules and norms of sharing activities reveals the key differences between sharing platforms. The different practices provide the ‘ingredients’ for a governance mix; while the ‘chemical reactions’ – the interplay between practices – caused by adding certain ‘ingredients’ make certain mixes more or less stable. A governance mix that incorporates a highly complementary set of practices is more likely to be implemented and sustained. Yet, a governance mix with many contradictory practices is much less likely to be adopted due to the high cost and risk of maintaining it. Such a governance mix leads to considerable tensions and creates an unstable sharing platform (Laurell & Sandström, 2017; Murillo et al., 2017). In this

section, we analyze how sharing economy organizations combine these ‘ingredients’ of governance practices to direct, coordinate and control sharing activities by specifying the potential ‘chemical reactions’ occurring in the governance mix.

As Table 2 shows, when organizations govern their sharing activities by consistently adopting practices that encourage developing social or economic interpersonal relationships, they resemble an ideal type fully geared either towards developing social bonds or economic transactions. On the one end, there is the ideal type of *loose* and *decentralized* governance (Bardhi & Eckhardt, 2012; Constantiou et al., 2017).

Organizations govern sharing activities by establishing the core mission, providing the basic platform infrastructure for connections between users, setting up the general norm of interaction, while giving the users the autonomy to manage the details of their exchanges. Platforms that facilitate the sharing of physical assets are more likely to lean towards loose and decentralized governance practices. As the physical asset can already be made observable on the platform, the risk of not delivering the service at the required standard is not so high. On the other end, there is the ideal type of *tight* and *centralized* governance (Constantiou et al., 2017). Organizations assume economic rationality of individuals and govern the sharing process through binding contracts, extensive assurance tools, and sanction systems. They not only need to develop a complete technical infrastructure to efficiently match supply and demand but also monitor, negotiate, and discipline the users. Platforms that facilitate the sharing of human assets (i.e., skills) are more likely to rely on tight and centralized governance practices. The quality of the human asset and the skills offered can be rather opaque and difficult to make observable on the platform, so there is a much higher risk of a below-par service delivery.

While the ideal types have internal coherence between their constituent governance practices and bear the least risk of causing tensions and an unstable governance mix, the sharing economy literature shows that organizations tend to blend practices instead to create different kinds of value (Acquier et al., 2017; Murillo et al., 2017). Platforms that facilitate the sharing of human assets are not necessarily just using practices for tight control. For example, Rover.com – a platform that connects pet owners and pet

sitters/walkers – combines a good chance of repeated and face-to-face interaction with a fairly high reliance on assurance instruments. It incorporates practices that simultaneously encourage social bonding and economic transactions. There is a potentially rich complexity when organizations orchestrate the practices in line with their dual purpose of pursuing social and economic objectives (Constantiou et al., 2017). An interplay between practices emerges that could be complementary or contradictory because they represent different values, goals, and logics (Besharov & Smith, 2014; Mair et al., 2015). The mix of governance practices will not be random as some practices have a more natural fit than others. Yet, there can still be a complementary fit between practices even when they encourage different types of interpersonal relationships. And even if a mix of practices creates tensions, some contradictions will be much stronger than others or get intensified in certain contexts (Acquier et al., 2017). In the following, we discuss a selection of interactions between governance practices that create complementarities or contradictions and present some illustrations from the sharing economy literature.

For the motivational dimension, signalling a socially-focused identity can be complementary to facilitating economic transactions because signalling a socially responsible image can bring in more resources and attract consumers (Waddock & Graves, 1997). Likewise, presenting a commercially focused identity that promises users financial independence gives an organization a better chance to attract investments and improve platform infrastructure, which supports the social and community activities between users. However, a mix of social and commercial objectives could also set rather high requirements on funding different operations and coordinating immediate and long-term interests (Quélin, Kivleniece, & Lazzarini, 2017) and obscure what is signaled to stakeholders (Galaskiewicz & Barringer, 2012; Mair et al., 2015), thus leading to contradictions that could hinder the development of economic transactions or social bonds. A case in point is Couchsurfing's change in legal status in 2011 from a non-profit to a 'B Corporation.' The change sent users the signal of a new, more balanced organizational identity, yet it raised controversy about whether the platform could maintain investments in the high level of social interaction and norms in the community (Baker, 2011, August 26; Lapowsky, 2012, May 29).

It is common for sharing economy organizations to offer both social and economic benefits to attract participants with heterogeneous traits and value orientations. However, the demonstration of significant economic benefits, which attracts participants with strong commercial incentives and filters out those pursuing social and emotional value (Kyprianou, 2018), could limit the possibility of having reciprocal interaction and a sense of community among users (Acquier et al., 2017). Users' resistance to HomeExchange.com's shift from delivering non-monetary and egalitarian social benefits to more calculative and economic benefits illustrates this contradiction. By valuing users' homes with a specific number of 'points', the platform's new offering of non-reciprocal but more flexible home swaps caused many users who prefer the direct reciprocity and community basis of the traditional home exchange to leave (Zerly, 2018, December 22).

For the interactional dimension, providing greater opportunities for repeated interpersonal interaction can increase the amount of high-quality information in the sharing process which generates trust and expands market opportunities, thus contributing to transaction efficiency and revenue making (Granovetter, 1985; Powell, 1990). Fiverr.com and Quirky exemplify platforms that have explored this complementary benefit. Frequent interactions between users, either online or offline, form the major route for freelancers to find gigs (Fiverr.com)²⁴, and for inventors to get ideas of improving their products (Quirky)²⁵. However, in some contexts such as ride-hailing, purposely creating the conditions for such interaction to take place can require considerable time and resources, which makes it unattractive for sharing platforms that focus on optimizing exchange efficiency and scalability.

Also, while face-to-face interaction can complement transactions by improving personal experience, as in the case of social dining, a focus on face-to-face interaction is inflexible or even unnecessary when distant resources are involved, or the efficiency and scale of searching-and-matching becomes a major demand. Examples include ride-hailing platforms or Roomer, a platform where travelers search and book imminent non-

²⁴ *Fiverr Forum*. (2020). *Fiverr.com*. Retrieved 15 January 2020, from https://forum.fiverr.com/?utm_source=fiverr&utm_medium=website

²⁵ *How does Quirky work*. (2020). *Quirky.com*. Retrieved 17 January 2020, from <https://quirky.com/faqs/>

cancelable hotel rooms of people who cannot make their trips. In turn, if designed properly, mediated communication technology can increase the chance of online repeated interaction between distant sharing participants and add to the social connection. Skill-sharing communities like Quirky thrive almost entirely based on the online environment. A reliance on mediated communication could also limit intricate non-verbal information. It hinders the forming of social attraction and involvement and the generation of social bonds between participants (Bente et al., 2008). A tension Airbnb faces is that its impact on building social connections is compromised in a context where commercial operators use the site for multiple listings. This development sees Airbnb “becoming more like a rental marketplace rather than a spare-room sharing platform” and involves negligible face-to-face interaction between property owners and renters (Ke, 2017).

For the institutional dimension, when well-coordinated, applying formal and informal rules in different parts of the sharing process can generate complementary effects (North, 1992). Many sharing platforms combine the use of contractual terms and sanctions with social norms and experiences. Examples include BlaBlaCar and Wunder in ride-sharing, HomeExchange.com and ShareDesk in space-sharing, and Fiverr.com and SkillShare in skill-sharing. However, a strong reliance on contractual rules and sanctions could contradict the signalling of goodwill or crowd out the incentive of reciprocal interaction for users (Macaulay, 1963). Moreover, cultivating communal norms and shared experiences tends to take time and effort to be agreed and internalized by people. It is therefore treated more as a peripheral investment by organizations such as Ola, Uber, and Roomer that target exchange efficiency and scalability (Scott, 2013).

As for control mechanisms, sharing platforms widely implement assurance instruments to facilitate the initial interaction between sharing participants. For instance, BlaBlaCar’s reports show how its adoption of verification, rating, and pre-payment systems manages to build ‘trust’ and ‘bring people closer’ (BlaBlaCar, 2018; Mazzella & Sundararajan, 2016). Paradoxically, there is a risk that a strong reliance on assurance instruments could reduce participants’ demand for reciprocal interaction and exchange of reliable, qualitative information in the sharing process and thus limit the generation of

social bonds (Cheshire, 2011). Research on Couchsurfing supports the salience of this risk (Parigi & State, 2014).

6. Conclusion

This paper conceptualizes the governance of sharing activities by looking into the distinct governance practices that sharing economy organizations can resort to, to facilitate two salient but potentially competing interpersonal relationships: social bonding and economic transactions. By unpacking the governance practices that provide incentives, shape interaction forms, and establish rules and norms for sharing relationships, we develop a framework that helps to map out and explain the variation we observe between sharing platforms in terms of how they govern their activities and users' behaviour. With our framework we seek to make several contributions to the sharing economy literature.

Firstly, our framework unearths the nature of and the interplay between the governance practices that sharing economy organizations use to facilitate social bonds and economic transactions, respectively. It lays the conceptual foundation to systematically capture how sharing economy organizations combine governance practices into a governance mix. So far, scholars have conceptually captured prototypes of sharing behaviours, identified their characteristics and mutations, and empirically categorized contemporary sharing practices (Belk, 2010; Habibi et al., 2016). But they tend to refer to a dichotomy of pure sharing and pure exchange characteristics, with the internal dynamics in the mix underspecified. Our framework goes beyond this dichotomy by showing which governance practices form the basis for building the social and/or economic relationships that sharing economy organizations rely on to encourage user participation for the aim of value creation and their potential interplay. Hence, we add to studies that have made headway into identifying governance practices specific to the sharing economy (Mair & Reischauer, 2017; Perren & Kozinets, 2018; Reischauer & Mair, 2018). Reischauer and Mair (2018), for example, identified governance practices of sharing platforms, but they focused mainly on online communities. While they found that offline practices also play a role in the governance of sharing activities, our

framework shows in more detail how online and offline practices interact and encourage different types of interpersonal relationships. Our framework provides a more systematic representation of the governance practices that sharing platforms use across different sectors and contexts. It can thus form the starting point for empirical studies in this area. With many controversies still existing on whether sharing economy organizations deliver on the promise of a more socially-oriented way of doing business (Acquier et al., 2017; Benkler, 2017; Schor et al., 2016), uncovering how they direct, coordinate and control their users' activities and behaviour will increase understanding of the alignment between purpose and practice.

Secondly, our framework offers an approach to explain which practices are more likely to be combined in a governance mix because they are complementary, and which practices seem incompatible instead. We suggest that sharing economy organizations do not use governance practices at random in a governance mix. While organizational objectives and missions are usually considered as the primary factor influencing governance choices, the multiplicity of social and economic objectives calls for an explanation beyond the direct "goal – choice – outcome" rationale as well as more awareness of the coordination work between mixed objectives and the exploration of choices. By analyzing the potential interplay between governance practices, we show how complementarities and contradictions can emerge between them. These complementarities and contradictions can either expand or restrict organizations' governance choices, allowing them to create a unique governance mix that aligns well with their complex missions (Constantiou et al., 2017; Mair & Reischauer, 2017). Our analysis concerning this interplay can also form a stepping-stone for empirical research that seeks to explain the specific mix of governance practices found in sharing platforms. It raises the significance of investigating more complex forces that could have structured these organizations' governance choices. Further empirical studies should provide insight into the stability of specific governance mixes and investigate to what extent the purpose and the governance of sharing platforms are aligned.

Finally, our conceptual framework was developed to uncover and explain the complexity of governance in the sharing economy. The main arguments are based on

insights from management, marketing, economics and sociology as well as the empirical sharing economy literature. Since we did not use primary evidence, our six practices might not cover all variation that can be observed among sharing platforms. The contradictions and complementarities between the practices that we developed in Section 5 are only propositions at this stage. To validate our framework, empirical research is needed to study how sharing platforms combine various practices in their governance mix. We expect that innovative methods such as fuzzy-set QCA could be employed to empirically capture the different mixes that emerge from the interaction between the governance practices. Despite these challenges, there is much potential to further explore how organizations combine governance practices, how the interplay between them complicates the stability of their platforms, and how contextual factors mediate the governance process. Capturing these complexities and dynamics will be challenging but hopefully provide insight into the further development of the sharing economy over the coming years. Our framework could also help in shedding light on the diversity in governance practices of related organizational forms in the digital era, where individual activities and interpersonal connections enabled by information and communication technology play increasingly important roles, such as platform organizations, online collaborations, and value co-creation.

PAPER TWO

The Shades of Sharing and What Shaped Them? Uncovering the Variation and Asymmetric Tensions of Hybrid Governance in the Sharing Economy

Abstract

The motivating question of this study is to what extent organizational strategies and practices embedded in competing institutional logics can be integrated for governance purposes. We explore it by investigating how hybrid governance forms in the sharing economy vary across the field. Sharing platforms from different sectors widely recombine organizational arrangements embedded in both the social and economic logic to shape individual action and pursue multi-value creation. However, how they recombine these logics is not random and can be affected by their perception of complementarities or contradictions in the prescriptions of the dual logics. Applying a configurational method, this study systematically analyzes how sharing platforms reconfigure the underlying governance practices of the dual logics differently to facilitate peer relations, and how these practices interrelate. The results show that the variation in the hybrid governance of the sharing economy is limited in scope. The prioritization of some governance practices tends to limit organizational choices of other practices within the same logic, particularly when platforms demonstrate strong commercial identities and offerings, implement intensive assurance instruments, or develop important social institutions. The social and economic logic constrain organizational choices in different ways. The flexibility of incorporating elements from the alternative logic to minor or significant degrees is also identified. This study contributes to unpacking the governance complexity in the sharing economy and revealing the fine-grained variation of hybrid forms. It presents opportunities for verifying the functional relevance between organizational strategies and practices

embedded in distinct values and exploring the constraints and possibilities of developing highly mixed and innovative governance forms in Web 2.0.

Keywords

Hybrid governance; sharing economy; organizational configuration; rigidity; flexibility

1. Introduction

A sharing economy platform facilitates individual access to physical and human assets to optimize resource distribution and use, by designing and leveraging digital infrastructure that allows different parties to interact (Gerwe & Silva, 2020; Mair & Reischauer, 2017). It is based mainly on a hybrid form of governance, blending the social logic – in which social connection, support, and cohesion are highly appreciated – and the economic logic – where exchange efficiency, profitability, and scalability are the primary pursuits (Acquier et al., 2017; Mair & Reischauer, 2017). In the accommodation sector, for example, living at the home of an Airbnb host is set a standard price, but the platform depicts the experience as personal connections instead of hotel services, investing in building a community of users and senses of belonging. In contrast, although users of HomeExchange.com initially swapped their homes with no money involved, they now have the alternative to use virtual currency for non-reciprocal but more flexible exchanges. Seeking both social and economic goals, sharing platforms seem to recombine the underlying values, practices, and rules of the dual logics to different degrees and in different ways to govern the relationships between individual providers and demanders (Mair & Reischauer, 2017; Reischauer & Mair, 2018). Their integration of social and economic logics in governing interpersonal relationships is embodied in the facilitation of social bonds and economic transactions between participants (Mair & Reischauer, 2017; Zhang, Pinkse, & McMeekin, 2020). However, despite the observations that the platforms tend to follow distinct pathways towards the

creation of both social and economic value, how sharing platforms recombine the underlying organizational arrangements embedded in social and economic logics differently to facilitate peer relations remains underexplored.

Governance refers to ‘the means by which to infuse order,’ thereby mitigating conflict and realizing mutual gains (Williamson, 2005, p. 3). From an organizational perspective, governance involves various mechanisms that mobilize resources and resolve conflicts between organizational stakeholders (Daily et al., 2003), giving directions, controlling activities, and managing relationships (Mair et al., 2015). Specific governance practices can be infused with various values and logics of action (Quélin et al., 2017). For instance, some practices can reflect a market position and are better aligned with capturing financial and private gains, while some are associated with a social logic and more consistent with generating social or public welfare. Thus, hybrid governance that supports multi-value creation tends to involve organizational arrangements embedded in distinct assumptions, beliefs, and rules of practices that are socially constructed and have been guiding individual action, that is, different ‘institutional logics’ (Thornton & Ocasio, 1999; Thornton et al., 2012).

Combining organizational strategies and practices embedded in different institutional logics for governance purposes has the advantage of meeting pluralistic demands from the environment, experimenting with their complementarities for improved performance, and generating innovative solutions. But the challenge lies in balancing the potentially competing assumptions and prescriptions of the logics to structure human activities (Kraatz & Block, 2008; Pache & Santos, 2013). The investigation on the forms of combining multiple logics is a developing area in hybrid organization and institutional complexity research (Hallett, 2010; Meyer & Rowan, 1977; Pache & Santos, 2013). But, only recently, scholars have started to inquire the systematic variation of the hybrid forms on the field level and to provide empirical evidence (Besharov & Smith, 2014; Litrico & Besharov, 2018). An essential but less explored question is not whether, but to what extent the alternative strategies and practices of distinct logics can be integrated for organizing (Battilana et al., 2017; Litrico & Besharov, 2018). The question points to both the potential and boundary of utilizing

hybrid strategies and arrangements. In this research, we aim to provide initial responses to these questions based on an empirical study of the sharing economy field, investigating how sharing platforms configure the governance practices from social and economic logic to different degrees and in different ways to facilitate peer relations, and how these practices are associated or dissociated in platform choices.

By mapping out the variation of governance forms related to sharing across different sectors, the study clarifies the long-standing ambiguities in the ‘sharing economy’ concept and controversies on whether its many adopters are practising social innovation or just recreating market capitalism (Eckhardt & Bardhi, 2015). Moreover, investigating the associations and interactions between underlying governance practices of multiple logics sheds light both on the opportunities and constraints of exploring the complementarity between market and non-market strategies for organizational governance. The exploration is practical for business activities and innovations where individual autonomy, interpersonal connection, and digital infrastructure play increasingly important roles (Benkler, 2017), e.g., platforms. Leveraging these conditions and coordinating pluralistic stakeholder motives and behaviours constitute a critical strategic dimension of these new organizational forms in value creation and capture (Constantinides, Henfridsson, & Parker, 2018; McIntyre, Srinivasan, Afuah, Gawer, & Kretschmer, 2020).

Besides the implications for the sharing economy and digital platforms, the study makes theoretical and methodological contributions to the hybrid organization and institutional complexity research. First, it takes into account an essential nature of hybrid governance, that is, the creation of hybrid forms of governance tends not to fully take in or rule out the prescriptions of an alternative logic but incorporate different elements to varying degrees (Besharov & Smith, 2014; Litrico & Besharov, 2018). This important nature has rarely been captured in the analysis or considered in the interpretation of the existing empirical research on hybrid structures and strategies. Our application of a configurational method allows capturing different organizations’ varying degrees of integrating a specific governance element from a specific logic. It makes possible reflecting and considering the finer-grained differences between cases for an explanation

that is closer to the empirical reality of hybrid organizational forms (Battilana et al., 2017).

Moreover, through the configurational analysis of sharing platforms across five sectors, the paper provides systematic evidence for the different degrees of mutual exclusion in distinct elements of institutional logics and uncovers the cognitive sources. On the one hand, the findings support as well as extend the existing theoretical propositions on why hybrid forms tend to differ. On the other hand, they unveil that different institutional logics introduce tension to hybridity and constrain platform choices in an asymmetric way. The findings reflect that entrepreneurs and managers face different levels of cognitive challenges when bringing together potentially competing practices related to aligning individual motivations and developing enduring structures for platform activities. Our identification of specific governance elements that add rigidity into the design of hybrid forms traces the sources of organizational decision-makers' selectivity and discretion when developing highly mixed forms of governance. Nonetheless, the discovery of flexibility and the few highly mixed cases indicate the possibilities and conditions of promoting radical governance innovation on sharing platforms.

2. Theoretical foundation

2.1. Constructing hybrid forms: Sources of variation and conditions of stability

Knowledge of value- or logic-infused hybrid governance has mainly developed through the hybrid organization and institutional pluralism research, particularly on social enterprises (Battilana & Lee, 2014; Litrico & Besharov, 2018). A central issue of constructing hybrid organizational forms is embracing distinct institutional prescriptions while maintaining internal coherence and stability (Battilana & Dorado, 2010; Ebrahim, Battilana, & Mair, 2014). The variation of hybrid forms is directly brought about by the diverse structures and strategies to which organizations resort for maintaining stability and optimizing performance. Meanwhile, organizational discretion and choice of the solution are influenced by field-level and organizational conditions (Greenwood et al., 2011). Generally, hybrid organizations – i.e., organizations explicitly embracing multiple institutional logics in their goals and governance (Mair et al., 2015) – are found

to either prioritize a single logic or widely integrate the prescriptions of different logics. For instance, the study of Mair et al. (2015) on 70 social enterprises identifies the organizations based on the commercial or social welfare logic ('conforming hybrids'), as well as whether they selectively couple governance elements from both logics or innovate by mixing new practices beyond the two logics ('dissenting hybrids'). Prioritizing a single logic minimizes the risk of instability by reducing the number of logics at play or marginalizing the alternative logic that may introduce conflicting demands (Besharov & Smith, 2014; Greenwood et al., 2011). The 'prioritizing' structure can also be related to a 'decoupling' or 'loose coupling' organizational strategy identified by early institutional research. It means that the organization ceremonially adopts formal structures to respond to institutional pressure but avoids enacting them in its core practices due to efficiency concerns (Boxenbaum & Jonsson, 2008; Meyer & Rowan, 1977; Oliver, 1991), thus representing a form that marginalizes prescribed but counter-productive practices.

By contrast, an 'integrative' structure entails balancing the demands of different logics and mitigating their internal conflicts (Kraatz & Block, 2008; Oliver, 1991). Some organizations develop a 'blended hybrid' that incorporates the practices of different logics as a unit to secure field-level legitimacy and complement performance (Binder, 2007; Tracey, Phillips, & Jarvis, 2011). Others resort to 'structural differentiation', compartmenting competitive logics in separate organizational subunits and mitigating internal tensions (Kraatz & Block, 2008; Pratt & Foreman, 2000). A representative strategy that can produce an 'integrative' structure is 'selective coupling' proposed by Pache and Santos (2013). It is a process where organizations enact selected practices from distinct institutional logics. The authors suggest the strategy has the advantage of compensating for a lack of legitimacy, and it does not risk being scrutinized and evaluated as 'fake compliance' like decoupling (Pache & Santos, 2013, p. 994). Moreover, despite the external constraint and internal tension, it is also possible for organizations to 'defy' or 'manipulate' institutional values and rules (Oliver, 1991). They construct their own identities and reshape the existing institutions (Kraatz & Block, 2008).

The general structures and their various strategies of recombining the practices of multiple logics indicate nuanced differences in constructing hybrid forms of stability, relating to organizations' discretion on not only the 'structure' but also the 'degree' of integrating/excluding an alternative institutional logic in/from their governance constituents. Although two or more logics are present in the organization, a strategy that prioritizes a single logic or decouples core activities from institutional requirements (e.g. 'dominant' or 'estranged' organizations in the term of Besharov and Smith (2014)), suggests an apparent consideration of developing a lower degree of hybridity than what 'blended hybrid' or 'selective coupling' does (e.g. 'aligned' or 'contested' organizations (Besharov & Smith, 2014)). With an eye to the more fine-grained pattern in hybrid forms, recent research has reflected on and called for exploring the field-level and organizational conditions that can shape the idiosyncratic institutional complexity an organization faces, making them respond with hybrid forms of varied structures and degrees. The primary and widely agreed condition concerns the inherent nature of the field-level logics, i.e., the degree to which logics are incompatible (Greenwood et al., 2011). The tension caused by logic incompatibility can vary depending on whether the logics are involved in the core values and beliefs of the organization, e.g., in organizational goals and missions (Greenwood et al., 2011; Pache & Santos, 2010). Although cogent studies perceive the incompatibility in 'means' can be less intense and easier to alleviate (Jones, Maoret, Massa, & Svejnova, 2012; Pache & Santos, 2010), some evidence suggests that resolving disputes over appropriate means is also challenging (Dunn & Jones, 2010). Moreover, research proposes that less specific requirements of the field-level logics can exert lower incompatibility and provide more room for the organization to manipulate the ambiguity for its own good (Goodrick & Salancik, 1996; Greenwood et al., 2011).

Given these insights, we see the recent theorization on the systematic variation of hybrid forms in terms of the degree of hybridity. An emerging body of literature focuses on identifying the dimensions and conditions that either increase or reduce institutional complexity and thus the difficulty for organizations to build a stable hybrid form. For example, Besharov and Smith (2014) propose that the different degrees that the involved logics are incompatible with each other and the varying extents that they are central to

organizational operations co-produce different levels of tension within an organization. The degrees of logic compatibility and centrality are influenced by factors and activities on the field, organizational, and individual level (Besharov & Smith, 2014; Greenwood et al., 2011). Raynard (2016) identifies the extent of logic incompatibility, the existence of unsettled prioritization in the field, and the degree of jurisdictional overlap as key dimensions influencing the institutional complexity that an organization faces.

These developments on how organizations experience institutional complexity differently and respond with strategies that enable hybridity of similar or distinct structures and degrees, bring in two crucial insights that are closer to reality. On the one hand, they suggest that organizational hybridity is not limited to explicit forms such as social enterprises (Battilana et al., 2017). Rather, it can manifest to higher or lower degrees, as reflected by widespread practices including businesses investing in social responsibility (Battilana et al., 2017), private-public partnerships (Ashraf, Ahmadsimab, & Pinkse, 2017), virtual communities (Shah, 2006), peer production (Benkler, 2017), and sharing economy platforms (Mair & Reischauer, 2017). On the other hand, for an in-depth understanding of the variation of hybrid forms, it is necessary to specify the organizing elements of different nature and functions in organizational hybridity, and evaluate the relative significance of the antecedents that shape their relevance and interaction (Greenwood et al., 2011). Both perspectives entail pushing theoretical propositions and small-scale case studies towards investigating the systematic variation of hybrid forms in the organizational field and how the organizing elements and practices of multiple logics are interrelated in the hybrid forms. One of the few systematic empirical analyses is conducted by Litrico and Besharov (2018), which unpacks the variation of hybrid organizational forms of social enterprises over time. They find that social enterprises vary according to how multiple logics are combined (‘locus of integration’) and how broad their beneficiary and customer groups are (‘scope of logics’) (Litrico & Besharov, 2018). Thus, explorations in the two aspects – the implicit forms of hybridity and the internal associations and conditions in hybridity that shape the variation – are still at a preliminary stage of moving beyond the social enterprise context and empirically capturing the overall pattern. In this research, we aim to address these aspects by investigating how the alternative practices grounded in

different institutional logics are configured by sharing platforms to govern peer relations, and how these practices are interrelated in platforms' choices and strategies. In the next section, we first unpack the governance practices of blended interpersonal relationships.

2.2. Shaping individual motivations and actions: Dimensions and practices of governing blended human relations

Organizational governance involves mechanisms of different functions to provide directions, control, or manage relationships (Mair et al., 2015). Managing the relationships between key stakeholders and establishing the rules for their interaction to optimize the organisation's overall interests is at the core. For governing interpersonal relationships, organizations utilize different symbolic carriers, interaction modes, activity routines, and technical artefacts to develop the stimuli, conditions, and guidelines that enable individuals to act repetitively in the desired way (Scott, 2013). Drawing from the organizational and institutional literature, we identify that shaping individual action to bring about the desired interpersonal relationship in organizational hybridity involves three key dimensions: (1) *aligning individual incentives* (Battilana & Dorado, 2010; Lindenberg & Foss, 2011); (2) *coordinating interpersonal interaction* (Besharov & Smith, 2014; Caldwell, Roehrich, & George, 2017); and (3) *facilitating appropriate institutional arrangements* (Caldwell et al., 2017; Greenwood et al., 2011). Each dimension involves a specific set of practices.

Aligning individual incentives. The alignment of individual incentives plays a primary role in guiding and shaping the behaviours of individual actors. Relevant organizational arrangements provide the stimuli for individuals to initiate or engage in exchanges of mixed values, meanings, and behavioural norms. An organization's demonstration of its *identities and objectives* has the directional implication in this respect: it not only describes the central and distinctive missions and activities the organization will invest in but also signals organizational value propositions to the stakeholders, which could attract users or employees with compatible value orientations (Whetten, 2016), be it social or economic. A clear statement of shared visions and missions can help to develop stable normative goal frames that motivate and sustain joint production among

individuals (Lindenberg & Foss, 2011). Besides, it is also crucial for the hybrid organization to align member incentives through recruiting new members with adequate selection criteria, training, rewarding expected actions, as well as monitoring and suppressing divergent motives and behaviours of existing members (Battilana & Dorado, 2010; Ebrahim et al., 2014; Rivera-Santos, Rufín, & Wassmer, 2017). Depending on the proportion of members with distinct value orientations, organizations can implement different *motivational systems* to incentivize people or select and retain members with homogeneous motives (Bridoux et al., 2011).

Coordinating interpersonal interaction. Utilizing relevant governance mechanisms and approaches in the right way can facilitate interpersonal interactions that routinize coordinated actions of individuals, bringing up the desired status of blended relationships. The modes of people's interaction and the features of their ties have a crucial impact on their acceptance of multiple logics, the level of internal tension in hybrids, and the value creation outcomes of the organization (Besharov & Smith, 2014; Greenwood et al., 2011; Kozinets, 2002). *Ties of different strengths or interaction frequency* between individual members in the organization, or between the members and the key actors outside the organization, could increase or decrease the compatibility between different logics (Besharov & Smith, 2014; Greenwood et al., 2011; McPherson & Sauder, 2013; Smets, Morris, & Greenwood, 2012). Interpersonal communication also makes a difference (Kollock, 1998). A lack of regular interactions and dialogues between individual actors under different logics impedes information exchange, knowledge sharing, and consensus-seeking, leading to low performance of social value creation (Caldwell et al., 2017). Moreover, *communication technology* has a significant impact on human interaction in a Web 2.0 age. The growing availability and evolution of information and platform technology provide new opportunities for increasing interaction frequency and building interpersonal relations in a mediated environment. Yet, they also reduce non-verbal information, mutual attentiveness, and social involvement that are spontaneous in face-to-face interaction (Giddens, 1997; Goffman, 1990; Whittaker, 2003). These developments exert significant influence on how organizations, especially digital platforms, could coordinate peer interactions and generate value.

Facilitating institutional arrangements. Aligning individual motives and actions in the long term, as well as sustaining appropriate interactions between people, require the development of stable institutions that provide cognitive, normative, and regulative structures for the day-to-day activities of individual actors (Scott, 2013). These institutional arrangements can be either *formal* (e.g. ownership structure and contracts) (Gibbons & Roberts, 2013; Greenwood et al., 2011; Milgrom & Roberts, 1992) or *informal* (e.g. cooperative norms and shared knowledge) (Caldwell et al., 2017). By practising and internalizing rules or norms, individuals could see the emergence of shared identities that establish the cognitive frame of how they should act under hybrid logics and engender behaviours that are both stable and consistent with organizational expectations (Glynn, 2000; Greenwood et al., 2011; Lok, 2010). Besides formal and informal rules, another widely adopted institutional constraint on digital platforms is *assurance instruments*. Typical assurance instruments include verifications, rating systems, monitoring devices, and insurances. They facilitate safer and more efficient peer exchanges by reducing information asymmetry and exchange uncertainty, especially when there is no prior experience to refer to (Williamson, 1985). However, since assurance instruments reduce exchange uncertainty and thus the demand for interpersonal interaction, they can also impair the quality of social ties (Cheshire, 2011; Cheshire et al., 2010; Parigi & State, 2014).

Navigating and managing the three dimensions and their related practices constitute an integral process of governing interpersonal relationships with multiple logics. For example, the case study of Venkataraman et al. (2016) illustrates how an NGO manages to utilize both market and community logic in developing rural communities. The practices of facilitating reciprocal motivations, supportive interactions and ties, and new rules and norms in the local groups are the central experience of the organization. However, existing studies on governing interpersonal relationships with hybrid logics are mainly based on single or small-scale cases relating to the three dimensions. Besides, although abundant research looks into the facilitation of online collaborations and communities through intricate designs of technical features, online contents, communication tools, and activities (Foss, Frederiksen, & Rullani, 2016; Ren, Kraut, & Kiesler, 2016; Scaraboto, 2015), the roles and functions of digital technology and its

designers are not fully featured and specified in the governance of interpersonal interactions driven by potentially inconsistent incentives and behaviours. Thus, the sharing economy model diffused throughout various industries and sectors is not only ideal for examining the systematic variation of hybrid governance forms, but also provides a proper context to investigate the pattern that governance dimensions and practices of blended relationships intersect with the digitalization and platformization of organizational processes. In this sense, governance practices of the social and economic logic on the three dimensions constitute the ‘pool’ that organizations – in our case, the sharing platforms – can resort to for building and sustaining a blend of bonded and transactional relationships between people.

3. Methodology

3.1.Data and sample

The unit of analysis in this research is the hybrid governance form. Being a business model prototype adopted or modified by for-profits, non-profits, and social enterprises from various industries, the sharing economy field is an ideal context to sample cases of diverse organizational traits. Its inclusiveness allows examining the systematic variation of the governance forms in which sharing platforms combine the underlying practices from the social and economic logic. In this study, we consider the definitions of Gerwe and Silva (2020) and Mair and Reischauer (2017) on ‘sharing economy’ to set the boundary for our research object. Gerwe and Silva provide a comprehensive and well-grounded definition for the sharing economy. They define the sharing economy as ‘a socioeconomic system that allows peers to grant temporary access to their underutilized physical and human assets through online platforms’ (2020, p. 71). Meanwhile, they point out that the underutilized and peer-to-peer characteristics are not clear-cut but susceptible to the ongoing evolution of business models and product portfolios. So, when sampling cases, we keep a relatively open view to the two features to avoid pre-excluding diverse variants. Complementarily, the definition of Mair and Reischauer highlights the governing role of platform organizations and guides the analysis of plural organizational forms and practices. They understand the sharing economy as ‘a web of markets in which individuals use various forms of compensation to transact the

redistribution of and access to resources, mediated by a digital platform operated by an organization' (Mair & Reischauer, 2017, p. 12). Thus, we consider a sharing economy platform as an organization that facilitates individual access to physical and human assets to optimize resource distribution and use, through designing and leveraging digital infrastructure that allows different parties to interact.

Based on the definition, we sampled sharing economy platforms in line with three criteria: (1) facilitation of individual access to resources, (2) for a primary purpose of optimizing resource distribution and use, and (3) supported by digital infrastructure. We also referred to the inductively derived framework of an industry expert, Owyang (2014, May 5), to identify the primary industries that the sharing economy emerged from and relevant cases. Starting from these initial markets of the sharing economy is more likely to present its fundamental characteristics. We considered organizational traits – including the time of establishment, origins of country, geographical coverage, and business model features – to ensure the even distribution and diversity of the selected cases. The possibility of having cases from the same country, industry, and with the same business model was minimized. The final sample comprises 56 cases from five industries: ridesharing (10 cases), space-sharing (12 cases), food-sharing (11 cases), goods-sharing (13 cases), and labour/skills/knowledge-sharing (collectively intangibles-sharing) (10 cases).

To capture the underlying governance practices of social and economic logic and the governance forms in which these practices are recombined, we collected and content-analyzed all web pages and legal files of the 56 sharing platforms. Around 1840 screenshots of web pages and 143 legal files (including Terms and Conditions, Privacy Policy, and other supporting documents) were added into our dataset between July 2017 and January 2018. Considering the different purposes for a platform to develop its website and legal files, we complemented these two types of data for rich and nonbiased observation. Web pages give a presentation of the governance mechanisms but may contain marketing content and avoid presenting negative information. Legal files are more rigorous definitions and statements of how exchanges are established, operated, and controlled, but are limited in describing interactive platform features and nonlegal

arrangements. Therefore, we refer to both types of data to ensure the reliability of our analysis.

3.2.Methods and analysis

3.2.1. Methods

To capture hybrid governance forms, which take on a configurational feature, we adopt a configurational method named Qualitative Comparative Analysis (QCA). QCA is a case-oriented method for identifying the equifinal combinations of elements linking to the outcome of interest. Fuzzy-set Qualitative Comparative Analysis (fs/QCA) understands cases as configurations of theoretically relevant elements with a ‘fuzzy’ nature. That is, in each case, the elements are present in fine-grained degrees rather than clear-cut presence or absence (i.e. crisp sets) (Ragin, 2008b). This approach of measuring an element and representing a case suits our research goal well, since the governance form of a sharing platform may not ‘fully’ take in or reject a ‘governance practice’ (hereafter we use ‘governance element’ or ‘element’ to be more consistent with the terminology of the QCA method) from a logic but rely on it to a higher or a lower degree. The degree to which a platform draws on a governance element is represented by the case’s membership score in the element, ranging from 1 (full membership) to 0 (full non-membership); 0.5 is the point of maximum ambiguity (Ragin, 2008b). With six governance elements added into our analysis, each of the 56 cases has its membership scores in all six elements. We specify the elements in Section 3.3.

Based on the set theory, QCA clarifies causal relevance by identifying the subset and superset relations between the elements and the outcome of interest (Fiss, 2007; Ragin, 2008b). Necessity analysis assesses to what extent an element is a superset to (i.e., is necessary for) an outcome, namely, whenever the outcome (Y) is present, the element (X) is also present. Simply put, Y cannot be observed or achieved without X, denoted as $X \leftarrow Y$. Sufficiency analysis captures to what extent a combination of multiple elements is a subset to (i.e., is sufficient for) an outcome. It indicates whenever the combination of elements is present (e.g. $X_1 * X_2 * X_3$), the outcome (Y) is also present, expressed by: $X_1 * X_2 * X_3 \rightarrow Y$. In sufficiency analysis, there could be different configurations of

elements linking to the same outcome, namely, the ‘equalfinality’ of configurations (Ragin, 2008b).

However, only the appearance of some cases in the sample presenting both a particular element or a combination of elements and the outcome of interest is not convincing enough to support that the element/combination and the outcome are causally relevant. To find out if the causal relevance is ‘significant,’ or ‘consistent’ in the terminology of QCA, QCA requires considering all case memberships in the sample that present this element/combination and checking if a significant proportion of case memberships consistently reveals the same outcome. The process evaluates the ‘consistency’ that the element/combination is necessary/sufficient for the outcome. To be of consistent causal relevance, the proportion of case memberships must pass a threshold value in the necessity or sufficiency analysis. In QCA, the proportion is calculated with the parameters named ‘consistency of necessity’ and ‘consistency of sufficiency.’ They represent to what extent the element or the combination of elements is consistently necessary or sufficient for the outcome, while ‘coverage of necessity’ or ‘coverage of sufficiency’ gauges the empirical importance of the relation (Ragin, 2008b).

3.2.2. Research design and outcomes of interest

We design the research in an exploratory way, which comprises three phases of analyzing the data. The typical application of fs/QCA in management studies is for evaluating the causal relevance between the configurations of multiple conditions and the outcome of interest, e.g., high organizational performance. It inquires how the conditions work in conjunction with each other and lead to high organizational performance (Bell, Filatotchev, & Aguilera, 2014; Misangyi & Acharya, 2014).

However, as our purpose is to detect the present governance configurations and their internal structure instead of the governance configurations leading to certain results – namely, the interdependence and reconciliation of elements instead of the causality (Vith, Oberg, Höllerer, & Meyer, 2019) – there are important differences in our choice of the outcome(s) in each phase.

The first phase identifies all sharing governance forms present in our 56 cases. Six governance elements are added to the sufficiency analysis (see Section 3.3). In this phase, sufficiency analysis is applied to generate typologies for exploratory purposes (Kvist, 2006; Misangyi & Acharya, 2014). So, we set a constant value of 1 as the outcome for all 56 cases. It suggests the case is considered *belonging to the sharing economy* in this research. A value of '1' indicates 'Yes' while '0' would mean 'No.' This step generates all existing configurations of the six governance elements in our dataset.

The selection and configuration of alternative elements from different logics are not random. Organizations may take into account various possibilities to maximize the complementary advantages or minimize the internal conflicts between the logics, before deciding which elements to incorporate to govern peer interactions. So, the purpose of the second phase is to find out whether there is any significant association or dissociation in sharing platforms' selection and integration of governance elements. We do pairwise necessity tests between every two of the elements from the social and economic logic. The analysis of necessity finds out to what extent the presence of an element turns out to be necessary to the presence of the outcome element. Based on the requirement of fs/QCA, a consistency threshold of 0.90 is applied in our necessity analysis (Ragin, 2008b). With a consistency value no lower than 0.90, the presence of an element can be considered highly necessary to the presence of the outcome. We refer the outcome elements whose relations pass the consistency threshold as '*rigidity-generating elements*,' since their existence in the governance configuration of sharing platforms tends to 'necessitate' the incorporation of another element. In total, five elements are found to generate rigidity in the governance configuration; four from the economic logic and one from the social logic.

In the third phase, with the 'rigidity-generating elements' in the social and economic logic identified, we further look at how the remaining elements are configured with and assembled around the rigidity-generating elements. This step helps to find those elements that can work more flexibly with the rigidity-generating elements from the different logic. We conduct five rounds of sufficiency analysis where the five 'rigidity-

generating elements' are set as the respective outcome, while the rest of the elements is added into the configuration. Sufficiency analysis is done with the Truth Table Algorithm function of fs/QCA 3.0. The algorithm generates all configurations of the remaining elements that lead to the outcome. Those that do not show enough consistency of sufficiency are eliminated.²⁶ In line with the requirement of fs/QCA, we apply a consistency threshold of 0.75 in the sufficiency analysis (Ragin, 2008b). If a configuration has a consistency value of sufficiency above 0.75, and its inconsistent cases (if there are any) are considered insignificant based on the researchers' theoretical knowledge, then the configuration can be regarded as being consistently sufficient for the outcome. Besides, if the two configurations that have passed the sufficiency test differ only in one element, which means that cases adopt this one element from either the social or economic logic, the two configurations can be merged into a simpler one. This process is called '*logical minimization*' (Schneider & Wagemann, 2013).

Due to the limitedness of social phenomena and observations, it is not uncommon to find no case in some logically possible configurations. These logically possible but 'empty' configurations are called 'logical remainders' (Ragin, 2008b). Fs/QCA allows the researcher to make assumptions about whether a logical remainder can be added to the logical minimization process based on existing empirical evidence and theoretical knowledge. Based on the assumptions the researchers make, the Truth Table Algorithm provides three solutions: complex, intermediate, and parsimonious. The complex solution presents the configurations which are observed in the sample and are sufficient for the outcome, with no assumption made on the logical remainders. Intermediate solutions take into account those assumptions that are in line with both empirical evidence and theoretical knowledge. Parsimonious solutions accept all assumptions that can make the solution as simple as possible (Ragin & Sonnett, 2005). In this research, the objective is to reflect the current variation in the hybrid governance of sharing platforms. Also, there is minimal theoretical development on how such hybrid governance could be constructed. Therefore, we choose to make no assumption on the

²⁶ A low consistency of sufficiency happens when cases in the configuration are largely observed working with the absence of the rigidity-generating element.

logically possible combinations and present the *complex solution*, which reflects the real situation in our sample.

3.3.Measuring elements

In Section 2.2, we captured the three dimensions of governing interpersonal relationships in hybrid organizations – i.e., the alignment of individual incentives, the coordination of interpersonal interaction, and the facilitation of appropriate institutional arrangements – and their related elements. These governance elements are associated with different institutional logics. In the sharing economy, the development of social bonds and economic transactions differs in their underlying incentives, interaction modes, and institutional constraints. Social bonds refer to an individual’s social ties of a certain strength and binding force (Granovetter, 1973), while economic transactions are the relationships of trading, exchanging, and contracting between two or more parties in the market (Williamson, 1979). Specifically, in forming social bonds, people tend to be motivated by the *shared desire for pleasure, sociality, and mutual support*, interact in a *reciprocal and durable mode with binding sentiments*, and conform to *social consensus and norms* (Granovetter, 1973; Hirschi, 1969; Tönnies, 1887/2001). In contrast, in conducting economic transactions, individuals are more inclined to pursue *profitability and efficiency*, interact in *an immediate and calculative way*, and apply *contracts and controlling mechanisms such as sanctions and assurances* to govern the process (Williamson, 1979, 1985). The distinct underlying assumptions of the social and economic logic on what incentives, interaction modes, and institutional constraints are most effective or appropriate lead to different prescriptions for the governance of peer relations.

The framework proposed by Zhang, Pinkse, and McMeekin (2020) captures six elements that the social and economic logic manifest themselves in sharing governance to different degrees and form spectrums under the three dimensions (see Table 1).

Drawing on this framework, we operationalize the six governance elements in our analysis. We obtain the qualitative measures of each element by coding the web page and legal file contents in our dataset that underline this element (see Table 2.1 & 2.2, Column 2). The coding is conducted in NVivo 12.0. Based on the framework, a *higher*

degree in each of the six governance elements is more compatible with the logic of developing social bonds, representing practices embedded in the social logic. A *lower degree* is more closely associated with the logic of facilitating economic transactions, reflecting practices embedded in the economic logic (see Table 1). The higher or lower degree of a governance element is in a *relative* sense. For example, if a higher instead of a lower degree of an element is observed in a case, it means, in this case, the social logic ‘outweighs’ the economic logic. The amount it outweighs could be either significant or small in different cases.

Element 1: Signalling of organizational identity. A stronger signalling of a socially-oriented identity of a sharing platform (IDE) shows its focus on developing social bonds between individual participants, reflected by explicit and specific social goals related to improving human relations and social wellbeing, and the avoidance of making revenue directly and only from the sharing activities. A weaker demonstration of a socially-oriented identity (~IDE), i.e., a stronger signalling of a commercially-oriented identity, focuses on promoting efficiency, scalability, and profitability and indicates a tendency to facilitate economic transactions instead.

Element 2: Promoting specific offerings to individual participants. When sharing platforms motivate people with more substantial social offerings (OFF), it suggests a focus on developing social bonds. Such offerings actively promote social benefits like social and affective demands of human connection, feelings of pleasure and belonging, emotional support, and communication (Sheth et al., 1991), or downplay or even constrain the opportunity for people to make money from those in need of their shared assets. By contrast, when organizations provide more economic and utility offerings

Table 1 Dimensions and governance elements of facilitating social bonds and economic transactions in the sharing economy

Dimension	Governance element *	Representation in the logic	
		Social bonding	Economic transaction
Alignment of individual motivations	<i>(1) Signalling of organizational identity</i>	Stronger signalling of socially-oriented identity (IDE)	Stronger signalling of commercially-oriented identity (~IDE)
	<i>(2) Promoting specific offerings to individual participants</i>	Stronger promotion of social benefits (OFF)	Stronger promotion of economic benefits (~OFF)
Coordination of interpersonal interactions	<i>(3) Creating opportunities for repeated interpersonal interaction</i>	Higher chance of repeated interaction (REP)	Lower chance of repeated interaction (~REP)
	<i>(4) Creating opportunities for unmediated co-presence</i>	Higher chance of unmediated co-presence (COP)	Lower chance of unmediated co-presence (~COP)
Facilitation of normative and regulative structures	<i>(5) Developing central rules and norms of sharing activities</i>	Stronger development of communal norms and shared experiences (NOR)	Stronger development of contractual rules and enforceable sanctions (~NOR)
	<i>(6) Refraining from intensive assurance instruments</i>	Higher degree (RAS)	Lower degree (~RAS)

* Adapted from: Zhang, Y., Pinkse, J., & McMeekin, A. (2020). The governance practices of sharing platforms: Unpacking the interplay between social bonds and economic transactions. *Technological Forecasting and Social Change*, 158. doi:10.1016/j.techfore.2020.120133

(~OFF) such as quality, convenience, price, and monetary payback (Sheth et al., 1991), it tends to highlight economic transactions.

Element 3: Creating opportunities for repeated interpersonal interaction. Sharing platforms that adopt approaches to creating a higher chance of repeated interaction (REP) address the logic of developing social bonds more in their governance. Such approaches include playing a limited role in the search-and-match process and facilitating relevant offline activities and online features. Organizations with a lower chance or attaching little importance to enabling repeated interaction (~REP) depend more on economic transactions instead.

Element 4: Creating opportunities for unmediated co-presence. At the current stage of the sharing economy, communication tools of high affordances in cognitive and social tasks, e.g., audio and video, are still of limited use. So, increasing the chance for platform users to have face-to-face interaction is mainly through the facilitation of offline exchanges, meetups, and events arranged by either the organization or the users. Sharing platforms that use these means to facilitate a higher chance of unmediated co-presence between people (COP) put a stronger emphasis on the social logic. By contrast, those that provide fewer of these means display a lower chance (~COP). They reflect a focus on economic transactions.

Element 5: Developing central rules and norms of sharing activities. The active promotion of communal norms and shared experiences by sharing platforms, e.g., verbalizing, specifying, and promoting community guidelines and social norms, as well as facilitating shared experiences and spaces to cultivate a sense of community (NOR), indicates sustaining social bonds between platform users. Instead, when organizations rely more on formal constraints such as contractual clauses and stringent sanction systems (~NOR), they develop extensive legal provisions and enforceable penalties to control and sustain the functioning of economic transactions.

Element 6: Refraining from intensive assurance instruments. Sharing platforms refraining from intensive assurance instruments tend to adopt fewer types, more qualified, and less impersonal assurance instruments in the sharing process (RAS), and thus rely more on the principles of the social logic. However, organizations that utilize

extensive assurance instruments to govern sharing activities (~RAS) target transaction efficiency and draw more on the economic logic.

3.4.Membership and calibration

To measure to what extent a sharing platform adopts elements from the social or economic logic in its governance, we need to decide the membership of each case for each of the six governance elements. With the qualitative measures of all six governance elements developed in Section 3.3, we use the sum of the qualitative measures of a governance element as the raw membership of each case in this element (see Table 2.1 & 2.2, Column 2 & 3). On each qualitative measure, we apply an interval scale of 0 - 1 or 0 - 0.5 - 1. The values of 0 and 1 represent sharply contrasting qualitative features, while 0.5 is assigned if an in-between feature is identified.

In fs/QCA, deciding the final memberships requires the raw memberships of cases to be adjusted to conform to dependably known standards, usually from the researchers' theoretical and substantive knowledge that is external to the data at hand (Ragin, 2008b, p. 72; Schneider & Wagemann, 2013, p. 32). This process is called '*calibration*,' which is a crucial step of turning raw data into final memberships in fs/QCA. Direct and indirect methods of calibration are introduced. In this research, four of the six elements are calibrated with the direct method (see Table 2.1). The remaining two elements are done with the indirect method as no reliable external criterion can be identified (see Table 2.2). With the direct method, the researcher uses 'external criteria' (see Table 2.1, Column 4) to decide the location in the raw memberships that corresponds to the crossover point in the final memberships (0.5), which indicates the maximum ambiguity (Ragin, 2008b). The other two thresholds that need to be decided are full-membership (0.95) and full non-membership (0.05) (see Table 2.1, Column 5). The final membership is obtained by converting the crossover-centred raw memberships into log odds and further into final scores ranging from 0 to 1 using a standard formula.

When there is not enough external knowledge to select the three qualitative thresholds, the researcher can resort to the indirect method for calibration (Ragin, 2008b). The indirect method relies on the researcher's qualitative assessment of all cases to conduct an initial grouping of cases into six preliminary scores: Fully in (1), Mostly in (0.8),

Table 2.1 Measure and calibration of four elements (Direct method)

Governance element	Measure	Raw membership	External criterion	Threshold		
				Fully in - 0.95	Crossover - 0.5	Fully out - 0.05
Signalling of organizational identity	(1) <i>If any social goals of improving human relations and social wellbeing are explicitly delivered?</i> No - 0 Yes - 1	(1)+(2)+(3)	Legal status of SE organization	2.75	2.15	0.5
	(2) <i>If there is any specific interpretation of the social goals and values?</i> No - 0 Yes - 1					
	(3) <i>If sharing activities are the major sources of the organization's revenue (except investments)?</i> Yes - 0 One of the major sources – 0.5 No - 1					
Promoting specific offerings to individual participants	(1) <i>If the organization offers individuals with social or/and economic benefits?</i> Economic - 0 Both - 0.5 Social – 1	(1)+(2)	Whether individuals get cash payback from sharing activities and how much	2	1.15	0.15

Table 2.1 Measure and calibration of four elements (Direct method) (cont'd.)

Governance element	Measure	Raw membership	External criterion	Threshold		
				Fully in - 0.95	Crossover - 0.5	Fully out - 0.05
Promoting specific offerings to individual participants	<p>(2)</p> <p><i>What is the organization's action towards individuals' profit-making activities?</i></p> <p><i>Encourage - 0</i> <i>Neither encourage nor constrain/Encourage on some products but constrain on others - 0.5</i> <i>Constrain - 1</i></p>	(1)+(2)	Whether individuals get cash payback from sharing activities and how much	2	1.15	0.15
Creating opportunities for repeated interpersonal interaction	<p>(1)</p> <p><i>How strong does the platform automate or control the resource search and match process?</i></p> <p><i>Dominant - 0</i> <i>Dominant on some products or aspects but limited on others - 0.5</i> <i>Limited - 1</i></p>	(1)+(2)+(3)	The imperative of conducting repeated interaction in the resource search and match process (e.g. is there any demand of fine-grained and explicit information that can only be obtained from interpersonal communication)	3	1.75	0.5
	<p>(2)</p> <p><i>Whether the organization facilitates fixed relationships between individuals or groups?</i></p> <p><i>No - 0</i> <i>Only for certain products - 0.5</i> <i>Yes - 1</i></p>					

Table 2.1 Measure and calibration of four elements (Direct method) (cont'd.)

Governance element	Measure	Raw membership	External criterion	Threshold		
				Fully in - 0.95	Crossover - 0.5	Fully out - 0.05
Creating opportunities for repeated interpersonal interaction	<p>(3)</p> <p><i>Whether the organization facilitates activities with regularity (online and offline, focal and extended)?</i></p> <p>No - 0 Yes - 1</p>	(1)+(2)+(3)	The imperative of conducting repeated interaction in the resource search and match process (e.g. is there any demand of fine-grained and explicit information that can only be obtained from interpersonal communication)	3	1.75	0.5
Developing central rules and norms of sharing activities	<p>(1)</p> <p><i>Whether the organization develops legal provisions on trading activities and individual behaviours (in legal files)?</i></p> <p>Yes - 0 Only general provisions - 0.5 No - 1</p>	(1)+(2)+(3)+(4)	SE organization's official definition of the interpersonal relationship between the provider and the demander	3.5	2.25	0.25
	<p>(2)</p> <p><i>Whether enforceable clauses of calculative and compensatory penalties on individual misbehaviours are developed (e.g. loss of deposit, fines)?</i></p> <p>Yes - 0 Only general bottom-line penalties (e.g. account termination while violating Terms & Conditions) - 0.5 No - 1</p>					

Table 2.1 Measure and calibration of four elements (Direct method) (cont'd.)

Governance element	Measure	Raw membership	External criterion	Threshold		
				Fully in - 0.95	Crossover - 0.5	Fully out - 0.05
Developing central rules and norms of sharing activities	<p>(3)</p> <p><i>Whether the organization verbalizes community guidelines and norms of interpersonal interactions and individual behaviours (outside of legal files)?</i></p> <p>No - 0 Only general guidelines or values/Only for some products - 0.5 Yes - 1</p>	(1)+(2)+(3)+(4)	SE organization's official definition of the interpersonal relationship between the provider and the demander	3.5	2.25	0.25
	<p>(4)</p> <p><i>Whether communal experiences or spaces are facilitated and shared among individuals (e.g. community leaders and stories, forums, offline community spaces)?</i></p> <p>No - 0 Only general and unspecified experiences and leaders, no communal spaces - 0.5 Yes - 1</p>					

Table 2.2 Measure and calibration of two elements (Indirect method)

Organizing element	Measure	Raw membership	Qualitative coding	Substantive meaning
Creating opportunities for unmediated co-presence	(1) <i>How is the shared resource delivered to the demander in the focal exchange? (Is it necessary to be physically present in the resource exchange process?)</i>	(1)+(2)+(3)	Fully in - 1	The shared resource is delivered to the demander when both sides are physically present. The organization not only conveys the notion motivating face-to-face interaction, but also facilitates extended offline activities among individuals.
	Online - 0 Both - 0.5 Offline - 1		Mostly in - 0.8	The shared resource is delivered to the demander when both sides are physically present. Although the organization does not particularly facilitate extended offline activities, it conveys a strong notion of face-to-face interaction to motivate individuals.
	(2) <i>Whether the organization facilitates any extended offline activities among individuals?</i>		More in than out - 0.6	The shared resource can be delivered to the demander when both sides are either physically present or absent. The organization does not particularly facilitate extended offline activities, but more or less conveys the notion of face-to-face interaction to motivate individuals.
	No - 0 Among certain individuals - 0.5 Yes - 1		More out than in - 0.4	The shared resource can be delivered to the demander when both sides are either physically present or absent. The organization does not facilitate any extended offline activities, and only convey a minor extent - usually in an ostensible form - of notion of face-to-face interaction.
	(3) <i>Whether the organization conveys any notions motivating face-to-face interaction to the individuals?</i>		Mostly out – 0.2	The shared resource is delivered to the demander with no physical co-presence. The organization does not facilitate any extended offline activities, and only convey a minor extent - usually in an ostensible form - of notion of face-to-face interaction.
	<i>Notions against face-to-face interaction are delivered - 0</i> <i>Neither motivate nor against/Motivate on some products but discourage on others - 0.5</i> <i>Yes - 1</i>		Fully out - 0	The shared resource is delivered to the demander with no physical co-presence. Neither extended offline activities nor relevant notions are mentioned by the organization.

Table 2.2 Measure and calibration of two elements (Indirect method) (cont'd.)

Organizing element	Measure	Raw membership	Qualitative coding	Substantive meaning
Refraining from intensive assurance instruments	<p>(1)</p> <p><i>Whether the organization sets up any access controls (e.g. phone number/ID/credit card verification, background check, training)?</i></p> <p><i>Yes, strict - 0</i> <i>Yes, moderate - 0.5</i> <i>No - 1</i></p>	<p>(1)+(2)+(3)+(4)+(5)</p>	<p>Fully in - 1</p>	<p>The organization does not adopt any form of assurance instrument.</p>
	<p>(2)</p> <p><i>Whether the organization facilitates an online reputation system (e.g. rating and review system)?</i></p> <p><i>Yes, quantified rating - 0</i> <i>Yes, qualified review - 0.5</i> <i>No - 1</i></p>		<p>Mostly in - 0.8</p>	<p>The organization only adopts one or two basic assurance instruments, such as phone number/address verification, qualified review system, or in-platform secure messaging system.</p>
	<p>(3)</p> <p><i>Whether the organization facilitates a process-monitoring system (e.g. in-platform secure messaging system, GPS tracking, on-site manager)?</i></p> <p><i>Yes, strict - 0</i> <i>Yes, moderate - 0.5</i> <i>No - 1</i></p>		<p>More in than out - 0.6</p>	<p>The organization adopts more than two basic assurance instruments and starts to involve quantified rating system, insurance, and customer services.</p>

Table 2.2 Measure and calibration of two elements (Indirect method) (cont'd.)

Organizing element	Measure	Raw membership	Qualitative coding	Substantive meaning
Refraining from intensive assurance instruments	<p>(4)</p> <p><i>Whether the organization collects the payments and mediates the payment flow (e.g. ex post transfer, deposit)?</i></p> <p>Yes - 0 Optional - 0.5 No - 1</p>	<p>(1)+(2)+(3)+(4)+(5)</p>	<p>More out than in - 0.4</p>	<p>The organization implements more than four assurance instruments. Payment mediation and insurance/guarantee become popular.</p>
	<p>(5)</p> <p><i>Whether the organization provides insurance and guarantee in any forms (e.g. accident insurance, substitutes, 24/7 customer support)?</i></p> <p>Yes - 0 No - 1</p>		<p>Mostly out – 0.2</p>	<p>The organization implements almost all forms of assurance instrument. But some instruments such as verification and process monitoring are not strict.</p>
			<p>Fully out - 0</p>	<p>The organization implements all forms of assurance instrument, most of which are strict. High monitoring systems are designed by the platform to control the process.</p>

More in than out (0.6), More out than in (0.4), Mostly out (0.2), Fully out (0). The preliminary scores are regressed on the raw memberships using a fractional logit model and turned into final scores (Ragin, 2008a) (see Table 2.2, Column 4 & 5). The direct calibration is operated in the software fsQCA 3.0 (Ragin & Davey, 2017), and the indirect calibration is conducted in Stata 14.0. By this step, the final membership scores of all cases in the six governance elements are obtained. A final membership above 0.5 in an element means a higher degree of the element, i.e., the organization adopts the element from the social logic, while a membership below 0.5 represents a lower degree, that is, the organization incorporates the element from the economic logic (see Table 1).

4. Findings

4.1. Hybrid governance forms of sharing platforms

In the first phase of data analysis, the six governance elements are added into the Truth Table Algorithm of fs/QCA 3.0. Since our purpose at this stage is to map out all existing types of sharing governance forms in our sample, a constant value of 1 is set as the outcome, and no parameter of sufficiency is reported. The result includes a total of fourteen governance configurations (see Table 3). This pattern represents quite limited diversity, since (1) the total number of models (14) is far fewer than the total number of all logically possible models (2^6); (2) most cases converge on only four of the fourteen models (Model 1-4). From Model 7 to 14, there is only one case in each model. Besides, the two models covering the most cases bring in elements predominantly from a single logic, with Model 1 from the social logic and Model 2 from the economic logic. With four elements drawn mainly from the economic logic, Model 3 refers to the social logic extensively on the other two elements, including the facilitation of a higher chance of repeated interaction and unmediated co-presence. Model 4 draws only one element, a higher chance of unmediated co-presence, mainly from the social logic.

Judging from the structure of governance configurations, Model 1 and 2, or even those models that incorporate most elements predominantly from a single logic like Model 4 and 12, can be considered representations of a governance structure that prioritize a single logic and marginalize the other logic, i.e., the ‘conforming hybrids’ of Mair et al.

(2015). It indicates that sharing platforms in these models develop their hybrid governance based on a ‘decoupling’ strategy (Meyer & Rowan, 1977) and may just be engaging with the different logic ceremonially to cater to public expectations. This explanation is especially intuitive for the cases in Model 2 and 4. Many of them (e.g., Uber, Didi Chuxing, Mobike, Rent the Runway) have been controversial or even criticized as capital-driven, commodity access, or labour exploitation ‘in the guise of sharing’ (Belk, 2014; Eckhardt & Bardhi, 2015). By contrast, models that integrate a more balanced number of elements from both logics, e.g., Model 3 and 9, resemble an ‘integrative’ structure (Kraatz & Block, 2008) or ‘dissenting hybrid’ (Mair et al., 2015), referring to a ‘selective coupling’ strategy (Pache & Santos, 2013). The finding is consistent with the extant research in terms of the general structural differences of hybridity (Mair et al., 2015).

However, there are nuanced differences of degree between the cases adopting different models, and even between those cases using the same model. The fine-grained differences in governance forms are not fully captured by the structure of the configuration. For instance, although sharing the general structure of governance form (Model 4), Eatwith demonstrates a much more mixed and balanced identity ($VAL = 0.43 / \sim VAL = 0.57$) than Uber does ($VAL = 0.02 / \sim VAL = 0.98$). Eatwith’s identification with the social value of enabling human relations is just not strong enough to outweigh its identity as a commercial business. But for other elements in this model, the two cases exhibit less significant differences. This type of difference in degree is non-negligible as it raises the question of whether the hybrid forms are equally ‘hybrid’ or ‘balanced’ in all elements of governance (Greenwood et al., 2011). In other words, it requires more clarification on whether different sharing platforms blend the dual logics in all governance elements to a significant level or just scratch the surface of some. And if some governance elements are generally made less ‘hybrid’ than others by sharing platforms, what are they? These questions point to capturing the finer-grained pattern of variation in the governance of sharing platforms and explaining why they tend to vary in this particular way. Finding the empirical evidence entails further investigation on the interrelations between governance elements and the specific cases.

Table 3 Hybrid governance forms of sharing platforms ^a

Element	Configurations													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Signalling of organizational identity	●	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	●	●	●
Promoting specific offerings to individual participants	●	⊗	⊗	⊗	●	⊗	⊗	●	●	●	●	●	⊗	⊗
Creating opportunities for repeated interpersonal interaction	●	⊗	●	⊗	⊗	⊗	●	⊗	●	●	●	●	●	●
Creating opportunities for unmediated co-presence	●	⊗	●	●	●	⊗	⊗	⊗	⊗	●	●	⊗	●	⊗
Developing central rules and norms of sharing activities	●	⊗	⊗	⊗	⊗	⊗	⊗	⊗	●	⊗	●	●	●	●
Refraining from intensive assurance instruments	●	⊗	⊗	⊗	⊗	●	⊗	●	●	●	⊗	●	●	●

Table 3 Hybrid governance forms of sharing platforms (cont'd.)

Element	Configurations													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
No. of covered cases	14	11	10	8	3	2	1	1	1	1	1	1	1	1
Covered cases	BeWelcome, Clothing Swap, Couchsurfing, Economy of Hours, Food Swap Network, Hospital Club, MamaBake, Peerby, PlanZheroes, Shareyomeal	Car2Go, Chijidun, Gazelle, Getaround, Homecook, Mobike, Ola, Rent the Runway, Roomer, ThredUp, ofo	Airbnb, Dida, Carpool, Feastly, Fiverr.com, GrubClub, Helijia, Rover.com, ShareDesk, The Food Assembly, Turo	Didi, Chuxing, Eatwith, Nimmer, Piggy, Duanzuwang, Spacer, TaskRabbit, Uber, Zimride	BlaBlaCar, Kangaride, Wunder	Brunswick Tool Library, Park On My Drive	SkillShare	Love Home Swap	Quirky	HomeExchange.com	WeWork	BookMooch	iRideShare	Zhihu

Table 3 Hybrid governance forms of sharing platforms (cont'd.)

Element	Configurations													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Covered cases	Skjutsgruppen, SoupSwap, Streetbank, WWOOF													

^a Note: ● represents the element is adopted predominantly from the logic of facilitating social bonding

⊗ represents the element is adopted predominantly from the logic of facilitating economic transaction

4.2.Elements generating ‘rigidity’: Limited choices for constructing hybrid governance

In the second phase, we conduct pairwise necessity analysis between every two elements from the social and economic logic. With a consistency value of necessity not lower than 0.90, some tested elements turn out to be necessary to particular elements from the same logic. It means that the presence of these outcome elements in the governance configurations entails adding the tested element(s) into the configuration. Usually, it is unsurprising to find elements from the same logic adopted jointly due to the coherence within the logic. It is supported by the much higher consistencies between those within the same logic compared to those between logics. However, our results show that a total of five outcome elements stand out since their association with certain tested elements from the same logic is so strong that they tend to necessitate the latter and reject the different logic. In other words, they tend to generate rigidity in constructing a hybrid form of governance. We label these outcome elements as ‘*rigidity-generating elements*.’ Four of them come from the economic logic, and one comes from the social logic. Except for the five elements, most outcome elements do not pass the consistency threshold and do not necessitate another element. This finding suggests the possibility of blending and balancing the dual logics in these elements, despite the lower coherence between different logics than that within a logic.

We use the abbreviation of each element for representation. The abbreviations with the symbol ~ indicate a lower degree of the element (reads: ‘negative’), representing the element from the economic logic, while those without the symbol means a higher degree of the element, that is, the element from the social logic (see Table 1).

4.2.1. Rigidity in the economic logic: The imperative to maximize efficiency and the reliance on assurance instruments

A stronger development of contractual rules and enforceable sanctions (~NOR) is a necessary element for the respective presence of four elements, all of which are from the economic logic. The four rigidity-generating elements include *a stronger signalling of commercially-oriented identity (~IDE)*, *a stronger promotion of economic benefits (~OFF)*, *the facilitation of a lower chance of repeated interaction (~REP)*, and a

reliance on intensive assurance instruments (~RAS). It means that whenever one of the four elements is present in the governance configuration, sharing platforms always resort to contractual rules and enforceable sanctions to govern sharing relations.

First, developing contractual rules and enforceable sanctions is a common choice of sharing platforms that signal a clear and specific commercially-oriented identity (~NOR ← ~IDE: Consistency = 0.95, Coverage = 0.86). It suggests that using formal institutional constraints (e.g., contractual and legal clauses in Terms and Conditions, compensatory penalties such as fines and loss of deposit) to discipline individual behaviour is widely considered most effective to realize the platforms' pursuit of exchange efficiency, scale, and revenue. They are perceived to be most appropriate for supporting the efficiency-promoter images they want to build. It also implies that relying on communal norms and shared experiences to build stable control on individual action – through elaborating community guidelines, promoting reciprocal norms, sharing stories and spaces, and developing common value and identity – could be widely perceived as a very inefficient approach to achieve commercial goals and roles of optimizing exchange efficiency and scalability. With less clear enforcement, this type of informal rule usually requires considerable time to be learned by doing and internalized by a large scale of members (North, 1992). The result shows that it only works as a complement to the formal and contractual constraints in the governance of those platforms with a prominent commercially-oriented identity. However, the extent of the complementarity can be either minor (e.g., Uber) or considerable (e.g., SkillShare) in different cases, without overtaking the formal institutional arrangements.

Besides, sharing platforms which actively promote economic benefits to platform users (~OFF) or facilitate limited opportunities for repeated interaction between them (~REP) also base their exchanges on prioritizing contractual rules and enforceable sanctions (~NOR) (~NOR ← ~OFF: Consistency = 0.91, Coverage = 0.81; ~NOR ← ~REP: Consistency = 0.92, Coverage = 0.77). As for the former necessary relation between ~NOR and ~OFF, an explanation could be that for the sharing platforms incentivizing individuals with good resource quality, price, convenience, or monetary payoff, they consider it imperative to rely on an institutional constraint that can more efficiently and

steadily deliver these promises. For the latter relation, by inspecting the cases with a lower chance of repeated interaction, we find that they either share the feature of high mobility and lack the spontaneous context of repeated exchanges – for instance, ride-sharing cases like Uber and Kangaride – or they have a clear initial focus on exchange efficiency, hassle-free, and scaling of resource distribution, such as car-sharing platforms like Car2Go and Getaround. The first type of case tends to lack the condition and opportunity to facilitate repeated interaction. Uber’s initial position in the fundamental market demands of fast accessing private transport and travelling within the city brought in high-volume and stable transactions on the platform. Adopting relevant technical systems such as matching and rating to strengthen these services attracted users expecting efficiency and convenience. However, there was a lack of spontaneous opportunity to ride with the same driver and have sufficient social interaction in the instant and short-distance trips. And the chance was further limited by a reliance on improving automatic systems and the entry of more users driven by economic incentives. These practices and conditions move away from its early-phase promotion of human encounter and connection, signal the platform’s increasing focus on the economic and utility demands of people, and lead it to keep updating and enforcing the contractual rules on drivers and riders that can better ensure the standard and consistent user experience. With this lack of favourable conditions and user incentives of social interaction, developing community norms and shared experiences among users shows a prospect of high costs but limited results. For the second type of platform, their near absence of offering social benefits since the start of business shows the companies just have no intention to design their business models based on human interaction and make no attempt to invest in the relevant social institutions.

The fourth element is a reliance on intensive assurance instruments (\sim RAS). Contractual rules and enforceable sanctions (\sim NOR) are always implemented by the platforms which rely on intensive assurance instruments (\sim RAS) to govern sharing relations (\sim NOR \leftarrow \sim RAS: Consistency = 0.91, Coverage = 0.83). This necessary relation has two explanations. The first one is functional. The contractual constraints could be broadly considered much more functionally compatible to work with the intensive use of assurance instruments and facilitate highly efficient and scalable exchanges, especially

in the first exchange between strangers. Second, a platform's dependence on assurance instruments from its early phases onwards could have led to the development of an exchange habit and the 'lock-in' in the perception and behaviour of platform users. It increases the difficulty of and limits the marginal value of further introducing communal norms to people who have already gotten used to using platform verifications, rating and monitoring systems, and insurances for exchange information and certainty. Both explanations indicate a mutual exclusion between developing communal norms and shared experiences as the core institutional constraint and using intensive assurance instruments as a supportive control mechanism. Predominantly, social institutions tend to be less compatible with adopting extensive assurance instruments. This finding calls into question the seemingly convincing demonstration that sharing platforms apply various assurance instruments to create social trust between people (Newman & Antin, 2016, March 14). By extensively implementing assurances but investing little in communal norms, they are virtually reducing exchange uncertainty and improving security instead of generating trust that sustains.

In sum, four elements from the economic logic bring about a prevailing preference for the use of contractual rules and enforceable sanction in the governance of sharing platforms. So, this type of institutional constraint is considered highly effective or appropriate by sharing platforms, especially when they target exchange efficiency and scalability, adopt intensive assurance instruments, or lack the spontaneous condition or intention to make use of repeated interaction. Correspondingly, it also indicates that cultivating communal norms and shared experiences could be perceived as being very costly, inefficient, and limited in achieving these goals or working with these practices. The sharing platforms thus underplay them in their governance. Having any of the four elements in their governance forms as priorities could have increased the cognitive challenge for platform decision-makers to integrate the social institution into governance and constrained their choice of the core institutional constraint of sharing activities within the economic logic. These elements create one type of rigidity that limits the diversity of hybrid governance in the sharing economy.

4.2.2. Rigidity in the social logic: The motivation and requirement of developing significant social institutions

The other type of rigidity comes from the social logic. More substantial signalling of a socially-oriented identity (IDE) proves to be a necessary element for the *stronger development of communal norms and shared experiences (NOR)* (IDE \leftarrow NOR: Consistency = 0.93, Coverage = 0.80). It means that the sharing platforms which develop complete and specific communal norms and shared experiences to govern sharing relationships are always those conveying more specific social missions and more explicit social images than their commercial goals and roles. It could be explained that only these sharing platforms which genuinely identify themselves with the aim to enable and sustain social bonds between sharing participants are motivated to invest in costly social institutions. For example, Food Swap Network calls for connecting local community members through recurring volunteer-hosted events where people share homemade food based on a set of norms. MamaBake conveys its plan of building supportive networks among mums and facilitates big-batch cooking gatherings. And BeWelcome explicitly resists top-down decision-making on a platform and develops a democratic and volunteer-based structure of community management. Besides, demonstrating clear and specific commercially-oriented goals and roles can send the signal of potential platform investment in market practices that aim for scale and revenue, such as lowering the selection criteria of community members. It could attract participants with economic motives but filter out those who are enthusiastic about a social connection and community feeling. So, it can also be challenging for a platform that attempts to build a community founded on informal social norms to justify prominent commercial goals and show the sign of targeting efficiency, scalability, and profitability. When Couchsurfing changed its legal status from a non-profit to a 'B Corporation' in 2011, as well as when it required a compulsory membership fee during COVID-19 in 2020, the platform made considerable effort to strengthen member confidence and reassure the changes had nothing to do with the goal, nature, and norms of

the Couchsurfer community but were imperative to relieve the severe financial pressure the platform was facing ²⁷ (Baker, 2011, August 26; Lapowsky, 2012, May 29).

Thus, developing specific communal norms and shared experiences to govern sharing activities could be a natural attitude of genuine socially-oriented platforms to fulfil their central goals and roles, despite the high time cost and slow payback. Also, a platform's attempt to build and sustain a sharing community based on autonomous social norms and shared notions may have made it essential to convey a clear and specific social identity to the public, so it can shape people's initial perception of the organization's social commitments, attract members with similar social motives, and acquire external resources and support. Hence, this attempt to bring up community norms could have made the communication of organizational identity closely attached to the social logic and prevented the platform from delivering distinct commercial goals and roles. The latter may send obscure messages to the public and cause the challenge of organizational legitimacy. Besides, the cultivation of community norms and shared experiences also tends to require facilitating an adequate level of repetitive interaction, so a consensus on the community norms and a shared sense of belonging can be spontaneously formed and stabilized through member interaction (REP ← NOR: Consistency = 0.89).

4.2.3. The asymmetry of rigidity

The findings suggest an asymmetry in how the social and economic logic bring rigidity into the construction of hybrid governance forms. The rigidity-generating elements in the economic logic (~IDE, ~OFF, ~REP, ~RAS) are very different from that in the social logic (~NOR). For instance, the proposition that stronger signalling of a particular organizational identity could have limited the organizational choice of the core institutional constraints within the same logic is supported by the evidence from the economic logic. That is, sharing platforms demonstrating a prominent commercially-oriented identity always prioritize the use of systematic contractual rules and enforceable sanctions to govern sharing activities (~NOR ← ~IDE: Consistency = 0.95 > 0.90, Coverage = 0.86). However, it does not apply to those platforms conveying

²⁷ *Couchsurfing Needs Your Help*. (2020). *Couchsurfing Blog*. Retrieved 17 December 2020, from <https://blog.couchsurfing.com/couchsurfing-needs-your-help/>.

a stronger socially-oriented identity (NOR \leftarrow IDE: Consistency = 0.80 < 0.90, Coverage = 0.83). A consistency of 0.80 is far lower than the threshold of 0.90, suggesting that for the platforms conveying a prominent socially-oriented identity, governing sharing relationships based on well-developed communal norms and shared experience is not a necessity. Some of these platforms also integrate considerable contractual rules and enforceable sanctions into their governance, referring to the underlying institution of economic transactions. So, there is a difference in the role of signalling a commercially or socially-oriented identity. A stronger demonstration of a commercially-oriented identity tends to limit sharing platforms' choice of the core institutional constraint within the economic logic more than what a stronger socially-oriented identity does to the social logic. It is an indication that formal and contractual rules could be more 'value-free' than expected, so a moderate level of using them can be adapted to social situations. In contrast, platform decision-makers may perceive informal and community norms as highly risky in terms of contradicting the creation of economic value, including efficiency, scalability, and revenue.

Besides, different from the rigidity in the social logic, which is mainly caused by the attempt to develop significant community norms and experiences (IDE \leftarrow NOR: Consistency = 0.93 > 0.90, Coverage = 0.80), none of the elements from the economic logic was found to be a necessary precondition for the use and systematic development of contractual rules and enforceable sanctions (e.g. \sim IDE \leftarrow \sim NOR: Consistency = 0.86 < 0.90, Coverage = 0.95). It suggests that compared to cultivating communal norms and shared experiences, implementing contracts and sanctions to control and sustain sharing behaviour may not have stringent requirements on what kind of organizational identity and offering is presented to the public. It is also not strict with what type of interaction mode is facilitated, and how intensive the assurance instruments need to be. On the contrary, it is easier to observe sharing platforms that define contractual relations between people, formulate extensive legal provisions, enforce compensatory penalties, but rarely feel self-contradicted in interpreting part of their role as improving human connection and social wellbeing. For example, BlaBlaCar has been highlighting its prominent role in building trust and 'Bringing People Closer.' Meanwhile, it formulates specific legal clauses to regulate the contract between drivers and passengers since

2016, along with complete verification, rating, payment, and insurance systems.²⁸ Thus, the implementation of contractual rules and sanctions could be less demanding and rarely limit the use of other accompanying elements within the economic logic. It suggests that formal contractual rules are a more versatile and ‘value-free’ institutional arrangement to control and regulate interpersonal exchanges.

In sum, although both in the social and economic logic, the prioritization of some elements tends to generate rigidity in constructing diverse forms of governance, the ‘causes’ are different. The results of necessity tests also reveal that rigidity in the governance configuration is not prevalent and constitutes only part of the pattern of variation in the governance of sharing platforms. Despite the much stronger coherence and affinity between elements within a single logic, the flexibility of incorporating elements from the different logic is still evident. In the next section, we move on to the part of flexibility.

4.3.Elements with ‘flexibility’: Different ways of reconciling with rigidity

Incorporating the rigidity-generating elements necessitates the presence of particular elements in the governance configuration, but not all. In the third phase, by doing a sufficiency analysis, we explore how the rest of the governance elements are configured in different ways by sharing platforms to coordinate with the rigidity-generating elements. We conduct five independent rounds of sufficiency analysis, where the five rigidity-generating elements are set as the respective outcome, and the rest of the elements from both social and economic logic are added into the configuration. The Truth Table Algorithm of fs/QCA 3.0 excludes those configurations whose consistency values are below the threshold of 0.75. So, compared to Phase 1, which maps out all configurations and does not consider the possibility that some of them may not be a consistent choice for most platforms, the results of Phase 3 only include those configurations that are consistently sufficient for the presence of the rigidity-generating elements (see Table 4.1 & 4.2). Therefore, just as the necessary relations in Phase 2, they reflect the stable associations between elements and the structure of constructing

²⁸ *About Us - BlaBlaCar*. (2019). *BlaBlaCar.com*. Retrieved 20 December 2019, from <https://blog.blablacar.com/about-us>

Table 4.1 Configurations reconciled with the rigidity-generating elements in the economic logic ^a

Governance element	Configurations										
	Models reconciled with stronger signalling of commercially-oriented identity			Models reconciled with stronger promotion of economic benefits		Models reconciled with lower chance of repeated interaction			Models reconciled with higher degree of intensive assurance instruments		
	1a	1b	1c	2a	2b	3a	3b	3c	4a	4b	4c
Signalling of organizational identity				⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
Promoting specific offerings to individual participants	⊗	-	-			⊗	●	-	-	⊗	●
Creating opportunities for repeated interpersonal interaction	-	⊗	⊗	⊗	●				⊗	●	●
Creating opportunities for unmediated co-presence	-	●	⊗	⊗	-	⊗	●	⊗	●	-	●
Developing central rules and norms of sharing activities	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	●

Table 4.1 Configurations reconciled with the rigidity-generating elements in the economic logic (cont'd.)

Governance element	Configurations										
	Models reconciled with stronger signalling of commercially-oriented identity			Models reconciled with stronger promotion of economic benefits		Models reconciled with stronger signalling of commercially-oriented identity			Models reconciled with higher degree of intensive assurance instruments		
	1a	1b	1c	2a	2b	3a	3b	3c	4a	4b	4c
Refraining from intensive assurance instruments	⊗	⊗	●	-	⊗	-	⊗	●			
Consistency	0.91	0.92	0.94	0.95	0.95	0.97	0.88	0.98	0.97	0.98	0.96
Raw Coverage	0.72	0.43	0.26	0.52	0.32	0.56	0.28	0.25	0.43	0.31	0.15
Unique Coverage	0.29	0.04	0.03	0.36	0.16	0.25	0.07	0.01	0.23	0.1	0.02
Covered Cases	Mobike (0.97,0.98), Uber (0.88,0.98), Ola (0.88,0.98), ofo (0.88,0.89), TaskRabbit (0.87,0.89), Getaround (0.82,0.89), Gazelle (0.82,0.98),	Didi Chuxing (0.78,0.98), Spacer (0.75,0.89), Kangaride (0.65,0.98), Zimride (0.65,0.89)	Brunswick Tool Library (0.81,0.95), Love Home Swap (0.57,0.98), Park On My Drive (0.57,0.98)	Car2Go (0.97,0.97), Mobike (0.97,0.97), Rent the Runway (0.93,0.97), Getaround (0.81,0.88), ofo (0.81,0.88),	Fiverr.com (0.75,0.88), Helijia (0.65,0.97), Dida Carpool (0.57,0.61), Airbnb (0.57,0.88), ShareDesk (0.57,0.61), Feastly (0.57,0.88), Grub Club (0.57,0.61),	Car2Go (0.97,0.99), Mobike (0.97,0.99), Rent the Runway (0.93,0.99), Gazelle (0.88,0.99), ThredUp (0.88,0.99), Getaround (0.81,0.99), ofo (0.81,0.99),	Kangaride (0.65,0.86), BlaBlaCar (0.57,0.86), Wunder (0.57,0.65)	Brunswick Tool Library (0.81,0.99), Love Home Swap (0.57,0.86), Park On My Drive (0.57,0.86)	Uber (0.78,0.98), Didi Chuxing (0.78,0.98), Spacer (0.75,0.82), Zimride (0.65,0.65), TaskRabbit (0.59,0.98), BlaBlaCar (0.57,0.82),	Fiverr.com (0.75,0.82), Helijia (0.65,0.65), Dida Carpool (0.57,0.98), Airbnb (0.57,0.98), ShareDesk (0.57,0.65), Feastly (0.57,0.98), GrubClub (0.57,0.65),	WeWork (0.57,0.65)

Table 4.1 Configurations reconciled with the rigidity-generating elements in the economic logic (cont'd.)

Governance element	Configurations										
	Models reconciled with stronger signalling of commercially-oriented identity			Models reconciled with stronger promotion of economic benefits		Models reconciled with lower chance of repeated interaction			Models reconciled with higher degree of intensive assurance instruments		
	1a	1b	1c	2a	2b	3a	3b	3c	4a	4b	4c
Covered Cases	Spacer (0.75,0.89) , Home-cook (0.75,0.89) , Fiverr.com (0.75,0.89) , Chijidun (0.65,0.98) , Car2Go (0.65,0.98) , Rent the Runway (0.65,0.98) , Helijia (0.65,0.89)			Brunswick Tool Library (0.81,0.97) , Ola (0.6,0.88), Park On My Drive (0.6,0.97), Home-cook (0.6,0.88), Chijidun (0.6,0.97)	Turo (0.57,0.88) , Rover.com (0.57,0.88) , SkillShare (0.57,0.61) , The Food Assembly (0.53,0.88)	Roomer (0.61,0.99) , Ola (0.6,0.86), Home-cook (0.6,0.86), Chijidun (0.6,0.86)			Wunder (0.57,0.82) , Piggy Duanzuwang (0.57,0.82) , Eatwith (0.57,0.82) , Eatwith (0.57,0.82) , Nimber (0.57,0.82)	Turo (0.57,0.82) , Rover.com (0.57,0.82) , SkillShare (0.57,0.65)	
<i>Overall Solution Consistency</i>	0.91			0.94		0.93			0.98		
<i>Overall Solution Coverage</i>	0.81			0.68		0.64			0.56		

^a Note: ● represents the element is adopted predominantly from the logic of facilitating social bonding

⊗ represents the element is adopted predominantly from the logic of facilitating economic transaction

- represents the element is found being adopted from either the social or economic logic

Table 4.2 Configurations reconciled with the rigidity-generating elements in the social logic ^a

Governance element	Configurations		
	Models reconciled with stronger communal norms and shared experiences		
	1a	1b	1c
Signalling of organizational identity	●	-	⊗
Promoting specific offerings to individual participants	-	●	●
Creating opportunities for repeated interpersonal interaction	●	●	●
Creating opportunities for unmediated co-presence	-	⊗	●
Refraining from intensive assurance instruments	●	●	⊗

Table 4.2 Configurations reconciled with the rigidity-generating elements in the social logic (cont'd.)

Governance element	Configurations		
	Models reconciled with stronger communal norms and shared experiences		
	1a	1b	1c
Consistency	0.95	0.93	0.81
Raw Coverage	0.78	0.30	0.23
Unique Coverage	0.46	0.01	0.04
Covered Cases	Soup Swap (0.95,0.99), Food Swap Network (0.95,0.99), MamaBake (0.95,0.99), Skjutsgruppen (0.85,0.86), Hospitality Club (0.85,0.95), BeWelcome (0.85,0.86), Zhihu (0.76,0.86), iRideshare (0.67,0.99), Shareyourmeal (0.65,0.95), Clothing Swap (0.65,0.95), Peerby (0.65,0.65), BookMooch (0.65,0.86), WWOOF (0.65,0.86), Economy of Hours (0.65,0.65), Couchsurfing (0.57,0.65)	BookMooch (0.65,0.86), Quirky (0.57,0.86)	WeWork (0.57,0.65)
<i>Overall Solution Consistency</i>	0.91		
<i>Overall Solution Coverage</i>	0.84		

^a Note: ● represents the element is adopted predominantly from the logic of facilitating social bonding

⊗ represents the element is adopted predominantly from the logic of facilitating economic transaction

- represents the element is found being adopted from either the social or economic logic

hybrid forms. Our findings support that there is still the flexibility of integrating the remaining elements from the alternative logic in different ways. They also show which specific elements allow for flexibility.

4.3.1. Flexibility in the economic logic

Table 4.1 presents the respective configurations of elements assembled around the four rigidity-generating elements in the economic logic. There are three configurations with a stronger signalling of a commercially-oriented identity (Model 1a - 1c), two for a stronger promotion of economic benefits (Model 2a, 2b), three for facilitating a lower chance of repeated interaction (Model 3a - 3c), and three with a reliance on intensive assurance instruments (Model 4a - 4c). All eleven configurations incorporate some governance elements predominantly from the social logic (symbol: ●). And some elements are omitted in the logical minimization process (symbol: -), which means some cases are found consistently prioritizing either the economic or the social logic in these elements.²⁹ So, even if the four rigidity-generating elements have limited the selection of the central institutional constraint to contractual rules and enforceable sanctions, sharing platforms still find certain levels of flexibility to utilize the social logic in the remaining elements. For instance, they promote more substantial social benefits, facilitate a higher chance of repeated or face-to-face interaction, or avoid the use of intensive assurance instruments. However, different configurations differ in the element(s) with which they are flexible. We use the three configurations reconciled with a stronger signalling of a commercially-oriented identity as an example.

Model 1a, 1b, and 1c account for 81% of the cases that consistently signal a stronger commercially-oriented identity (Overall Solution Coverage = 0.81). With a consistency of 0.91, Model 1a covers the most case memberships (Unique Coverage = 0.29). It incorporates three elements from the economic logic and omits two elements. Platforms that implement this model actively promote economic benefits, develop systematic contractual rules and enforceable sanctions, and provide intensive assurance

²⁹ When two configurations only differ in one element – i.e. with all other elements being the same, one configuration adopts this element from the social logic while the other from the economic logic – this element can be considered irrelevant for leading to the outcome and thus omitted from the configuration. Then the two configurations can be merged into a simpler one.

instruments. However, some of these platforms adopt the approaches to creating a higher chance of repeated interaction and unmediated co-presence while others do not. So, in Model 1a, sharing platforms are more flexible with integrating the two elements from either the social or the economic logic into their governance, facilitating either repeated or non-repeated (e.g., Fiverr.com vs Uber), offline or online interaction (e.g., Spacer vs Home-cook) between people. For example, Uber and Fiverr.com share the targets of exchange efficiency and profitability, the claims of superior convenience and service quality to demanders and monetary payback to freelancers, and the development of extensive contractual clauses and assurance instruments, but differ in facilitating the chance for repeated and face-to-face interaction. Uber provides more standardized driving services, connects drivers and riders with a platform algorithm, and does not involve any additional activities between people. By contrast, Fiverr.com connects users requesting and accepting various gigs like website building and logo design. It not only lets service demanders and providers search and negotiate by themselves, but also promotes repeated interaction between them via arranging groups, online and offline meetups, and events. This difference is mainly induced by the distinct nature of the human assets required and provided by individuals and the form of exchange information. Compared to the primary demand for immediate services and standard information in short trips, the type of task and human resource whose quality requires complex communications and is assessed by individual criteria offer more incentive and room to a commercial business to invest in repeated interaction between platform users.

Model 1b resembles Model 1a in terms of applying contractual rules, sanctions, and assurance instruments in sharing relations. But its sharing activities operate entirely face-to-face and are flexible with promoting either social or economic benefits. So, the 'co-presence' and 'offering' elements make sharing platforms using this model flexible in blending the social logic to a significant level. However, although face-to-face interaction between sharing participants is a spontaneous situation in the sharing process, the intermediate platforms do not tend to use the situation and create more opportunities for sharing participants to interact repetitively. This model is represented by the cases with high mobility, where resource providers and demanders intend to meet only for quick, economical, or one-off access to resources, such as the ride-sharing cases

Didi Chuxing and Zimride. Nonetheless, even for mostly one-off trips, there are ride-sharing platforms like Kangaride and BlaBlaCar choosing to highlight their advantages of building social connections and trust more than the economic and utility benefits. It indicates the higher feasibility and lower cognitive challenge of the platforms in aligning mixed individual incentives through framing their offerings.

Although both Model 1a and Model 1b involve some ‘inconsistent cases,’ whose memberships in the configuration are greater than their membership scores in the outcome element, these cases are comparatively rare. Also, as their memberships in the outcome ‘Stronger signalling of commercially-oriented identity’ are at least above the crossover of 0.5, they do deliver relatively stronger commercial goals and roles than their social ones. We consider these two configurations to at least make the outcome happen in those inconsistent cases (Schneider & Wagemann, 2013). These cases – e.g., Feastly in Model 1a and BlaBlaCar in Model 1b – actually demonstrate quite specific social goals and roles (just not as much as their economic value propositions). But, in practice, they still operate with these two models, which are represented by cases identifying themselves with prominent commercial objectives and pursuing high levels of efficiency and scalability.

Model 1c is adopted by only a few cases displaying very limited missions and images of enhancing social bonds (Unique Coverage = 0.03). Their strong self-identification with utility and efficiency is combined with three elements from the economic logic: the facilitation of a lower chance of repeated interaction and unmediated co-presence, as well as sound contractual rules and enforceable sanctions. Different from Model 1b, Model 1c lacks the spontaneous situation of personal meetings and is complemented by a relatively low level of assurance instruments. For example, despite its clear objective of facilitating economical trips, unspecific social goals, and limited development of community norms, Love Home Swap still refers to the traditional home-swapping experience of sociality to attract new users. It again suggests the relatively higher flexibility in managing the ‘offering’ element.

Surprisingly, for an element proven to be highly necessary for the use of intensive assurance instruments – ‘stronger development of contractual rules and enforceable

sanctions' (see Section 4.2.1) – we still identify an exception. Model 4c is a highly mixed model with the only case being WeWork. The co-working business refurbishes and sub-leases office spaces to people. While the company sets up moderate verification and invests substantially into on-site management, it highlights cultivating a community that integrates individuals and entrepreneurial culture in the shared space. Aligning the prevailing communal norms in the workplace with the company's clear commercial goals is possible mainly because of its co-working business model, which segregates the activities of ensuring security and making revenue (sub-leasing) of the firm from the space-sharing activities (interpersonal interaction) of users. It also creates a spontaneous situation that individual customers interact repeatedly and face-to-face. The model corresponds to a 'differentiated' structure of governance and a strategy of 'compartmenting' competing logics in separate organizational units and activities (Kraatz & Block, 2008; Pratt & Foreman, 2000).

There is another exceptional pattern worth noting. Although the first element 'stronger signalling of commercially-oriented identity' is present in all models from 2a to 4c, this element is not necessary to any of the three rigidity-generating elements in the economic logic, according to the results of our necessity tests (see Section 4.2.1). This finding is not contradictory, suggesting there are other configurations signal a prominent socially-oriented identity and are associated with the three elements. But their associations did not pass the threshold value and turned out to be highly inconsistent, so these configurations were eliminated from the Truth Table Algorithm.

4.3.2. Flexibility in the social logic

In total, three configurations are associated with the stronger development of communal norms and shared experiences (Model 1a - 1c), covering 84% of the relevant case memberships (Overall Solution Coverage = 0.84). All three models show some degree of flexibility in prioritizing the economic logic in some governance elements (see Table 4.2).

Model 1a is the dominant model uniquely covering most case memberships (Unique Coverage = 0.46). Three governance elements come from the social logic. Sharing

platforms in this model convey a clear and specific socially-oriented identity, provide more opportunities for repeated interpersonal interaction, and avoid adopting intensive assurance instruments. Two elements – stronger promotion of specific offerings and facilitation of unmediated co-presence – are dropped from the configuration. It means that some of these socially-oriented platforms do integrate economic benefits as an important incentive for sharing activities. A typical case is the Chinese online knowledge-sharing community Zhihu, which operates a free user Q&A zone while promoting the paid knowledge products offered by professionals and experts. Also, cases of this model focus on either offline or online activities or balance both. So, sharing platforms adopting this model to govern sharing activities have more flexibility in referring to either the social or the economic logic on the ‘offering’ and ‘co-presence’ elements.

Model 1b constitutes three elements from the social logic, including the more substantial promotion of social benefits, facilitation of a higher chance of repeated interaction, and avoidance of adopting intensive assurance instruments. The sharing activities of the two cases in this model, BookMooch and Quirky are only conducted online. However, the limit of face-to-face interaction does not prevent the two platforms with quite different identities from infusing community norms into user interaction. BookMooch is a non-profit and presents concrete social goals and roles of ‘establishing personal connections’ and ‘participating in the community’ (IDE = 0.85). In contrast, Quirky is a for-profit business with a critical objective of commercializing the inventions of users and a clear structure of revenue distribution. However, Quirky’s illustration of its approach to promoting product innovations via community collaboration does neutralize the signal of its for-profit business considerably, making it a case with a balanced organizational identity (IDE = 0.43). The platform also integrates a set of innovative governance practices to materialize its balanced goals. It sets up rational user expectations for profits, designs a revenue distribution system based on interpersonal collaboration, develops free ‘discussion’ and online ‘following’ features, and adopts a moderate process-monitoring system. With these approaches, Quirky seeks to align its demand of capturing an appropriate amount of economic value with a community and collaborative mode of product development.

Model 1c covers only one special case, WeWork. Despite its apparent commercial nature and the crucial role of assurances in its business, WeWork sells prominently on its distinctiveness of facilitating social connections and support for entrepreneurs. It not only organizes events but also provides physical spaces and facilities for users to arrange regular meetups. As shown in Model 4c in Table 4.1, this case is unique in the sense that it contradicts the result of our necessity analysis. That is, the demonstration of a prominent socially-oriented identity is necessary for the stronger development of communal norms and shared experiences in the sharing governance (see Section 4.2.2). Although WeWork is a for-profit business targeting firm revenue and heavily involved in managing the shared spaces, the interactions between its users are free from monetary exchanges and facilitated with a social logic. These interactions mainly benefit from the plentiful opportunities for face-to-face interaction in the co-working space. It also attracts people with a supportive workplace culture like ‘Helping each other and making friends’ and arranging regular networking and professional events on the site. Thus, WeWork depends on community norms and shared experiences to shape user behaviour, on the one hand, while seeking for financial revenue and global expansion, on the other. However, the unique conditions that make it possible for WeWork to compartmentalize the workplace's social logic from the company’s pursuit of profitability and scalability are not usually available to other sharing economy platforms.³⁰ They include the spontaneous context for frequent face-to-face interactions and the openness of entrepreneurship culture.

5. Discussion

5.1. Summary of variation: Limited diversity and internal association of organizational choices

Our findings reveal two general structural features of the variation in how sharing platforms manage a logic of building social bonds and a logic of facilitating economic transactions to govern sharing relations. First, hybrid governance forms of sharing platforms are not as diverse as expected in terms of configuration structure. It signifies

³⁰ Based on the information of WeWork before its IPO in 2019.

the platforms' 'non-random' choices of governance practices and their discretion on the predominant logic in different governance elements. Among the fourteen governance forms, cases converge on four forms, two of which consist of elements dominated by a single logic. The other ten governance forms resort extensively to the alternative logic in one or some of the six elements. The presence of the 'prioritizing' and 'integrative' structure of hybrid governance reflects the general distinction in sharing platforms' strategies of combining the use of incentives, interaction modes, and institutional arrangements embedded in the social and economic logic. They either 'decouple' core activities from the competing logic (Meyer & Rowan, 1977), or 'selectively couple' particular elements from it, in balance with those of the existing logic (Pache & Santos, 2013). Although 'selective coupling' is already an indication that some platforms tend to make certain governance elements more 'hybrid' or 'balanced' than others, it is unknown if this is a general choice of sharing platforms or just individual governance forms. The nuanced differences in the degree of decoupling or coupling an element suggest that even for those platforms which prefer a single logic in most governance elements, they can embrace a more 'balanced' status of logics in some elements than others. Their memberships in an element are closer to but just do not surpass the crossover of 0.5. These findings make us question what the respective types of elements are, to what extent they are easier or more difficult to be blended, and under what conditions.

Answering the questions lead to the identification of the second feature, that the platforms' decisions about which logic dominates in different elements and to what extent it dominates are not independent but interrelated. It is a significant source and shaping force of the 'non-random' pattern of variation. On the one hand, the prioritization of the social or economic logic in particular governance elements entails making the same logic also dominant in some of the other practices. The former type of elements generates rigidity in constructing hybrid governance forms. The social and economic logic involve very different rigidity-generating elements, which means the two logics prevent the emergence of highly mixed governance in different ways. Rigidity from the economic logic is produced by the demonstration of clear and specific commercially-oriented identities, the promotion of substantial economic advantages

such as exchange efficiency, scalability, and profitability, the lack of opportunity or incentive to facilitate repeated interaction between individuals, as well as a reliance on intensive assurance instruments to control exchange risk and misbehaviour. Almost all platforms engaging in these practices opt for contractual rules and enforceable sanctions as the central institutional constraint of sharing activities. However, no element from the social logic necessitates prioritizing communal norms and shared experiences. Instead, cultivating these social institutions and establishing them as the central institution is usually an incentive or a requirement for platforms to demonstrate more explicit social goals and roles than their economic ones. Therefore, they introduce rigidity to the social logic. The asymmetry of rigidity in the social and economic logic indicates that platforms could consider formal contractual rules as more value-free and less demanding institutions than informal community norms. Thus, even mission-driven governance models do not avoid using this type of institution. Rigidities introduced by both logics are important sources of the limited diversity of sharing governance forms.

Nevertheless, there is flexibility in pursuing an alternative logic in some elements to a significant level and constitute a stable form of hybrid governance. It is reflected by the higher feasibility and lower difficulty of promoting the less compatible type of offering, interaction mode, and level of assurance to govern sharing relations. These practices – such as attracting individuals with more distinctive benefits, managing the frequency and media of interpersonal interaction, and designing assurance instruments in a less extensive and impersonal way – are closely related to the ‘means’ instead of the ‘identities’ or ‘institutions’ of the platform. Moreover, highly mixed governance forms are rare but possible under particular conditions, for instance, when there is an openness to interpret the nature of the shared asset, a requirement for non-standardized and detailed information for exchange, an available scenario for compartmenting competing logics in different activities, or when the company is motivated to show distinctiveness and innovativeness. The rigidity and flexibility together bring about the variation pattern of hybrid governance forms in the sharing economy. The extent that organizations integrate strategies and practices embedded in potentially competing logics is susceptible to the cognitive challenge exerted by their existing decisions on the governance practices related to enduring identities and institutions. It is also shaped by

the specific conditions that either alleviate or intensify their perception of tension level in distinct components of the logics at play.

5.2. Relationship governance and value creation in the sharing economy

The research specifies the pluralistic value-creating practices and clarifies the fuzzy boundary of the sharing economy field (Acquier et al., 2017; Belk, 2010; Mair & Reischauer, 2017). Instead of setting principles of practices for a still-evolving area, we acknowledge the inclusiveness of this field and choose to unpack the hybrid governance practices in it and map out the variants. Understanding the hybrid governance of peer relations as multi-faceted, we identify the critical dimensions and elements of sharing governance and analyze how they are combined by sharing platforms to different degrees and in different ways. The sharing economy field only consists of general value-related designs and guidelines susceptible to revision and reinterpretation, rather than specific prescriptions and conditions for practices. With the general concept applied to distinct assets and industries, platforms in this loosely structured field share strategies in blending a logic of developing social bonds and a logic of facilitating economic transactions between individual participants and maintaining the internal stability. The widely adopted strategy is decoupling the core objectives and activities from the inconsistent logic. Those platforms that decouple from the social logic in all governance dimensions and elements have been criticized or labelled as ‘pseudo-sharing’ (Belk, 2014; Eckhardt & Bardhi, 2015).

For those choosing to selectively integrate and balance a significant level of the alternative logic, most of them rationally restrain it to the promises of offerings that show the distinctiveness of the sharing activities but do not set an excessive expectation for participants. They also prefer practising the alternative logic by developing technical functions that either increase or reduce the opportunities of repeated and face-to-face interaction. These functions usually require less significant changes in platform architecture and do not risk excessive stress on platform resources. While most platforms keep the alternative logic from their core identities and institutions of sharing activities, the observation of a few rare cases indicates both the possibilities and

conditions of facilitating highly mixed governance forms and promoting platform governance innovations.

Therefore, the study presents the co-existence of sharing platforms engaging in different combinations of hybrid strategies and practices to align and coordinate individual incentives, interaction modes, and institutional arrangements. It specifies to what extent sharing platforms try to deliver on the promise of ‘new forms of collaboration, solidarity and social bonding,’ or instead just ‘recreate the inequalities of the capitalist markets, but in different ways’ (Acquier et al., 2017, p. 2; Benkler, 2017; Schor et al., 2016). These findings also suggest that the direction of the sharing economy may not be generating a consolidated identity or boundary but overlaying the value-creation principles of established industries or sectors.

5.3. Hybrid organizing and institutional pluralism in a digital setting: Uneven distribution of perceived incompatibility and differentiated influence of logics

The research promotes and practices the approach of ‘hybrid organizing’ (Battilana et al., 2017), and contributes to unveiling a closer-to-reality pattern of hybrid governance variation by integrating two crucial insights. First, governance practices from the market, hierarchy, or network (Williamson, 1991) can be loaded with values, beliefs, and principles of practices (Battilana et al., 2017; Quélin et al., 2017). Governance forms incorporating a variety of practices to pursue multi-value creation could be under complementary or contradictory requirements of how to coordinate stakeholder actions and generate value. Thus, examining the construction of hybrid governance needs to foreground the tensions originated from competing values and institutional logics and the cognitive challenges they pose to organizational decision-makers. Second, organizations or organizing activities can be hybrid in degree, so their variation should be more nuanced than revealed (Battilana et al., 2017; Besharov & Smith, 2014). They may combine distinct institutional requirements to guide their practices to different degrees. Therefore, investigating the full variation of organizational hybridity cannot avoid the question of to what extent various governance practices of seemingly inconsistent logics are integrated.

In this study, we capture the first value- or logic-infused nature of various governance practices by associating them with the underlying incentives, interaction modes, and institutional arrangements of the social and economic logic. For the engagement with logics in degree, we apply a configurational method developed for fuzzy sets to reveal how the governance practices embedded in the dual logics are reconfigured to different degrees and in different ways. The design of the research and the use of the methods present the differences between a ‘prioritizing’ and an ‘integrative’ structure of hybrid governance and provide systematic evidence for the organizational strategies of constructing stable hybrid forms identified by small-scale case studies (Pache & Santos, 2013; Tilcsik, 2010) and theoretical propositions (Greenwood et al., 2011; Kraatz & Block, 2008). Moreover, they make it possible to reveal more latent structural features of variation in hybridity that are shaped by the varied ‘degrees’ of blending an alternative logic. One is that the degree of hybridity is not the same in different governance elements; the other is in what conditions organizations tend to make some governance elements more/less hybrid and balanced. Organizational decisions on which logic should dominate in different governance elements and to what extent it dominates are associated, which tend to be shaped by their perception of the level of tension and assessment of cost to integrate social and economic logics. The associations can be strong or weak, reflecting the rigidity and flexibility of integrating logics in particular ways. Introducing more hybrid and balanced logics to the lower-cost ‘means’ of incentivizing individuals and shaping interaction modes can be easier to manage and justify. The greater hybridity in the approaches to governing in a digital context has benefited from the convenience of communication technology, the consumerization of digital devices, and the easy-to-modify nature of the algorithm. Examples include the ‘Friends’ or ‘Group’ features facilitating fixed relationships between people, online forums, and blogs for experience sharing, as well as humanized designs of the online review system.

By contrast, prioritizing a logic in fundamental and stable units and activities of a platform – for instance, an efficiency-focused identity or social institutions – tends to induce the facilitation of a similar level of this logic in another element in governance, for either a practical or appropriateness consideration. The cost of developing these

elements for governance purposes is much less affected by technology advancement. Demonstrating a highly balanced socially and commercially-oriented identity can put systematic pressure on the allocation and mobilization of the limited resources in an organization (Battilana & Lee, 2014). It could also send obscure signals to potential investors and consumers (Galaskiewicz & Barringer, 2012; Mair et al., 2015). Similarly, communal norms and shared experiences are much less likely to be appreciated, agreed, and stabilized if individual users aiming for utilitarian values catch the signal of a commercially-oriented identity and flock to the platform. Also, the development of institutional constraints requires constant resource investments and maintenance; once established, it will gain stability (North, 1992; Williamson, 1979). If the less compatible institution is integrated significantly, it could increase the cost and risk of the organization in the long term. So, it is essential to distinguish the means that exert a steady influence on individual actors once established and enforced – e.g., institutional arrangements – from those that are easier to implement, modify, and remove, such as algorithms or interactive tools and features. In this sense, the study provides systematic evidence beyond the social enterprise context for the uneven distribution of logic incompatibility in different organizational elements (Greenwood et al., 2011) and explicates what these elements are.

More importantly, the finding that rigidity-generating elements differ in the social and economic logic proves another latent but crucial feature of institutional logics. That is, different logics tend to constrain the development of highly mixed governance forms in different ways. So, for both relevant research and management practices in hybrid organization or organizing, it raises the importance of distinguishing which element(s) or practice(s) – e.g., identity or institution – of a particular logic have initially prevented organizations from taking the alternative logic into account. The process that organizational identity limits the choices of entrepreneurs and managers can present very distinct dynamics from the influence of existing organizational institutions and could entail different agency and conditions to mitigate rigidity and pursue innovation. The perspective could bring in a more rigorous approach to locating where exactly the logic incompatibility and internal tension come from and how they take effect. In this sense, this study not only specifies the varied degrees and conditions of logic

incompatibility in different elements of hybrid governance but also shows that the specification can push the depth of our explanation to differentiate the influencing mechanisms of multiple logics on the emergence and stability of hybridity. The differentiated influence of social and economic logics suggests that organizations already having an economic logic in place and intending to deploy relevant practices of the social logic, and those planning to integrate the economic logic with their existing social arrangements, can face distinct situations of tension. So different mitigation and coordination strategies, activities, and technical designs should be applied accordingly.

In the practice of hybrid organizing, particularly sharing platforms, this research points out the governance practices which can bring in more tension to hybrids and are therefore worth a closer look when developing and managing hybrid forms. For instance, it is worth more consideration and creative designs if a sharing platform targeting financial revenue in the long term intends to attract participants and shape their behaviour by cultivating community norms and shared experiences. It also applies when a platform building community norms and shared experiences among users thinks of exploiting the convenience of assurance instruments such as implementing highly quantified rating systems. The highly mixed governance models, although represented by rare cases, show the possibilities of integrating the different logic into the core elements of governance mechanism in specific contexts (Pache & Santos, 2013). Still, it is crucial to be cautious about the potential conflicts in these highly mixed models. Reflecting on the recent changes in the rare cases such as WeWork and the Carpool product of Didi Chuxing (De la Merced & Eavis, 2019, September 17), it is possible that a highly mixed form of governance could have increased the instability in their business models.

5.4.Future research

Our research has limitations, which provide opportunities for future studies. Firstly, although most governance practices relevant to developing relationships between sharing participants are revealed in the public spaces, there might be some ‘backstage’ practices missing in our dataset. For example, how the organizations mediate and tackle the interpersonal conflicts in their customer services. Secondly, setting the boundary for

a field in the making is challenging, and people may question if the sampled cases have covered enough diversity in the sharing economy. In this research, our sample includes relatively fewer cases with a non-profit and social enterprise background than for-profit cases. However, the case selection issue is mitigated by choosing to present the complex solution of fs/QCA, that is, to reflect the de facto situation of our sample. The primary purpose of this study is not to map out all possible governance models in the sharing economy but to identify widely adopted ones for revealing the recurring pattern, so we can further locate the significant forces and conditions that could have structured the present governance practices and lay the ground for further verification. Future research could expand the case selection, especially to more non-profits and social enterprises, and inspect if the identified pattern presents any changes, and most importantly, why these changes happen. It will also be interesting to conduct similar investigations on more mature and structured fields where the ways of constructing hybrids could be more fixed (Greenwood et al., 2011) and compare the results. Another question could be on the evolution of sharing platforms and the potential changes in their governance forms. Through tracking and inspecting the changes of our sampled cases, we did find changes on some platforms since our data collection. Still, few of them significantly changed how they govern peer relations. Those that did change are mostly highly mixed forms. They are actually evidence of the relative instability of embracing more balanced logics. So, we consider most hybrid governance forms are stable in a relatively long term and reflect the variation pattern.

Besides, it is worth emphasizing that our primary explanation of sharing platforms' hybrid governance variation, which traces to the varied logic incompatibility in different governance elements, can be one of the most influencing factors on the limited diversity and structure of organizational hybridity. We approached this explanation by probing the optimum match between the revealed pattern of variation in the governance (particularly the association and dissociation between choices of elements), the in-depth investigation on specific cases, and the strength of existing theoretical and empirical support. Hypotheses derived from different theories – for example, the effect that organizations tend to copy the existing successful business models – can be tested and compared. Undoubtedly, the complexity in constructing hybridity is not the result of a

single force or dynamic, but at the discretion of organizational decision-makers susceptible to mutually influencing, rational and irrational judgments as our findings indicate. Exploring the field-level, organizational, and exchange conditions which affect organizational discretion and enable highly mixed governance via longitudinal case studies can be another way of revealing complexity in hybrid governance. The research draws the fuller picture and the contrasting shades of organizational governance on sharing relationships, i.e., degrees and structures, diversity and limitedness, rigidity and flexibility, and incompatibility and complementarity. The aim is not only to enrich rigorous knowledge on both the chances and challenges in the governance of new organizational forms, particularly sharing economy organizations, but also to contribute to our ongoing practices of mitigating, navigating, and mobilizing them.

PAPER THREE

Embracing the New While Hanging on to the Old: Contestation of Sharing Platform with Individuals in a Transformation of Organizational Hybridity

Abstract

This paper addresses the question of how organizations facilitate a deliberate shift in the pluralistic institutional logics that form the foundation of their activities. We focus on sharing economy platforms which work as intermediaries drawing both on a social and an economic logic. A major challenge for sharing platforms is how to manage the tension between cultivating peer interactions that generate social cohesion and exploiting the network effect for economic purposes of scaling. We investigate how a sharing platform, which integrated a new virtual money system for scaling, made the shift in its mix of logics from an emphasis on a social logic towards a focus on an economic logic instead. We analyse how the process of contestation with members was managed during the shift in logics by conducting a rhetorical analysis that captures the internal structures of platform and member arguments before and after the change. Facing diffused member interpretations, the platform strived to seek new stability in the symbolic meaning and a re-balance of its co-existing logics through argumentation and persuasion. It involved ‘rationalizing’ the ‘sharing-with-money’ practices and substituting the prior ‘egalitarian’ discourse. The process unfolded as the platform explored discursive resources in the digital space, navigated responses that partially resonated with the existing legitimacy assumptions, and ‘patched’ its stories targeting different members. This study highlights the problematization of how sharing platforms, as mediator and curator, interact with individuals, and mitigate the tension triggered by strategic change. It contributes to uncovering the micro-foundation of organizational change in a context of institutional complexity and elaborating the perceptual nature of ‘mission drift.’

Keywords

Logic pluralism; sharing platform; meaning; contestation; institutional complexity

1. Introduction

The sharing economy grants temporary access to physical and human assets and enables value-creating interactions between individual asset owners and demanders through digital platforms (Gerwe & Silva, 2020; Reischauer & Mair, 2018). Sharing platforms represent a type of hybrid organization as they pursue both social and economic value (Reischauer & Mair, 2018). While social value creation relies on relational bonding and a sense community, economic value creation depends more on monetary transactions and a functioning market (Belk, 2014; Eckhardt & Bardhi, 2016). On the one hand, the cultivation of social interactions and norms in online communities plays a significant part in building interpersonal trust as well as strengthening members' attachment to the platform value (Reischauer & Mair, 2018). On the other hand, the demand for increasing exchange scalability and efficiency entails more contractual relations and interchangeable pricing. A major challenge for sharing platforms involves managing the potentially competing requirements between the social and economic logic in organizing peer-to-peer interactions (Zhang et al., 2020).

How to integrate multiple institutional logics while maintaining internal cohesion and stability has been a central inquiry of hybrid organization research. However, an under-explored question is how an organization initiates a deliberate shift in its multiple co-existing logics and restores their balance, for example, in a change of business strategy. In the case of the sharing economy, the dependence on network effects for optimal and sustainable value creation drives sharing platforms to attract more individual assets, increase exchange opportunities, and expand their activities to broader user groups and geographical areas (Cusumano, Gawer, & Yoffie, 2019). The trend of scaling sharing

businesses has become evident with the success of the winner-takes-all strategies of platforms like Uber and Airbnb and recent acquisitions and business model changes like VizEat's takeover of Eatwith and GrubClub. However, the dominance of the economic logic in organizing for scaling up purposes tends to signal a move away from the social logic. It raises doubts about the importance of stakeholders that appreciate social value and it leads to disputes over organizational legitimacy. How sharing platforms manage this process of contestation – as a mediator and curator instead of a direct product or service provider – can decide the success of its strategic change.

This paper investigates the rhetorical practices that a sharing platform engaged in home-swapping employed to maintain legitimacy when shifting emphasis in its logic mix from a social towards an economic logic. In the case, the contestation process revolves around the facilitation of a new virtual money system to make home exchanges more scalable and flexible. Specifically, we seek to answer how this sharing platform facilitates the shift in its co-existing logics by arguing for its design and meaning of the new technical system and responding to members' questioning of the shift. We study how the platform managed a co-existence of different types of members and tried to maintain both community cohesion and economic scale. The study responds to a prominent challenge for the sharing (and platform) economy, that is, how do businesses build on a collaborative architecture sustain the commitment to social *and* economic value creation while facing the increasingly intense competition for market share. With the platform becoming a new organizational form that dominates successful businesses and innovations of various industries, the question of what governance mechanisms platforms use to leverage different user groups and generate multiple values is becoming increasingly relevant but still under-investigated (McIntyre et al., 2020). Exploring strategic changes that cause internal tension in the hybrid structure uncovers the risks and opportunities of this type of organization in creating multiple types of value.

The study makes several contributions to research on sharing platforms, hybrid organizations, and institutional complexity and change. Firstly, our analysis of the discursive interaction between a sharing platform and its users in a deliberate shift in logics shows the ways in which sharing platforms use rhetoric to mitigate the tension

between the conflicting perceptions of which logic is the most appropriate and should dominate in platform activities. As a mediator and curator instead of a direct product or service provider, sharing platforms need to be aware of the diverging expectations of users and their degree of being tolerant, as well as individuals' demand for self-autonomy in exchanging and defining their assets. Differences in people's sense of asset ownership require navigating and harnessing the flexibility in individual perception while avoiding taking for granted and imposing the platform's sense-making of the physical asset or technical system.

Secondly, the study is among the few on the interplay between digital communication and the facilitation of strategic change. While the institutional change literature focuses on the symbolic and material practices of conventional organizations, we pay specific attention to organizations built on platform architecture and show how operating in a digital space and relying on technical artefacts both helps and hinders strategic change. Our case illustrates the micro-dynamics of relying on digital channels to reconstruct the meaning of a technical artefact and the associated logics of action.

Finally, the sharing economy provides an ideal context to uncover the unique challenges and opportunities an organization faces in the process of changing and rebalancing a mix of social and economic logics. This study addresses a widely-observed but under-explored phenomenon in research on hybrid organizations; that is, how do hybrid organizations transform from an 'old balance' to a 'new balance' in their hybridity of logics. We argue that it is a process of 'testing' 'patching' and 'approaching' a bundle of meanings that partially resonate with different members for the new blend of logics. By showing how a platform leverages the interchangeability and complementarity of logics in digital spaces and mobilizes discursive resources such as individual narratives and representations, we uncover the micro-foundations of organizational change when organizations operate in a digital area with high institutional complexity.

2. Theoretical foundation

2.1. Organizational change, institutional logic, and language

Institutions are the cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour (Scott, 2013). A change of organizational institutions involves the transition of these structures and activities within the organization. An institutional logic defines the specific ‘content and meaning’ of the field-level institution (Reay & Hinings, 2009, p. 631). It is a set of ‘material practices, assumptions, values, and beliefs’ that provides organizing principles to the social actors in a specific field (Reay & Hinings, 2009; Thornton & Ocasio, 1999, p. 804). In linguistic practices, institutional logics are embodied in the discourses that encode ‘the criteria of legitimacy’ (Green Jr & Li, 2011; Suddaby & Greenwood, 2005, p. 38). They convey ‘the rules or reasons for who gets to do what, for what purpose, in which way, and in what setting’ (Green Jr & Li, 2011, p. 1676). Consciously or unconsciously, organizational and individual actors refer to particular logics as ‘frames’ to make sense of the structures and experiences in the organization, choose the vocabulary for interpretation, organize their activities, and form a sense of identity (Thornton et al., 2012). The tendency of using a particular institutional logic as the cognitive frame can be triggered when individuals encounter a familiar situation or cue (Glaser, Fast, Harmon, & Green, 2016). However, it is also possible for organizations or individuals to invoke and manage field-level logics for their use, bringing in changes in the current organizational institutions or even transforming the present logics (Greenwood & Suddaby, 2006; Venkataraman et al., 2016).

The processes that stakeholders employ to translate, reproduce, or transform organizational institutions through engaging field-level logics or equivalent frames of reference constitute a key dynamic of organizational and institutional change (Green Jr & Li, 2011; Thornton et al., 2012). Typically, this process unfolds in the interaction and negotiation between different stakeholders within and outside of the organization (Thornton et al., 2012), where language and discourses play the essential roles as both the vehicle of communication and the enabler of change (Cornelissen, Durand, Fiss, Lammers, & Vaara, 2015; Ford & Ford, 1995; Heracleous & Barrett, 2001). Research

has investigated how organizations give sense to or justify disruptive changes through symbolic practices embedded in the field-level logics and rebuild legitimacy (Fiss & Zajac, 2006; Patriotta, Gond, & Schultz, 2011; Vaara, Tienari, & Laurila, 2006). Suddaby and Greenwood (2005) find, for example, that rhetorical strategies play a crucial role in modifying the predominant logic that defines ‘the criteria of legitimacy’ and legitimizing a new organizational form. These strategies include the use of institutional vocabularies and the theorization of the innovation. Zilber (2006) uncovers how the translation of shared meanings and understandings at the societal level into specific ones in the organizational field shapes the institutionalization of the Israeli high-tech industry.

Logic-infused discourses are also a resource that key actors of organizations can exploit to obtain internal and external support to facilitate or hinder strategic actions (Hardy, Palmer, & Phillips, 2000; Zilber, 2002). Martens, Jennings, and Jennings (2007) illustrate the role of entrepreneurial storytelling grounded in familiar discourses to communicate a comprehensive firm identity and secure capital. Sillince, Jarzabkowski, and Shaw (2012) find that organizations use rhetoric to construct strategic ambiguity and draw interest from certain groups of participants and audiences. Therefore, by using language to elaborate, translate, narrate, and reason, key actors of an organization can persuade and influence their counterparts, revise the existing criteria of legitimacy and logic of action, and propel organizational and institutional change to their desired direction.

2.2. Initiating changes in hybrid organizations and institutional complexity

Hybrid organizations explicitly embrace multiple institutional logics in their goals and governance (Mair et al., 2015), which means the integration of multiple logics is central to organizational functioning (Besharov & Smith, 2014). A prominent change of institutions in hybrid organizations usually involves the transition of the status or content of the predominant logic (Glynn, 2000). For hybrid organizations such as social enterprises that commit to social and financial objectives simultaneously, the interplay and potential contradiction between different logics of action tend to increase the complexity and instability that the organization faces (Greenwood et al., 2011). On the

one hand, hybrid organizations exploit the complementary advantages of integrating distinct institutional logics, e.g., meeting the demands of a pluralistic environment or achieving multi-value creation (Quélin et al., 2017; Seibel, 2015). On the other hand, they face the challenge of maintaining organizational stability by seeking a balance between the different material practices and belief systems prescribed by the logics at play (Besharov & Smith, 2014).

The co-existence of multiple logics in a hybrid organization is stable in a relative sense, but susceptible to changes in the environment or agency (Smith & Besharov, 2017; van Gestel & Hillebrand, 2011). A shift in the relatively stable status of multiple logics tends to centre around the waxing and waning of the present logics (Demers & Gond, 2019; Smith & Besharov, 2017). This feature tells the subtle difference between a change that alters how logics are blended and a wholesale change. The latter is more well-established in institutional literature and represented by many studies demonstrated under the micro-processes of managing institutional complexity in the next paragraph. Extant representations of a wholesale change emphasize the introduction of a new rationale to the organization, either subduing the existing logic or creating a mix of logics (Maguire & Hardy, 2006; Reay & Hinings, 2005).

On the one hand, most studies on hybrid organizations and institutional complexity have an interest in the static structures, mechanisms, and factors that allow organizations to blend logics while maintaining internal cohesion and stability. Research has focused on identifying the static structures and conditions that sustain organizational hybridity. Pache and Santos (2013), for instance, identify ‘selective coupling’ of intact elements from different logics as a critical mechanism for hybrid organizations to gain acceptance and explain that it differs from ‘decoupling’ (Meyer & Rowan, 1977) or ‘compromising’ strategies (Oliver, 1991) proposed by early institutional studies. Mair et al. (2015) find that social enterprises blend multiple logics in their governance with both the ‘compromising’ and ‘selective coupling’ structure; some prioritize a single logic while others defy or innovate by introducing new practices irrelevant to the present logics. With an eye on more complex influencing factors, researchers also suggest that specific mechanisms and conditions can affect whether hybrids manage to stabilize and generate

value, such as contractual, institutional, resources-based, and process-based factors (Besharov & Smith, 2014; Quélin et al., 2017).

On the other hand, there is a growing interest in the micro-processes of navigating multiple logics and managing institutional complexity. Most studies refer to a wholesale change. The longitudinal study of Reay and Hinings (2005) observes how the Alberta health care field has shifted to a new logic mix through the negotiation between powerful actors. Huybrechts and Haugh (2017) specifically analyze how the working of an inter-organizational network contributes to the legitimation of a new hybrid organizational form. Patala and colleagues (2017) investigate the hybrid rhetoric used by energy incumbents to justify their investments in sustainable and non-sustainable technologies. For research on the facilitation of information technologies and systems, the management of competing logics has also received attention. For example, Gawer and Phillips (2013) study the transition of Intel from a traditional supply chain logic to a new platform logic. They find that the process involves the external and internal practice work, and the legitimacy and identity work of the company. Focusing on the user side, Qiu, Gopal, and Hann (2017) capture the evaluation, design, and connection practices of app developers in synthesizing and balancing the professional and market logic.

By comparison, there is much less research on how organizations initiate a change in the present blend of logics, disrupt the relative stability, and seek for another point of balance. In this scenario, organizations change how much they draw on a specific logic but keep blending a similar set of logics. Different from the general understanding that organizational change is a shift from the 'old' to the 'new', the change in the mix of logics addresses the transition from an 'old balance' to a 'new balance.' A widely-discussed case is the mission drift of social enterprises, which is usually viewed as a passive choice of the organization or failure in meeting its social promise and sustaining multi-value creation (Ebrahim et al., 2014). Mission drift needs to be justified and adjusted to maintain organizational legitimacy as well as the level of trust that key stakeholders have in the company (Grimes et al., 2019). Among the few studies explicitly addressing proactive changes through the organizational agency, Demers and Gond (2019) investigate an oil sand company which shifts its objective from balancing

financial and environmental commitments, to systematically embedding sustainability in operations. In the process, individuals in the company responded to the change with different moral judgements and shaped the new compromise between the two worlds. Smith and Besharov (2017) conduct a longitudinal case study on a social enterprise and find the organization's sustaining of both social and financial outcomes involves the ongoing adaptation and balancing of competing elements. The longitudinal analysis of van Gestel and Hillebrand (2011) on the rise and fall of the dominant logic in the pluralistic field of public employment services also suggests that the settlement of multiple logics in the field is only temporary and can be substituted by new arrangements of similar logics from time to time. The potential of discussing the proactive act of shifting the balance between multiple logics beyond the social enterprise context has also been noted (Grimes et al., 2019; McMullen & Warnick, 2016) but remains under-explored, especially in new organizational forms such as platforms. We address this gap by focusing on the ways in which a sharing platform has tried to legitimize a new balance in its co-existing logics through the contestation and communication with users. We explore how the platform manages to promote an 'improved' point of balance in which a stronger economic logic can receive more tolerance and broader support, on the one hand, while it maintains legitimacy as a creator and guarantor of social value, on the other.

3. Methodology

We conducted qualitative research on the contestation between a sharing platform named HomeExchange and its members, before and after the platform's decision to replace its former virtual currency system ('Balloon') with a new one ('GuestPoints'). The adoption of the new system is part of the platform's merger with another company. Because of the relatively nascent state of research about how organizations use language practices to rebalance their co-existing logics, especially in the setting of platforms, we decided to follow an inductive approach. In this section, we describe the background, case selection, and the phases in which we collected and analyzed the data.

3.1. Background

Traditional home swapping started in 1953, when Intervac International in Europe and Vacation Exchange Club (now HomeLink) was established in New York City. Common to the sharing economy model which emerged in 2013 – i.e., facilitating access to underutilized and individual-owned resources, and addressing both social and economic benefits – many home-swapping platforms have self-identified and been recognized as part of the sharing economy.^{31 32 33} In the traditional form, home swaps are conducted between people reciprocally and simultaneously. It means when family A stays in the home of family B, family B also stays in the house of family A. Reciprocal but non-simultaneous exchanges appear as a mitigation to the time and space limit. However, the frequency and scale of swapping homes are still largely constrained. Envisage a common situation that although family A would love a stay in the city where family B's house is located, family B may not want to go to the town of family A. Another risk of non-simultaneous exchanges is that family A, which has already staid in the home of family B, may not be able to fulfil its promise of offering accommodation to family B later on. With searching and settling home swaps being moved from offline to online, virtual currency systems are implemented to tackle this time-space constraint.

As one of the major home-swapping platforms, HomeExchange (abbr. HE) was established in 1992 in the United States and moved to the Internet in 1995. In 2017, the platform was acquired by the French home-swapping company GuesttoGuest (abbr. GTG). Before the website integration with GuesttoGuest in December 2018, HomeExchange operated an egalitarian 'Balloon' system to deal with the time-space constraint and expand exchange opportunities; that is, one Balloon equals one exchange, regardless of the size, location, or facilities of the homes. With this system, members do not need to exchange their houses directly. Instead, the guest can give one Balloon to the host for staying in the host's home, while the host can use the Balloon to go to their

³¹ LoveHomeSwap. (2020). The Global Sharing Economy | Love Home Swap. Retrieved 7 March 2020, from <https://www.lovehomeswap.com/globalsharingeconomy/index.html>

³² HomeLink. (2020). Home Exchange - Traditional Home Swap Holidays. Retrieved 7 March 2020, from <https://www.homelink.org.uk/>

³³ HomeExchange. (2020). About Us - HomeExchange. Retrieved 7 March 2020, from <https://www.HomeExchange/p/about-us>

preferred places. After the website merger, the new platform, still named HomeExchange, opted for the ‘GuestPoint’ (abbr. GP) system of what used to be GTG. In this system, for the same purpose of breaking the time-space constraint, a home can be measured by a specific number of points so the guest can stay in the house by giving points to the host, with no need to reciprocate with their own home. The number of points for a home is calculated by the platform algorithm based on the number of beds, locations, amenities, etc.

Besides the quantifiable design of the GP, it also involves accompanying changes in the approaches of allocating/acquiring the virtual currency and the subscription plans paid to the platform for completing an exchange. For the former, while one Balloon is given to the new members in their first year of joining the platform, further Balloons can only be earned by hosting other members. The GP system provides more diverse ways of obtaining points. Although hosting other members is still the primary approach, members can also earn points through platform activities such as verifying the listing, completing the profile, and inviting friends to join. If a member is short of points when finalizing exchanges, there is also an alternative of purchasing points from the platform. To motivate more people to join the platform, the company awarded 500 points to new members registering to the Annual Plan to start exchanging.³⁴ For the subscription plan, members of the old platform pay for an annual membership. On the new platform, people can choose between an annual plan and an essential plan.³⁵ Instead of paying annually, members opting for the essential plan pay the platform per night they stay in another member’s home (see Table 1).

The website merger, especially the GP system's unified application, evoked a wave of opposition and controversy, mainly among members from the former HomeExchange. Many of them see it as a shift from the prevailing social logic of facilitating reciprocity and connection to an economic logic of marketization and platform dominance. Since the merger, the contestation and communication between the new platform and its members around the GP system, as well as the interaction between members, have

³⁴ The award was removed by the platform on 1 December 2019.

³⁵ The essential plan was removed by the platform on 2 December 2019.

mainly taken place in four digital spaces: (1) on the third-party review website TrustPilot; (2) on the platform, such as the mutual review system, Blogs, FAQs, web pages, and legal files; (3) in the platform-organized online Q&A session; (4) and in the open or closed Facebook groups. Except for the last one involving private discussions in closed groups, most spaces are public.

Table 1 Comparing the key designs of the Balloon and GP system

Design	Balloon	GuestPoint
Treatment of asset value	1 Balloon = 1 Stay; despite the length of stay and the quality and location of the home	xxx points = A particular home (per night); calculated automatically by the website based on multiple criteria such as the number of beds, location, and extra amenities
Approach of allocation/acquisition	Hosting; Subscribing to Annual Plan	Hosting; Verification; Creating an account, completing the profile, and putting on a new home listing; Subscribing to Annual Plan; Renewing Annual Plan; Referring new members; Purchasing from the website
Platform subscription plan	Annual Plan	Annual Plan; Essential (pay-per-night) Plan

3.2.Data collection

This home-swapping platform is a prototypical case that plays the mediating role between exchange partners and has promoted a transition of its multiple existing logics. The platform was identified in our tracking of changes on various sharing platforms since 2017 and was the one of those that exposed heated member criticism. So, it is also a case that sharpens our observation of the tension in shifting the balance between logics. It also revealed a complete process of platform-member contestation. The process took place mainly in digital spaces, particularly on the third-party review website TrustPilot and the new platform interface, including the member mutual review system and Blogs. Hence, member- and platform-generated content constitute the primary source of our data. In total, we conducted three rounds of collection on the

following content: (1) TrustPilot reviews left by members on the HE page, and HE's replies; (2) member mutual reviews on the past home-swapping experiences that involve Balloons or GPs; (3) platform Blogs that mention Balloons or GPs. The first round of data collection was conducted in March 2018, and the other two rounds in February 2019 and January 2020, respectively. The platform formally launched the new virtual currency system in December 2018. Hence, our dataset covers most platform-member communications relevant to the old and new virtual currency system throughout the transition process. We initially located relevant member- and platform-generated content by searching with the following keywords: 'Balloon' 'Passport (Exchange)'³⁶ 'Points' 'GuestPoints' and 'GP,' followed by a detailed reading and cleaning. Individual information such as first names was eliminated, and each unit of content was assigned a random number in the dataset.³⁷

Besides, we collected complementary data spanning the period from March 2018 to January 2020, including the web pages and legal files of the old³⁸ and the new HE website³⁹, as well as the email newsletters sent by the old and new HE. The email newsletters serve as a primary channel for the company to communicate with users and are sent to highlight featured content, update website changes and community news, or promote market information. In March 2019, the platform held a Community Q&A Session, especially for answering user questions about the new website, including the virtual currency system. The webinar video and the list of user questions were made available on Youtube and in the Blog. These complementary data provide useful references for us to reconstruct the timeline and key events of the transition as well as cross-check our analysis and interpretation. Considering the privacy of conversations in closed Facebook groups and the most relevant content in them was also identified in the public spaces, we only referred to group discussions to corroborate our interpretation of findings instead of adding them to our dataset.

³⁶ Another name for exchanges with Balloon.

³⁷ Although not individually identifiable, any first names or general locations appeared in the text were replaced by 'She' 'He' 'They' 'We' '[Member Name]' or '[Location].'

³⁸ Collected in March 2018, no significant change until the merger.

³⁹ Collected in February 2019 and January 2020 respectively.

The final dataset includes 244 HE member reviews on TrustPilot, with around 74% replied by HE, 1015 member reviews on past exchanges, 128 blog posts, 336 web page screenshots, 11 legal and community files such as Terms and Conditions, and 133 email newsletters. Trustpilot reviews and member mutual reviews contain rich information on how different HE members perceive the virtual currency system and their arguments. HE's replying to Trustpilot reviews, its platform Blogs, web pages, legal files, online sessions, email newsletters, cover most channels with which the company justifies and defends its decisions.

3.3.Data analysis

We conducted a rhetorical analysis of our data (Burke, 1969; Perelman & Olbrechts-Tyteca, 1969/2008). Considering the highly diversified forms of expression, we defined our unit of analysis as a block of text that delivers an argument with an independent and complete theme, i.e., a '*reference*.' Our aims were twofold. The first one is to identify the major claims and supporting evidence in the member and platform arguments on the two virtual currency systems, i.e., how the members and the platform make sense of the adoption and design of the systems. Simply put, these explicit claims with their supporting facts are the 'meanings' that each side gives to the virtual currency. The second aim is to analyze the deep structure of these arguments and capture the implicit part of rhetoric. By unpacking the structure, we captured the different underlying assumptions of member and platform arguments, that is, on what grounds they attach particular meanings to the system and develop their argumentation. These underlying assumptions represent either different or similar 'criteria of legitimacy' – i.e., 'institutional logics' – that each side agrees to (Suddaby & Greenwood, 2005, p. 38).

Structure and sentiment of argument. We apply Toulmin's model of argument to analyze the deep structure of member and platform arguments. Toulmin's model identifies four essential elements of an argument: claim, data, warrant, and backing (Toulmin, 2003). *Claim* is the conclusion whose merit the speaker seeks to establish, while *data* contains the facts and evidence that the speaker uses to support the claim. *Warrant*, usually implicit in words, is the general statement that authorizes the step of linking the data to the claim. Providing the grounds for a warrant, *Backing* answers 'why

in general the warrant should be accepted as having authority' (Toulmin, 2003, p. 95). It is the underlying assumption of what is legitimate in this particular field of argument, namely, the established institutional logic (Harmon, Green, & Goodnight, 2015). It conveys 'the rules or reasons for who gets to do what, for what purpose, in which way' in that setting (Green Jr & Li, 2011, p. 1676).

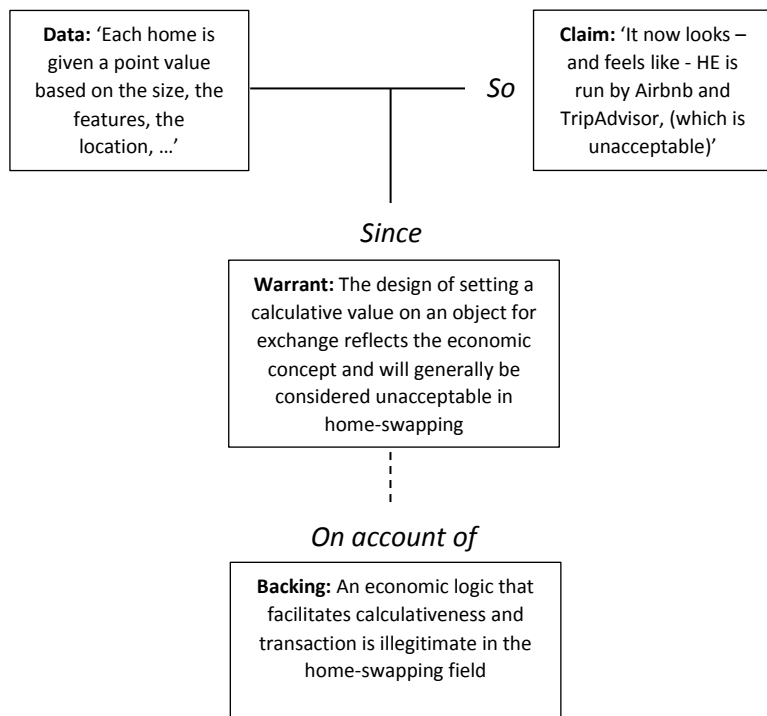
The main task of our analysis is to identify the four elements of each reference in the dataset. Here we use one reference from a member and one from the platform as instances to illustrate our work.

Member: 'It now looks - and feels – like HomeExchange is run by Airbnb and Trip Advisor [...] each home is given a point value (based on the size, the features, the location...) and one can then do a reciprocal exchange and ask one's partner to 'pay up' so many points.'

Platform: 'For us, HomeExchange continues to be "true sharing" (and not paying). We set a value in GuestPoints, yes, but that's just to facilitate the reciprocity.'

In the first instance, the general conclusion the member wants to deliver is the adoption of the new GP system is unacceptable (Claim), and the evidence is each home is given a point value based on some material standards (Data). The link between data and claim is that setting a calculative value on an object reflects the economic and market concept, which will generally be considered unacceptable in home-swapping (Warrant). Although being implicit, the warrant has authority because the member has an underlying assumption. That is, in the home-swapping field, where people have long been exchanging based on the egalitarian notion and social reciprocity, an economic logic that practices calculation and transaction is illegitimate (Backing) (see Figure 1, Left). However, in the second instance, the platform tries to claim that the adoption of the new system is acceptable (Claim), with the support that setting value is to facilitate the (indirect) reciprocity (Data). The warrant is that, if setting the value is just an approach to making exchanges more flexible for members, it can be accepted (Warrant). The argument is grounded in a logic that focuses on increasing exchange flexibility, which belongs to a general economic logic (Backing) (see Figure 1, Right). Besides the four components, we also captured the *sentiment* of each member reference. The

A member argument



A platform argument

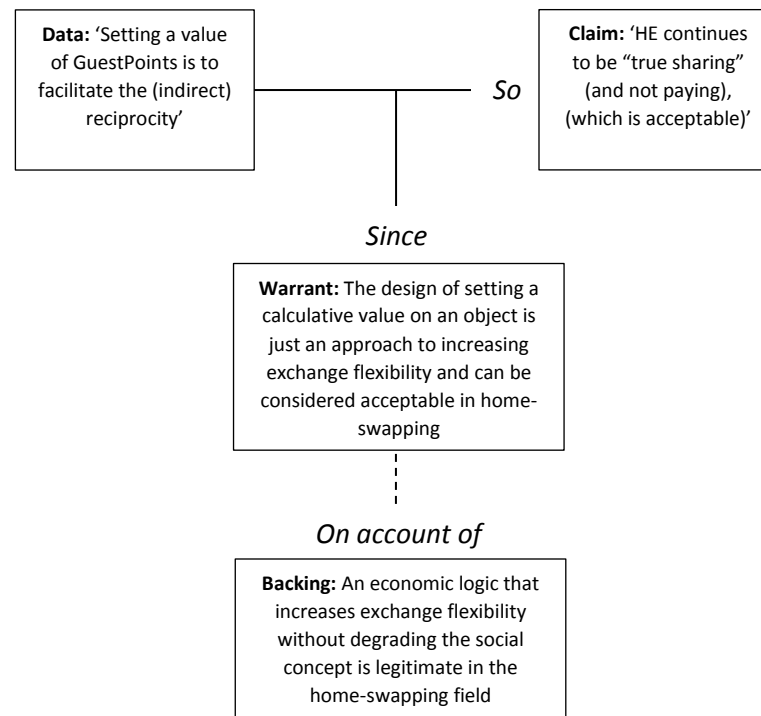


Figure 1 Toulmin model: Structure of member and platform arguments

positive or negative attitude present in member arguments helps drawing out whether they consider the virtual currency system as acceptable or unacceptable.

The data analysis consists of three stages. In the first stage, we categorized the data based on who made the arguments (member or platform), when (Balloon or GP), and where the arguments are made (TrustPilot, member mutual review system, or platform Blog). We treated the content in different digital spaces as independent data subsets. We analyzed them separately, for the crucial reason that the language in different digital areas takes on distinct features. For instance, required by TrustPilot to provide valid information on businesses, member reviews on TrustPilot are usually targeted comments on the design or function of the virtual currency system, but their mutual reviews are less direct and more illustrations of their exchange experiences in the use of the virtual currency. Similarly, platform replies on TrustPilot tend to be targeted and concise answers to specific questions. In contrast, platform Blogs take the typical form of narratives, integrate more diverse meanings and structures, and usually address multiple issues in one paragraph or article.

The second stage is an open coding process. Through detailed reading and examining all subsets, we identified the common themes in the 'data' of all arguments (first-order). In the process, we compared, merged, and split themes to ensure the optimal homogeneity within a theme and differentiation between themes. For member arguments, the themes were further grouped based on their 'positive,' 'negative,' or 'neutral' sentiment, indicating whether members find the adoption of the virtual currency system (1) an improvement or acceptable, (2) a degeneration and unacceptable, or (3) acceptable but needs to be improved; together constituting the three general claims of members. For the platform defending and justifying its decision, its general claim is constant, conveying the message that the adoption of the system is an improvement or acceptable.

At the third stage, we conducted axial coding, searching, and identifying the relationships among the first-order aggregate themes of 'data' (Strauss & Corbin, 1990). We looked for the common 'warrants' implied by the 'data' (second-order). Three types of warrants were identified: (1) perceived value/value reflected (particular concepts and beliefs are perceived from/reflected in the design of the system/in the exchange

process); (2) associated behaviour (member behaviours with the system are consistent with certain principles and rules); (3) outcome/expected outcome (the system delivers/is expected to deliver specific results). This process allowed reducing the first-order ‘data’ into a few second-order ‘warrants’ addressing distinct concepts and beliefs, behavioural principles and norms, and outcomes of practices.

Finally, all warrants were grouped based on whether they are of the same nature, that is, whether they are grounded in the same type of ‘backing’ or assumption of what value, behaviour, and outcome of practices are generally (il)legitimate for organizing exchanges in home-swapping. These ‘backings’ or underlying assumptions represent the institutional logics present in the field of contestation – social, economic, mixed, and alternative – although the members and the platform may agree with different ones.

Figure 2 shows the structure of our analysis of member arguments around the new GP system (after the merger) (see Appendix - Figure 2a for the full figure). The corresponding supporting evidence for our structure is presented in Table 2 (see Appendix - Table 2a for the full table). Figure 3 displays the analysis structure of platform arguments on the GP system, with the respective evidence in Table 3 (see Appendix - Figure 3a & Table 3a for the full figure and table). In Appendix, we also present our analysis of member and platform arguments on the former Balloon system (see Appendix - Figure 4 & 5) and the supporting content (see Appendix - Table 4 & 5).

Significance of argument. We sorted the order of the aggregate themes under each backing, respectively, by the theme's importance. We considered three criteria for sorting the degree of significance: the co-appearance of references under a theme in multiple digital spaces, the proportion of references under a theme among the overall member or platform references, and the appearance of references in the email newsletters sent by the platform. For members, the arguments present in both member TrustPilot reviews and mutual reviews were considered more prevalent than those only appearing in a single digital space. Similarly, the arguments used by the platform in both targeted TrustPilot replies and its construction of narratives in Blogs tended to be more consistent interpretations and more substantial justifications of the platform. Besides, we made use of the email newsletters sent by the platform to assist our identification of

more critical arguments of the platform. Content included and pushed in the newsletters showed more significance than others. Evaluating the importance is essential in distinguishing stable and consistent arguments from transient and individually-biased ones.

4. Findings

The contestation around the adoption of the new virtual currency system unfolded as a ‘questioning-responding’ interaction between the individual members and the platform, where each side communicated its claims with supporting facts in the corresponding digital spaces. The process spanned around a year, from launching the GP system to the subsiding of member criticism. In this section, we follow a general timeline that the contestation evolved and start by presenting the structure and content of member arguments. Illustrating the claims, facts, warrants, and grounds with which members reasoned and constructed their arguments delineates the specific circumstance that the platform confronted, that is, a broad diffusion of the shared meanings of virtual currency. The diffused meanings signal the deconstruction of the existing institution and the legitimacy of the platform as the governing body of sharing activities. Next, we illustrate the structure and content of platform arguments made in multiple digital spaces and at different times, elaborating how these arguments responded to different member critiques, evolved, and geared the meaning reconstruction of virtual currency towards a reformed logic mix of home-swapping.

4.1. Member argumentation and meaning diffusion of virtual currency

We see HomeExchange’s receiving of intense questioning and criticism from members as the start of the contestation. It happened as soon as the new website, where the GP system was one of the most significant changes, was launched. Negative reviews on the HE page of TrustPilot boosted. On launching the new website, HE posted several Blogs and sent out an email to notify members of the change. The news on the union of the two sites was also sent out one week before but did not specify the changes. The lack of

* **Bold:** New arguments appearing after the merger.

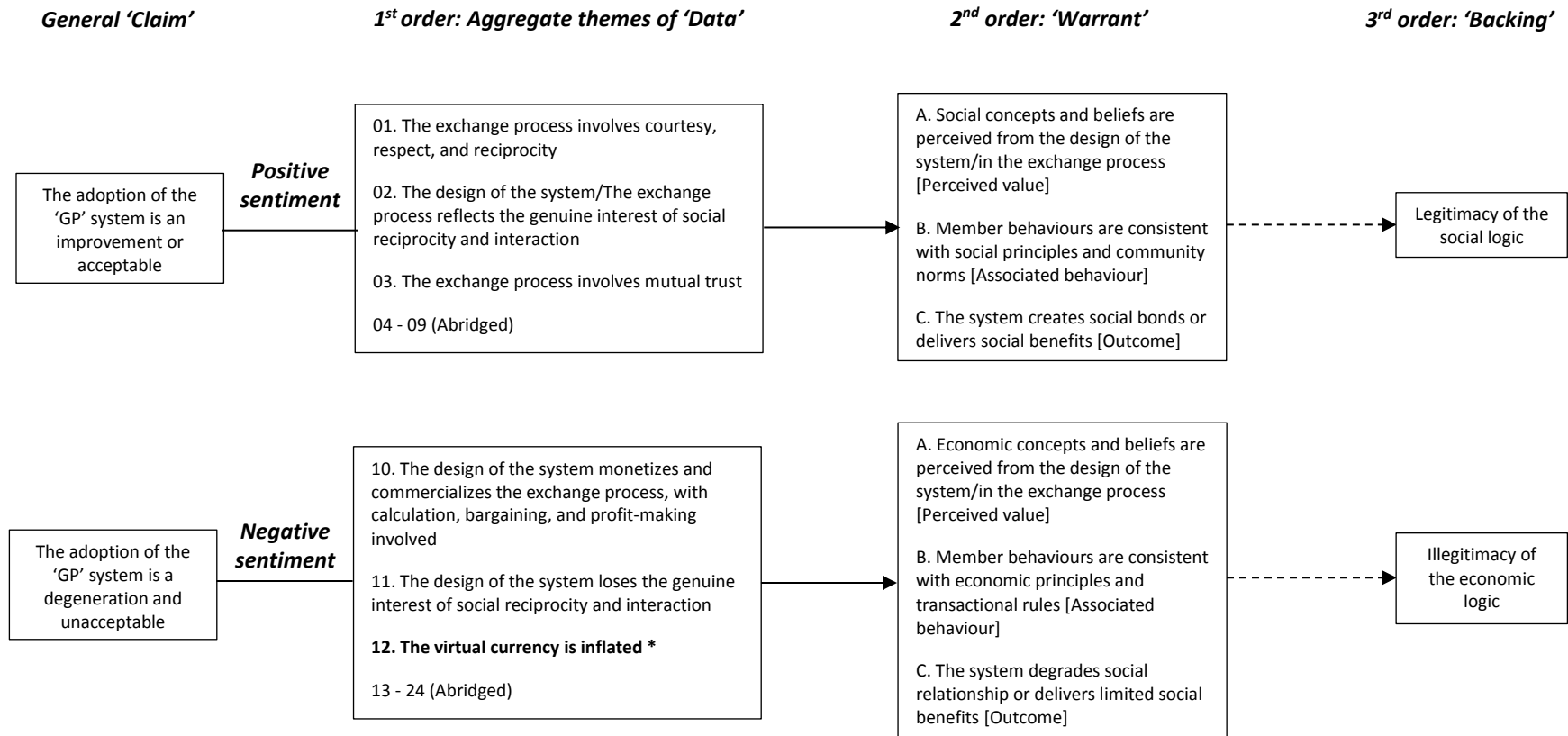


Figure 2 Member arguments after the merger: Structure of analysis (ABRIDGED)

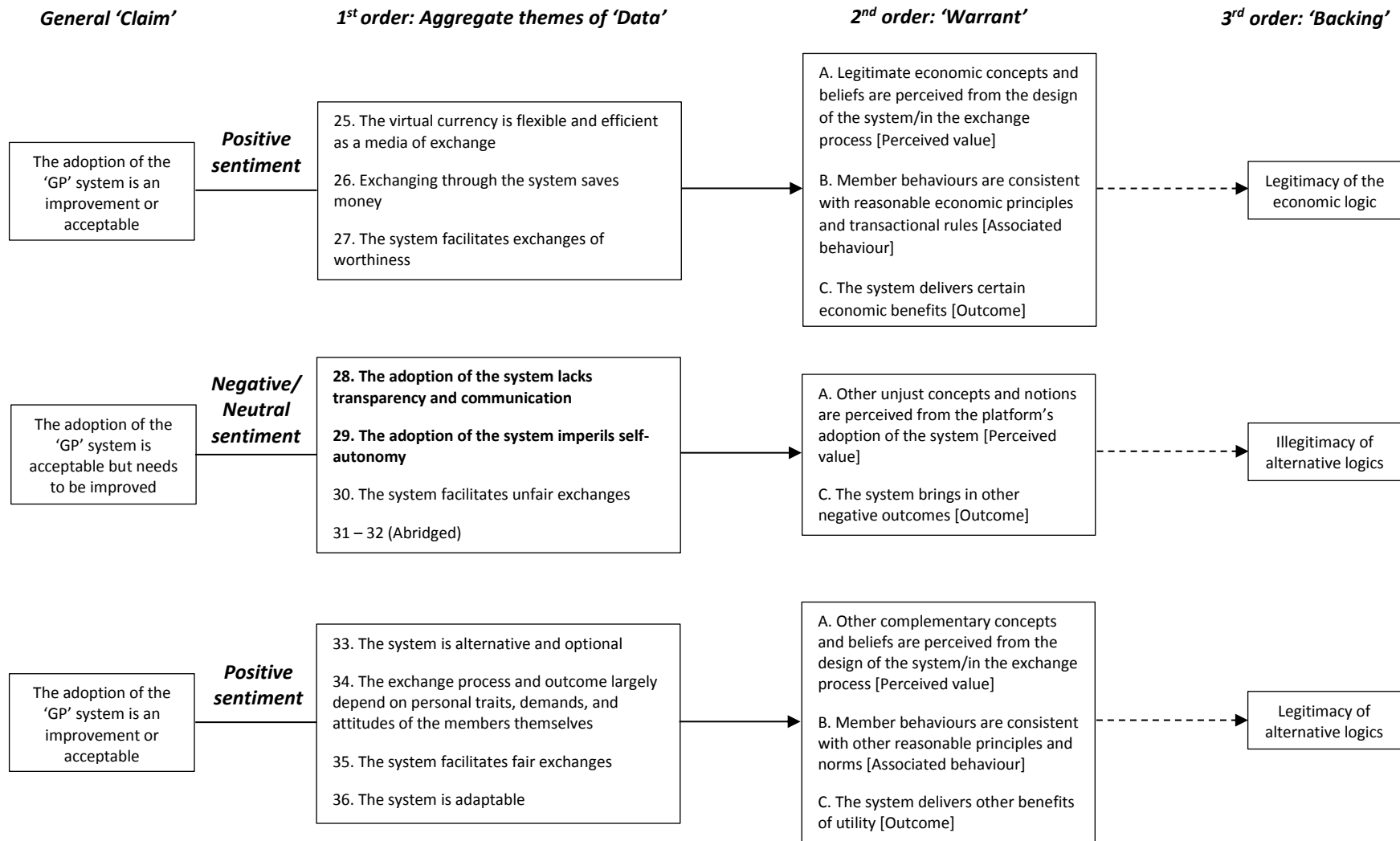


Figure 2 Member arguments after the merger: Structure of analysis (ABRIDGED) (cont'd.)

Table 2 Member arguments after the merger: Representative content and location (ABRIDGED)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
<i>Legitimacy of the social logic in the home-swapping field</i>		
01. The exchange process involves courtesy, respect, and reciprocity	'All the planning and communication went very smoothly and they left our home in perfect condition. In fact, they deserve 10 stars for cleanliness ... everything was so tidy that we couldn't even tell they had been at our home for a week.' [Associated behaviour]	T / M
02. The design of the system/The exchange process reflects the genuine interest of social reciprocity and interaction	'What hasn't changed a bit from my experience, is the fundamental values underlying the spirit of exchanging homes. People are just as communicative, open and willing to help, as they were before the merger. There is still a lot to improve upon, but it's better than before.' [Perceived value; Associated behaviour; Outcome]	T / M
03. The exchange process involves mutual trust	As it was through GP, we were able to meet and even Ayse brought me around the city to have a tour. They are the kind of people you can trust for the first moment, and they've been very helpful during the exchange.' [Associated behaviour; Outcome]	T / M
04 - 09 (ABRIDGED)		
<i>Illegitimacy of the economic logic</i>		
10. The design of the system monetizes and commercializes the exchange process, with calculation, bargaining, and profit-making involved	'It now looks – and feels – like HomeExchange is run by Airbnb and Trip Advisor [...] one can then do a reciprocal exchange and ask one's partner to 'pay up' so many points because their home is smaller or doesn't have the jacuzzi or the international tourist site nearby. Worse, little 'carrots' in the form of 'points you can earn' pop up constantly: have your address verified and earn XX points, add a photo of yourself and earn XX points. And then one can go shopping for home stay of the non-reciprocal type.' [Perceived value; Associated behaviour]	T / M

Table 2 Member arguments after the merger: Representative content and location (ABRIDGED) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
11. The design of the system loses the genuine interest of social reciprocity and interaction	"Generosity, Trust and friendship were the essence of the exchanges NO MONEY was involved in the process. Just the idea of sharing what we have ... small/big, downtown, farm, whatever but from our heart not from money basis. The owners of HE have decided to change the spirit of swap and nowadays our houses have POINTS = COINS.' [Perceived value; Associated behaviour]"	T
12. The virtual currency is inflated ^b	"Free points for everyone!!" Anything to get people to list their "home" and increase HE's reported numbers. So basically, you have a whole lot of people coming to the site and putting up a listing just for the free points they get. With no intention of ever hosting themselves. Reminiscent of a Ponzi scheme in a lot of ways. This is extra worrisome because this one-way exchange is not only not being discouraged – it appears to be being encouraged.' [Perceived value; Associated behaviour; Outcome]"	T
13 - 24 (ABRIDGED)		
<i>Legitimacy of the economic logic</i>		
25. The virtual currency is flexible and efficient as a media of exchange	'With the union of guest to guest and home exchange, the new web site gives us more options and tools to conclude exchanges and live like locals anywhere in the world. Feel that the combination of exchange and guest points have a lot of potential and will help us visit more places easily.' [Perceived value; Outcome]"	T / M
26. Exchanging through the system saves money	'This visit would not have been possible if it wasn't for the fact that we could do home exchanges and save so much money on not having to pay for accommodation' [Outcome]"	T / M

Table 2 Member arguments after the merger: Representative content and location (ABRIDGED) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
27. The system facilitates exchanges of worthiness	'Also favored by the fact that we are Italian and professed both, we communicated directly and perfectly , everything went as planned, the house is delicious, with a terrace that makes you want to dive into the sea, and well organized: worth the points great.' [Outcome]	M
<i>Illegitimacy of alternative logics</i>		
28. The adoption of the system lacks transparency and communication	'I was completely blindsided when I logged on one day to find out my balloon exchanges were gone and replaced with "guest points". Why would they do this and not even tell you beforehand?' [Perceived value; Outcome]	T
29. The adoption of the system imperils self-autonomy	'Who has the power to say how many POINTS deserve my place or your place??? Unfortunately I have not received a report from HE telling about all these changes before I paid my renewal ...' [Perceived value]	T
30. The system facilitates unfair exchanges	'Groups usually offer one property while half of the party, not even Members, comes along for a free vacation. If they would need more points than they would have to consider offering more than one property. Only the sun comes up for free.' [Perceived value; Associated behaviour]	T
31 -32 (ABRIDGED)		
<i>Legitimacy of alternative logics</i>		
33. The system is alternative and optional	'In my opinion, the points system enables a lot more exchanging to happen and if a member prefers the old way, they can opt to only do reciprocal exchanges, just like before. It's the best of both worlds available to members now.' [Associated behaviour]	T / M

Table 2 Member arguments after the merger: Representative content and location (ABRIDGED) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
34. The exchange process and outcome largely depend on personal traits, demands, and attitudes of the members themselves	'Of course, it would save the company but it would compromise our community. We can't avoid the risk. Nevertheless, we can overcome it: it only depends on us, on our attitude.' [Associated behaviour; Outcome]	T / M
35. The system facilitates fair exchanges	'In my experiences and I know some people have been worried with changes to the home exchange program but I have been very pleased with the new set up as an example the old balloon program was not always fair as the balloon did not have equal value where the new points system has points value for each day you exchange.' [Perceived value; Outcome]	T / M
36. The system is adaptable	'Though I heard a lot of valid criticism from naysayers, I figured that if I spent my time learning the new system, by the time a lot of the wrinkles were ironed out, I'd be that much further along the learning curve. I'm afraid some people fixate on what is causing them a challenge rather than figuring out how to transition to the new site and its features.' [Associated behaviour]	T

^a T: represents members reviews on TrustPilot. M: represents member mutual reviews on past exchanges.

^b **Bold: New arguments appearing after the merger.**

* **Bold:** New arguments appearing after the merger.

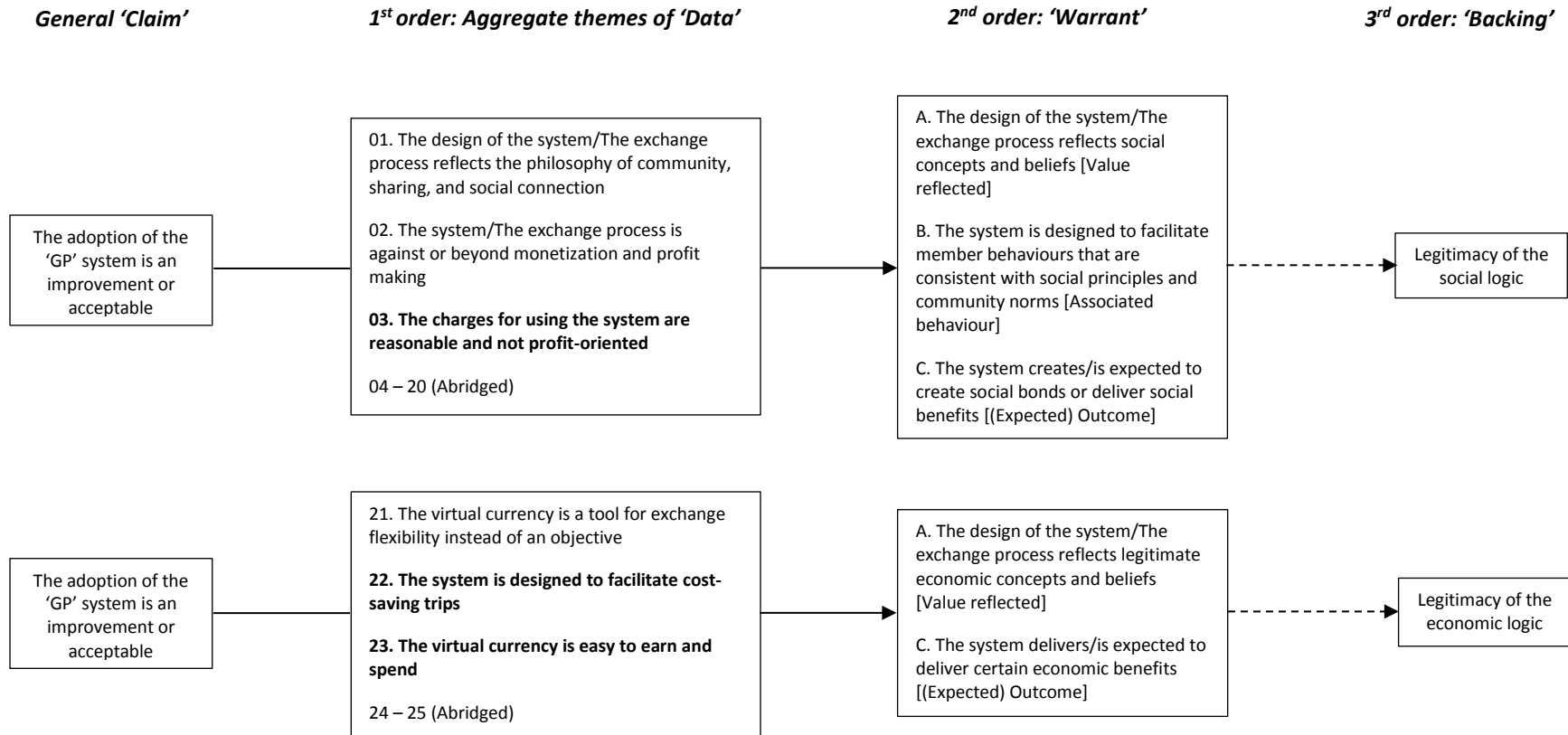


Figure 3 Platform arguments after the merger: Structure of analysis (ABRIDGED)

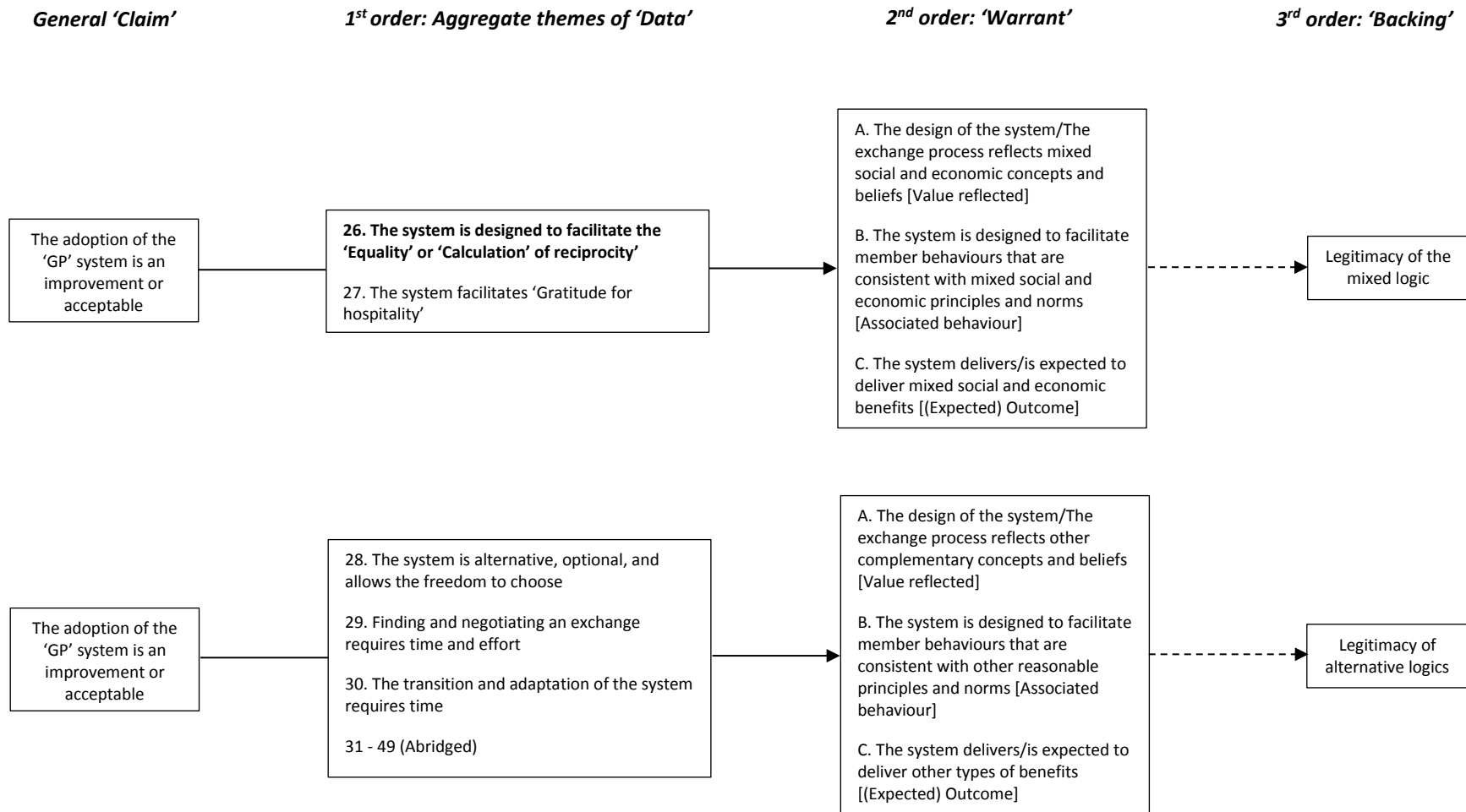


Figure 3 Platform arguments after the merger: Structure of analysis (ABRIDGED) (cont'd.)

Table 3 Platform arguments after the merger: Representative content and location (ABRIDGED)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
<i>Legitimacy of the social logic</i>		
01. The design of the system/The exchange process reflects the philosophy of community, sharing, and social connection	'HomeExchange is, above all, a story of trust, sharing, and hospitality. Our community is based on an exchange of houses and apartments and each Member is both a guest and a host. Even with GuestPoints, an exchange is an exchange that is both unique and human. The 6 principles, which we worked on together with a group of ambassadors, are fundamental.' [Value reflected; Associated behaviour]	R / B
02. The system/The exchange process is against or beyond monetization and profit making	'GuestPoints are not a business model, they are just here to help members to find more flexible exchanges. The need to buy GuestPoints when you miss a few ones was repeatedly asked by some members who lacked just a few points to conclude an exchange. It is a marginal source of revenue for us. We decide to put a high price in order to discourage people to buy some GuestPoints.' [Value reflected; Associated behaviour]	R / B
03. The charges for using the system are reasonable and not profit-oriented ^b	'The need to buy GuestPoints when you miss a few ones was repeatedly asked by some members who lacked just a few points to conclude an exchange. It is a marginal source of revenue for us. We decide to put a high price in order to discourage people to buy some GuestPoints. About the revenues, I want to overcome a big misunderstanding, these figures are not right.' [Value reflected; Associated behaviour]	R / B
04 - 20 (ABRIDGED)		
<i>Legitimacy of the economic logic</i>		
21. The virtual currency is a tool for exchange flexibility instead of an objective	'The points are actually really not a purpose but only a way to help people finalize more exchanges and give them more opportunities to travel and meet new people.' [Value reflected; Expected outcome]	R / B

Table 3 Platform arguments after the merger: Representative content and location (ABRIDGED) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
22. The system is designed to facilitate cost-saving trips	<i>'(User content quoted by the platform) Why would we even want to buy a second home in Malaga, with all the expenses and potential stress that it would entail? We already had a 'second home' in this great city. In fact, we had many - and all without the expense and upkeep of a house or apartment hundreds of miles away from home. It was called Home Exchange. And with our flexibility on travel dates, being able to stay for points or reciprocal swaps, and with so many users.'</i> [Outcome]	B
23. The virtual currency is easy to earn and spend	'A complementary solution for getting GuestPoints (and unlimited travel for only 130 €/year): become an Optimal Member and receive 500 GPs when you sign up. [...] You can also earn 100 GPs by becoming a verified member. [Outcome]'	B
24 - 25 (ABRIDGED)		
<i>Legitimacy of the mixed logic</i>		
26. The system is designed to facilitate the 'Equality' or 'Calculation' of reciprocity	'Let me give you an example: with Balloons many members would not give them away because they were too "precious" to get; they wouldn't either redeem a balloon for 3-4 nights ("too short stay" they told us) but the host would then ask for 2 Balloons for a long exchange of 3-4 weeks. With GuestPoints all these problems are solved. We know it feels strange in the beginning to have a "number" of points per night, but this is actually a more fair and transparent way of calculating the reciprocity.' [Value reflected; Associated behaviour; Outcome]	R / B
27. The system facilitates 'Gratitude for hospitality'	'Our hospitality is a gift, and when we are invited, we offer our GuestPoints in gratitude for that hospitality.' [Value reflected; Associated behaviour]	B

Table 3 Platform arguments after the merger: Representative content and location (ABRIDGED) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
<i>Legitimacy of alternative logics</i>		
28. The system is alternative, optional, and allows the freedom to choose	'Did you know that it is also possible to organize simultaneous exchanges WITHOUT GuestPoints? Yes, GuestPoints are like antibiotics: they're not automatic! Some members prefer to organize their reciprocal exchanges without using GuestPoints. This is a personal choice, which is very simply done by checking a button on your home page, after discussion with your potential exchange partner. So, you don't necessarily need GuestPoints to finalize an exchange!' [Value reflected; Associated behaviour]	R / B
29. Finding and negotiating an exchange requires time and effort	'You also mentioned that you had problems to find an Exchange using GP's. In average, to find an Exchange (any Exchange, being one with or without GuestPoints) a Member sends about 10-15 messages until finding a positive reply. We have noticed that since you have been a Member of our community, you have sent 3 requests for GuestPoints Exchanges.' [Associated behaviour]	R / B
30. The transition and adaptation of the system requires time	'Whether you're new to HomeExchange or you've been a long-time Member, we know that the concept of GuestPoints can be a little daunting. The team came together to create a guide to add some clarity to the many ways of exchanging.' [Value reflected]	R / B
31 - 49 (ABRIDGED)		

^a R: represents platform replies on TrustPilot. B: represents the content of platform Blogs.

^b **Bold: New arguments appearing after the merger.**

prior communication from the platform later became one of the major objections of members. As shown in Figure 2 (see Appendix - Figure 2a for the full figure), the adoption of the GP system brought about three different voices among members, identified as three general claims that the system is (1) an improvement or acceptable to home-swapping, (2) a degeneration and unacceptable, or (3) acceptable but in need of significant improvement. These claims, infused with a positive, negative, or neutral sentiment, were made by members based on the different facts and evidence they had observed and perceived from the new system.

4.1.1. What does virtual currency mean to individuals? The content and co-existence of diffused member arguments

Members' questioning and criticism converged on two types of arguments about the GP system. First, people argued against the GP system and perceived it as a tendency of commodifying their invaluable homes and degrading the social ties between exchange partners. This argument is grounded in the assumption that an economic logic was largely unacceptable in home-swapping practices. The illegitimate side of the '*economic logic*' involved the concepts and beliefs that pursue profitability and optimal scale, the behavioural principles and rules of transaction and calculation, and the outcomes of degraded social relationships and benefits.

Another delegitimizing interpretation of members pointed out that the platform did not have the right to impose such a change and a calculative value on members' homes. Swappers with this understanding, assumed the platform's limited role in valuing the individually-owned resource and designing the exchange form. The second argument was based on the concept that the platform should respect members' self-autonomy in managing their assets and exchanges since the platform was not the owner of the assets. It was not associated with either an economic or a social logic, but referred to the illegitimacy of other unjust concepts, unfair practices, and negative consequences. We categorized these assumptions of illegitimacy that were independent from either the social or economic logic as the illegitimate side of '*alternative logics*.'

Commodification, calculation, and reduced social relationship. Instead of putting an equal value of one balloon on all homes, the GP system is designed to assign varied

numbers of points on different homes per night, with the algorithm developed by the HE platform. The algorithm calculates home value based on the number of beds, home location, size, and amenities.⁴⁰ On launching the GP system, the platform promoted in its Blog that the virtual currency, which was now quantified and measurable compared to the Balloon, was more flexible in usage and could enable ‘equality in reciprocity.’ However, a considerable proportion of members from the former HE primarily perceived the decision of making the virtual currency measurable as an action to commodify and commercialize homes for business purposes (see Appendix - Table 2a, No. 10 & 11). They also pointed to the potential consequences of this measurability, that it would make it easier and suggestive for people to calculate, bargain, or even make profits. Therefore, this change of design directly contradicted the original home-swapping notions like ‘Reciprocity,’ ‘Sharing’ ‘Friendship,’ and ‘No money involved.’ It reduced the quality of reciprocal interaction to the quantity of equal pay, and thus was an unacceptable practice which lost the genuine interest of home-swapping.

This perception and argumentation of members were further reinforced by a set of additional designs, exchange behaviours, and outcomes that resembled the operation of the market system (see Appendix - Table 2a, No. 12 - 22). For example, as it claimed to facilitate exchanges for people who missed a few points, the new HE offered the option of purchasing the insufficient part of points from the platform. The alternative was designed in the way that the price of buying extra points from the platform was high, which – as the platform explained later – was to discourage people from buying points but earning points through hosting. However, a representative member interpretation of the ‘expensiveness’ was a profit-making practice of the platform, considering this move had finally crossed the long-standing bottom line of home-swapping, i.e., no cash should be involved in the exchange process.

‘We feel very strongly that members should NOT be able to buy tokens with money. HE staff say it's expensive to buy these tokens, but it encourages a few members to abuse/misuse the system and try to be a guest but not to host, and we think only the HE

⁴⁰ HomeExchange. (2020). What is the value of my home in GuestPoints? Retrieved 4 June 2020, from <https://homeexchangehelp.zendesk.com/hc/en-us/articles/360000631257-What-is-the-value-of-my-home-in-GuestPoints->

company gains through the sale of tokens. Tokens should ALWAYS BE EARNED through hosting, renewal of membership, assisting other members etc ... Flexibility is good, sale of tokens is bad!' (TrustPilot member review)

Targeting the lowered barrier of acquiring points, members also argued that the platform's giving of points as a 'welcome gift' to new members, and the rewarding of simple verification and listing, could have caused the 'inflation' of this virtual currency in the exchange field. Compared to the 'stinginess' of the former HE in allocating Balloons,⁴¹ the 'generosity' of the new platform to newcomers not only triggered the feeling of unfairness among old members, but also made them more inclined to attribute the limited member responses to 'GP swaps' to the inflated value or 'no proven value' of the virtual currency, to the advantage-taking behaviours of the fast-growing newcomers, and fundamentally, to the platform's eagerness to scale its business by sacrificing exchange quality.

"Free points for everyone!!" Anything to get people to list their "home" and increase HE's reported numbers. So basically, you have a whole lot of people coming to the site and putting up a listing just for the free points they get. With no intention of ever hosting themselves. Reminiscent of a Ponzi scheme in a lot of ways. This is extra worrisome because this one-way exchange is not only not being discouraged – it appears to be being encouraged.' (TrustPilot member review)

Also, since the points were calculated based on the number of nights of stay, exchange requests for short stays, fewer than three nights, started to grow. It differed from the Balloon when people were more willing to spend a Balloon on longer and 'worthier' stays. Although this increased flexibility of time length was an original motive of and an offering promoted by the new platform, members criticized that this encouragement of short stays had reduced both the motivation and opportunity of building strong social ties with exchange partners in the first place. Besides, it also added to the cost on the host side to evacuate home and prepare just for a short stay. It escalated the hosts' feelings of unfairness and perception of advantage-taking behaviour.

⁴¹ The former HE gave one Balloon to each subscribed member per year. In addition to that, members can only earn Balloon through hosting.

'I no longer receive offers to exchange homes and now I receive near-daily demands or requests from strangers for me to vacate my house for one or two days on short notice so that they can make themselves comfortable in my home in exchange for something called guest points which have utterly no value. I am not running an Air B&B.'
(TrustPilot member review)

Platform dominance and individual self-autonomy. Although not as prevalent as the arguments against the economic logic, members also doubted the platform's discretion of redesigning the system in the way of valuing homes with limited prior communication. These arguments constituted the second primary argument against the adoption of the GP system (see Appendix - Table 2a, No. 28 & 29). They also tended to mix with and intensify the arguments embedded in the illegitimacy of the economic logic. With the strong feeling of the ownership, privacy, and intimacy of home, these members interpreted the act of the platform as a sign of overstepping its authorized role, exploiting personal assets, and imperilling the self-autonomy of individual owners in the sharing process.

'An arrangement to use "guestpoint" made while still waiting out the expiry of the current subscription, resulted in the company publishing our home as available to guest point exchange for those same dates as a default setting. They have no right to offer my home at any time without my approval. This is not a difficult concept to understand but fits with their arrogant attitude that my paying them gives them the right to profit from my home in any way.' (TrustPilot member review)

The sustaining of supportive arguments. The diffusion of member perceptions and interpretations of the GP system constituted the most significant change in the member-given meaning of the virtual currency since the merger. However, another side of the coin was the relatively weakened but loyal member discourses arguing for the improvement and acceptability of the new system, drawing to the legitimacy of the social, economic, and alternative logic. The '*social logic*' that had its source of legitimacy from the traditional home exchanges aligned with the concepts and beliefs of shared desire and experience for pleasure, the behavioural principles and norms of social reciprocity and interaction, and the outcomes of generating social ties and community

support. Grounded in these assumptions of appropriateness (see Appendix - Table 2a, No. 01 - 09), some members argued that the new system still reflected the genuine interest of home-swapping, such as social reciprocity and interaction. Just like the Balloon, GP swaps still involved courtesy, respect, and trust between exchange partners. Among members' mutual reviews, experiences that represented the shared desire of hospitality and kindness, proceeded through face-to-face and sustained interactions, and generated close ties, and 'feeling at home' corroborated this type of argument on TrustPilot.

Despite the strong illegitimacy of the economic logic in home-swapping, some economic values and functions of the GP system in increasing exchange flexibility and efficiency, as well as helping to save travelling costs, were generally considered legitimate by the members (see Appendix - Table 2a, No. 25 - 27). These reasonable financial and utility considerations represented a small fragment of the '*economic logic*' that was found acceptable even in traditional home exchanges.

Besides, some proponents also referred to the legitimate constituents of '*alternative logics*.' They addressed other features of the system, such as its role as an alternative, the determinant of individual attitudes and demands in making a good exchange, and the improved 'fairness' in exchanges (see Appendix - Table 2a, No. 33 - 36). These concepts, practices, functions, and outcomes were complementary to multi-value creation but independent from either the social or economic logic.

4.1.2. Meaning diffusion: Signal of institutional instability and member constitution

Platform legitimacy supported by the co-existing social, economic, and alternative logics in member arguments reflected a state of balance that had been dominating and functioning in the home-swapping field as well as on the prior HE platform. It was a state where the social logic dominated while the economic logic was involved but constrained mainly to only a few elements, complemented by some alternative logics such as using the virtual currency as another 'option,' and the demands for 'fair exchanges' and 'self-autonomy.' This observation is also corroborated by the

identification of the same pattern of the three logics from the earlier member arguments on the Balloon system (see Appendix - Figure 4 & Table 4).

However, compared to the sporadic claims of the illegitimacy of Balloon, member arguments around GP saw a broader diffusion in what they perceived from the adoption and design of the system, and how they interpreted these facts. The themes in the illegitimacy of the economic and the alternative logic saw a substantial increase in number and proportion (see Table 2). The increase showed that members were more inclined to understand the change as an act engaging in inappropriate economic or alternative values and practices. The dispersion of virtual currency's previous meanings, and the convergence of new meanings under the assumptions of illegitimacy, indicated that people were referring less to the logics of legitimacy to interpret this platform decision. This divergence of individual perceptions and interpretations signalled the instability in the platform institution that used to support the former Balloon system.

Specifically, the co-existence of opposing and supporting member arguments in the contestation reflected the presence of members with different frames and actions in the community. Instead of committing to a single argument, each type tended to blend frames and arguments grounded in different institutional logics, presenting more or less distinct sentiments, underlying assumptions of legitimacy, and behavioural orientations towards the new system. For example, there were resolute opponents to the change, driven by strong social incentives and the belief in the illegitimacy of involving almost any economic elements, as well as the platform's dominance. Members who were sceptical of the move had similar assumptions of legitimacy as the resolute opponents. But they also showed a certain level of willingness to allow the platform to 'recalibrate' to the social logic of action. These two types of members played a significant role in bringing up the contestation and challenging the thus far agreed meaning and legitimacy. They were also most likely to opt-out of the new platform due to the change.

However, some old members hold a more positive or at least neutral attitude towards the new system, finding it more comfortable to balance and making sense based on the legitimacy of the social, economic, or alternative logic. They introduced the discourses that called on 'adaptation' and 'trade-off' in the transition. Driven by relatively stronger

economic incentives, there were both old and new members who were agreeable to the improvement of economic concepts and outcomes such as platform scaling, exchange flexibility, and cost-saving. With less prior experience and preconception, new members tended to be more open to different logics for interpretation and action and less sensitive to the tension between the social and economic logic. They were learning and adapting not just to the technical system but also to the rules and norms of home-swapping. The more flexible frames of these types of members provided the potential member basis for reconstructing a more balanced relationship between the social and economic logic on the platform.

Different from other member types, the last kind of newcomers was hypothetical. Their presence was captured from the description of members in contestation, as the new members who took advantage of the ‘welcome gift’ and sought for the opportunities of free short stays. Although they were unlikely to be present in the contestation, their presence on the platform could worsen the perception and experience of other members, enforcing the negative perception of community division and degradation. The co-existence of member types with de-legitimizing or re-legitimizing discourses had either deconstructed or sustained the shared meaning of virtual currency in home-swapping. Their arguments in public spaces, and potential actions of leaving or staying, exerted a significant influence on the evolution of contestation and the reconstruction of meanings and logics on the platform.

4.2. Confronting meaning diffusion and instability: Platform meaning reconstruction and organizational re-legitimization

Throughout the year, the platform defended its decision and responded to different types of members by engaging with a broad range of meanings and facts about virtual currency. However, different meanings and facts were not introduced at the same time and were utilized by the platform in various ways. Compared to the platform’s responses before the merger, we see both an emergence and a subsequent decline of the rhetoric grounded in a new mixed logic. Moreover, platform discourses embedded in the existing logics to justify the acceptability of a new system were significantly expanded and

enriched. Specifically, the platform arguments around the GP system presented four distinct transitions.

4.2.1. From ‘egalitarianism’ to ‘calculative reciprocity’ and ‘fairness’: The rationalization of virtual currency

The earliest set of interpretations made by the platform on the GP system came just around the time of the launch. It consisted of multiple facts and evidence recognized by the platform as supporting its claim that the new system was an improvement, grounded in the legitimacy of the social and alternative logics, as well as some elements of the economic logic. Most of these arguments sustained those of the former Balloon, reassuring members of the original social philosophy of home-swapping while highlighting the improved exchange flexibility of the new alternative (see Appendix - Table 3a, No. 1, 2, & 21). A fundamental change was the silencing of the ‘egalitarian’ discourse that used to dominate the Balloon system (see Appendix – Figure 5 & Table 5, No. 01). Instead, a new interpretation that the GP system could facilitate the ‘equality’ and ‘calculation’ of reciprocity was introduced (see Appendix - Table 3a, No. 26). It proposed the incorporation and balance of values and practices from both the social and economic logic. The platform came up with this interpretation initially for representing and explaining the strength of GP’s measurable design in suiting various exchange situations, meeting the demands of ‘flexibility’ and ‘reciprocity.’ This representation reflected a *blended logic*, which meant to balance the social and economic logic and whose legitimacy the platform wanted to establish for backing its enhanced focus on economic outcomes while maintaining the social connotation.

‘Let me give you an example: with Balloons many members would not give them away because they were too "precious" to get; they wouldn't either redeem a balloon for 3-4 nights ("too short stay" they told us) but the host would then ask for 2 Balloons for a long exchange of 3-4 weeks. With GuestPoints all these problems are solved. We know it feels strange in the beginning to have a "number" of points per night, but this is actually a more fair and transparent way of calculating the reciprocity.’ (TrustPilot HE reply)

However, this initial and novel representation did not turn out to be well grasped and accepted by the old members, particularly opponents and sceptics firmly believing in the

illegitimacy of increasing the weight of most economic elements. It was reflected by the intensified questioning and criticism. Individual attention focused on the ‘calculation’ side, and the ‘invasion’ and ‘contamination’ of calculation to social reciprocity rather than their fusion. A lack of practices and evidence supporting the feasibility of simultaneously combining the social and economic logic – not just in the technical design, but also in people’s existing cognitive frame – did not fully resonate with members and called for more justification. This activation of a ‘market’ and ‘transaction’ frame among members was reflected in their inclination to perceive the designs and cues of the new system with the illegitimate economic logic, interpreting the platform decision and unpleasant member behaviours as ‘degraded’ in TrustPilot reviews (see Section 4.1.2).

The activation was also detectable in some swappers’ use of transaction-like languages to comment on their past experiences. In the exchange process, it could become more natural and spontaneous for exchange partners to calculate and bargain, referring to the equivalence between the ‘pricing’ and the ‘offering’ of a home when frictions occurred. In the reciprocal and the prior Balloon exchange, the guest usually felt grateful to the host and obliged to return the favour. However, the position was more or less reversed in the new experience since the ‘kindness’ of staying in someone’s home was already ‘reciprocated,’ or more accurately, ‘compensated’ by points. Hence, the exchange was more about getting an equivalent ‘offering.’

‘The house and how it works is not detailed enough. Moreover the number of points requested is very exaggerated when you are 2 to find yourself in a room with 2 small beds and you share toilet and sdb. In this case the number of points must be absolutely reduced. The principles of life and operation need to be better explained, I do not question them, but not at this rate (125 pts/night).’ (Member mutual review)

As similar member criticism heaped up, the platform started to employ a ‘toolization’ or ‘rationalization’ rhetoric more frequently. It later became the predominant argument in response to members’ concern of commodifying homes and degrading social values and ties (see Appendix - Table 3a, No. 21). The platform tried to reinforce the perception that the virtual currency, although quantified, was only a ‘tool’ or ‘media’ instead of the

‘purpose,’ with no necessary commercial intention attached. Stressing the difference between the ‘means,’ ‘ends,’ and ‘intent,’ platform responses with this argument strived to shift individual attention from the money-like feature to the rational and objective nature of the virtual currency, by demonstrating the feasibility of applying a quantified medium while still maintaining social reciprocity and interaction. Although this call for ‘rationalizing’ the exchange medium was still rooted in an economic logic that sought for the ‘unconditional interchangeability’ between objects in an impersonal market (Simmel, 1990, p. 427), it presented more overlap with member discourses than the ‘equality’ and ‘calculation’ one (see Appendix - Table 2a, No. 25). It indicated the receiving of more resonance from the community.

Meanwhile, there was another argument that exchanging with the virtual currency was only an ‘alternative’ instead of substitution of the traditional reciprocal exchange. It accompanied the ‘rationalization’ rhetoric and was repeatedly emphasized to co-support the claim that people who were ‘uncomfortable’ with the new system still had their choice (see Appendix - Table 3a, No. 28). While conveying its respect for ‘personal choices,’ the platform also reactivated the original ‘open-mindedness’ concept of home-swapping. The idea that people can open their home to strangers was re-interpreted and extended by the platform, in the way of encouraging swappers to be open to exchanges using virtual currency and those who requested such exchange, especially to members who joined after the merger (see Appendix - Table 3a, No. 32).

‘We do offer GuestPoints to convince as many people as possible to exchange their home in a collaborative way. Some members are happy to welcome people with no experience as a host in their home, because they feel comfortable with it. You are free to choose with who you exchange and in which way (reciprocal only or with GuestPoints). We have still the same values, we just want to make home exchange a common practice for everyone.’ (TrustPilot HE reply)

Although all were among the earliest discourses raised by the platform to justify its decision, the ‘calculative reciprocity’ representation was much less used than the ‘rationalization’ and ‘alternative’ arguments throughout the contestation. It could be an indication that in a limited period, promoting a new frame and logic of action was more

difficult or less effective than seeking connections to or extending the existing institutional frames of people. While the former implied the integration of contradictory elements, the latter, which chose to ‘rationalize’ and ‘compartmentalize’ the conflicting values and practices from the social and economic logic, became more frequent and standard rhetoric the platform used for responding. Consequently, the platform shifted to a ‘fairness’ representation, which was easier to grasp and resonate with the demands of some members. Although still suggesting the importance of ‘valuing’ homes, ‘fairness’ turned to address the host’s reasonable psychological need of getting reciprocated to some extent, but not the absolute ‘equality’ and precise ‘calculation’ between pay and gain in the transaction. Over one year after the new system launch, the platform made a subtle change in one of its earliest Blog posts introducing GuestPoints, from facilitating ‘Equality in reciprocity’ to being ‘More fair.’ The waning of the early-stage ‘calculative reciprocity’ discourse, and the building-up of the ‘rationalization’ and ‘fairness’ rhetoric, presented a process of testing and navigating a meaning that can at least partially resonate with the existing institutional frames of members.

‘GuestPoints are more fair: As you know, HomeExchange allows you to make both Reciprocal and Non-Reciprocal exchanges. Whatever type of exchange you arrange is always between you and your Exchange Partner. But how are you able to plan a reciprocal exchange when planning different lengths of stay? Because you’re in control of your GuestPoints.’ (HE platform Blog, updated in 2020)

4.2.2. Retelling the ‘stories’ of individuals: The mobilization of discursive resources and digital visibility

Early responses from the platform were mostly assertions of its stance in sustaining the original philosophy of home exchange and the creation of social value. However, they tended to lack more solid warrants based on observable exchange behaviours and outcomes. Through time, the platform started to develop arguments supported by such warrants via involving member discourses and letting them ‘speak for’ the platform. It was embodied in the integration of an increasing amount of member comments and experiences in the platform’s blog posts and web pages. This strategy was hardly possible in the early stage of the contestation since most members had yet to conduct

exchanges with the new virtual currency. With new exchange experiences and feedback accumulating in spaces like member mutual review system, it became more viable to collect successful practices and member discourses that were more tolerant or supportive to the GP system and could enhance the legitimacy of the economic logic.

The digital nature of the platform Blog and the mutual review system enabled this intertextuality and shaped this way of argumentation. Although TrustPilot replies are direct responses to specific member critiques, the responding format is structured by the TrustPilot website and not suitable for vivid but lengthy presentation of experiences.⁴² In contrast, the platform Blog space allows for free storytelling. The mutual review system contains massive member comments and illustrations of past experiences. However, in most cases, they are only visible to a limited number of people interested in exchanging with this particular member, and generally invisible to the community and a broader audience. Through identifying and synthesizing individual experiences scattered in the digital space, the organization reconstructed its narratives with these materials and retold its stories through the mouths of members. These experiences typically came from members who were willing to adapt, learn, and appreciate the new offering. They were not only making sense of the technical designs and the design intentions but also contained more diverse and specific material practices, such as how people behaved in the process and what positive outcomes were generated. They became a critical discursive resource that the platform could explore to reason that, even with the GP system, member behaviours were still consistent with important social principles and norms of home-swapping, and the system was still enabling social bonds and delivering expected social benefits. This way of argumentation can be more persuasive than the assertions, especially in a circumstance that the platform legitimacy and rhetoric are widely questioned and challenged.

For example, by presenting that the same social principles were followed by swappers with or without GPs, the platform suggested that the cognitive and behavioural

⁴² TrustPilot. (2020). Do's and Don'ts: Best practices for responding to reviews. Retrieved 21 March 2020, from <https://business.trustpilot.com/reviews/build-trusted-brand/dos-and-donts-best-practices-for-responding-to-reviews>

differences between the traditional reciprocal exchange and the GP exchange were insignificant and manageable.

'HomeExchange is, above all, a story of trust, sharing, and hospitality. Our community is based on an exchange of houses and apartments and each Member is both a guest and a host. Even with GuestPoints, an exchange is an exchange that is both unique and human. The 6 principles, which we worked on together with a group of ambassadors, are fundamental. Why? Our Members can tell you better!' (HE platform Blog, 25 November 2019)

Besides acquiring discursive resources from the review system, the platform also encouraged swappers to share their detailed exchange stories 'with the community,' with the reward of GPs.⁴³ The selected stories were posted on the Blog or even pushed in the email newsletters. They not only conveyed the symbolic meanings the platform wanted to attach to the technical system, but also showed to people these meanings had been agreed, adapted, and practised by socially-oriented members without feeling contradicted. These stories served as a more reliable warrant to the feasibility of compartmentalizing the economic means from the social ends/intent in the GP exchange, i.e., the possibility of 'rationalizing' the virtual currency. They intended to show that even when quantified GPs were involved, the spirit of sharing and sociality still prevailed in interpersonal interaction, friendships were built up, and the experience was 'priceless' and beyond the monetary transaction. The platform also used this strategy to illustrate the complexity of interpersonal interaction and the contingencies in the exchange process, so frictions in exchanges should not always be attributed to the virtual currency.

'[Member Name] said, "We want to go to Iceland, but so far I haven't been able to arrange anything." He also tells me he is saving his GuestPoints to use in Japan. [...] Spurred on by my brief mentorship, I have since organized 3 exchanges - one in a small coastal town south of Perth, one in Bali for 3 weeks over Christmas, and another in Sri Lanka for 2 weeks using GuestPoints. It comes as no surprise that a retired teacher,

⁴³ HomeExchange | Blog. (2020). Share your home exchange story and earn GuestPoints!. Retrieved 7 March 2020, from <https://www.homeexchange.com/blog/share-your-home-exchange-story-and-earn-guestpoints/>.

who counts many former students among his Facebook friends, is still sharing his knowledge. What he showed me is that it's all about people, those who make the experience – as they say – “priceless”. (HE platform Blog -s 'My HomeExchange Story', 25 March 2019)

'There is occasionally one less nice apple in every bunch, but don't let it spoil the whole bunch, girl! One ostensibly nice family with a gorgeous home agreeably offered to allow us to cancel when we ran short on points, then reneged. Fortunately, Home Exchange's Happiness team had our backs, and helped us navigate the odd unpleasantness or unexpected hairpin turn in the road.' (HE platform Blog - 'My HomeExchange Story', 18 July 2019)

Collecting and assembling supportive member stories to reconstruct organizational narratives provided the behavioural and consequential evidence for justifying the technical designs and design intentions during a time lacking member trust. They also had the effect of motivating and influencing members who were still in doubt. It intended to persuade members to consult the positive perceptions and experiences of their peers and try working with the new system.

4.2.3. Explicating what was not explicit: The normalization of social etiquette for economic purpose

Compared to the prior arguments around the Balloon, another change in those on the GP system was a boost of platform discourses embedded in the social logic. These discourses demonstrated the legitimacy of the system in reflecting social concepts and beliefs, facilitating member behaviours consistent with social principles and community norms, as well as delivering social bonds and benefits (see Appendix - Table 3a, No. 03 - 20). Although these discourses were rarely detected in the platform rhetoric around the Balloon, they were representative among member arguments supporting both the Balloon and GP system (see Table 2 & Appendix - Table 4, No. 01 - 09). Most of these discourses consisted of illustrations of social behaviours or etiquette in the interpersonal interaction, such as living with courtesy and respect, showing gestures of hospitality and kindness, or enhancing face-to-face and mediated communication. This contrast, on the one hand, suggests the moving of shared meanings and norms from the swapper

community to the formal interpretations and narratives made by the platform. It is an indication that the informal and implicit social rules, which had been formed in the interpersonal interactions and community practices of home-swapping and proved to be working, were being verbalized and formalized by the platform. On the other hand, the need of re-addressing and formalizing these informal norms was also a sign that these social norms that used to be ‘taken-for-granted’ in exchange practices had been weakened and destabilized since the merger.

Retelling many of these shared meanings and norms from individual stories and feedback, the platform tried to explain to members – especially newcomers – the importance of persistent effort and communication for a successful exchange. It also clarified the critical differences that having face-to-face interaction with the exchange partner, personalizing mediated interaction, and showing kind gestures and courtesy could contribute to the exchange experience. Instead of keeping most of these meanings and norms implicit and letting members learn in their exchanges, the platform was now making them explicit to people from the start of joining the platform, shortening and simplifying their learning process. A considerable amount of this platform communication explicitly targeted new members.

‘In this article, we want to honor the hospitality of our Members, their gestures of kindness and thoughtful touches, which makes our home exchanges such a special experience. Carole recalls “When we arrived at our exchange in Belgium, a good rhubarb cake was waiting for us,” and Ann, as a host, shares “I always leave a small present if there are children!” All these little extras gestures are common in HomeExchange. Chocolates, local specialty dishes, travel guides are left as thoughtful gestures that make for a warm and friendly welcome in the home [...] Without monetary exchange, we can experience hospitality in the purest form: an ever-changing human experience, nourished by kind gestures that make the stays lasting memories.’ (HE platform Blog, 25 April 2019)

Explicating this social etiquette and norms also helped to clarify the complex behavioural signals sent by exchange partners in the highly mediated interpersonal interaction of home-swapping. It intended to reduce the sending of ‘negative’ signals –

especially those from the new members – that could be perceived as ‘transactional’ or ‘advantage-taking’ by the hosts. Exchange behaviours that could deliver such negative signals involved sending self-centred and impersonal request messages, failing to maintain the cleanliness of the host’s home, not restocking consumed goods, etc. Consequently, the measure expected to minimize the chance of reading or misreading the economic incentives and advantage-taking behaviours of exchange partners.

‘Have you received a message from a Member saying they wanted to “reserve” your house or “pay” with GuestPoints? Feel free to talk to the Member about it, of course in a kind manner, to explain why this terminology does not characterize us. Our hospitality is a gift, and when we are invited we offer our GuestPoints in gratitude for that hospitality.’ (HE platform Blog, 11 October 2019)

‘In fact, in an online survey 100% of members said that they make these products available to their guests (even in exchanges with GuestPoints, it does not change the philosophy!). Everyone also agrees on one thing: “if a guest finishes something, he has to replace it, it’s a matter of courtesy!”’ (HE platform Blog, 25 April 2019)

Thus, even with the economic goal of scaling exchanges, the platform still aimed to cultivate and govern individual behaviour with social principles and community norms, reinforcing members’ reference to the social logic as the frame of perception and the guidance of action. It was reflected by the platform’s communication and normalization of the informal social etiquette and norms, and its expectation to control the number of negative signals in interpersonal interaction. Targeted at influencing and educating individual behaviour, especially that of newcomers, this type of platform rhetoric was less explicit in justification but a direct reaction to old members’ suspicion of a ‘degradation’ trend taking place in the community. It also responded to the questioning of the platform’s intent of maintaining the original social logic of action.

4.2.4. Specifying who and why doing this: The implication of democratization and community collaboration

The last type of platform argument responded to the criticism of the platform’s dominance in the transition and its imperilling of member self-autonomy. The lack of

initial communication about the significant change had intensified members' perception of the platform's intention of marketizing home-swapping and degrading social relations. During the contestation, there were two new types of platform rhetoric addressing the role of the platform and its relationship with the swapper community. On the one hand, the platform made explicit the intractable tension in making the trade-off between Balloon and GP and assured its scrutiny in reaching the final decision (see Appendix - Table 3a, No. 34 & 43). On the other hand, the platform started to involve more facts and evidence of its engagement or collaboration with members when making important decisions (see Appendix - Table 3a, No. 39 & 09). The emergence of these arguments was accompanied by the platform's improvement of communication with members, such as enriching the website Q&A sections, reorganizing Facebook member groups, and facilitating online chat with community ambassadors. These discourses and practices sent the signal of the platform's intent to collaborate with the member community and respect owners' self-autonomy instead of going beyond them.

'Be assured that every choice that we have made to choose the features of the new HomeExchange was pondered, measured and discussed for the better good of our users. It may not be perfect, it seems that the majority of them are making good use of it.'
(TrustPilot HE reply)

An example of increasing a 'democracy' implication in platform communication was the removal of the essential subscription plan. By highlighting its engagement with the community to make the change, the platform specified its purpose of minimizing the negative signal that home-sharing was monetized and calculative in the very first blog post and email communicating this removal. It implied the change was more a result of mutual agreement and the joint decision of the platform and the members. These arguments clarified the roles of the platform and the community and the specific considerations of making these changes. They also showed the platform was learning from experiences, attaching importance to its collaborative stance, and restoring the image as the designer and facilitator of exchanges. Implying and justifying the legitimacy of the platform's decision-making process were complementary to its central

arguments for adopting the new currency and shifting certain weight to the economic logic.

'We would like to thank all of you for making HomeExchange what it is today: an engaged and committed community of Members who share values of hospitality and generosity! [...] After a lot of analysis and feedback from our community, we decided to remove the Essential plan (pay-per-night offer). It seemed to be too commercial for a majority of our Members and created some misunderstandings on the use of HomeExchange.' (HE platform Blog, 31 October 2019)

5. Discussion and conclusion

5.1. Logic shifting through 'meaning patching': Navigation of logic interchangeability, complementarity, and discursive resources

Using virtual money in interpersonal exchanges has symbolic meanings. The meaning can be very different when the exchanges are not entirely market activities. The relationship of 'sharing' has a different definition of what sort of payment is appropriate in its exchanges and interactions (Zelizer, 2000): should it be a 'gift in return' or a 'compensation'? In the case of the sharing economy or its sub-sector home-swapping, the definition is more or less blurred due to the blending of legitimacy assumptions from both a world where social solidarity is valued and a world where economic outcomes are essential. The new HE platform made significant changes in the design of the virtual currency, such as quantifying its value and easing the allocation strategy. In this way, it introduced a technical artefact that was not entirely consistent with members' present and predominant definition of what they should get reciprocated in the home-swapping process and led to disagreement. So, introducing the new virtual currency for realizing a 'scaling' purpose entails revising but not replacing the existing definitions and assumptions of appropriateness of old members, facilitating a re-balance in the current logic mix that had been guiding the framing and action in the community.

Promoting a deliberate shift in a mix of logics poses unique challenges. It involves adjusting or breaking the previously established balance between the social and economic logic and seeking another point of balance. In our case, the HE platform

aimed to facilitate a relative shift in emphasis on the economic logic for organizing interpersonal exchanges and thus increase the community's tolerance to its enhanced 'scaling' strategy. Seeking the 'shift in emphasis' creates a tricky situation of replacing the old system but still working under and needing to sustain most of its underlying values and norms. It increases the chance of self-contradiction in organizational communication since the action of removing the 'still-functioning' system has already indicated a certain degree of rejection to the established social logic. Compared to fixing or replacing a broken system, the perception of a 'deliberate shift' also made individuals more inclined to attribute negative experiences to the systematic flaws in the platform design and the inappropriateness in its design intention rather than occasional, environmental, or individual factors. Thus, the change can be more easily identified as a highly contradictory and unethical 'mission drift.'

Communication was at the centre of the platform's facilitation of this change. It facilitated the transition through a series of rhetorical practices that reflected on and 'patched' its interpretations and narratives of the new virtual currency. The process unfolded in navigating the interchangeable and complementary uses of backing, exploring the available discursive resources in the digital spaces, and updating organizational rhetoric to seek resonance with member discourses. Confronting member arguments that raised the meanings of commodification, calculation, degradation, and platform dominance, the platform strived to reconstruct the destabilized social meaning, not only by defending and justifying but also through motivating and educating. Different facts and warrants tended to play different parts in the platform's language practices looking for a reformed point of balance between the social and the economic logic and its restoration of organizational legitimacy.

The finding also shows that a single institutional logic can be infused with multiple assumptions, values, and rules of material practices. Not all of them are favourable for constructing a revised meaning and reformed hybridity, while sometimes, elements from different logics may serve the same end of reconstruction. For instance, both 'egalitarianism' and 'anti-monetization' are embedded in the social logic. But the former evidently contradicts the purpose of the new system while the latter is justifiable and

retainable for the new meaning. Also, improving ‘exchange flexibility’ for members can direct to similar technical designs just as ‘business scalability’, but is much more resonant with the legitimate assumptions of people. The platform’s restoration of the shared meaning and hybrid governance involves identifying and connecting complementary facts and warrants from either the same or different logic while avoiding the activation of those that contradict the desired meaning, substituting them with interchangeable values and norms. Instead of infusing the virtual currency with a distinct social meaning like the ‘egalitarian’ notion of the Balloon, the platform finally concentrated on ‘rationalizing’ the GP. It compartmentalized the social ‘intent’ that focused on the experience quality from the economic ‘means’ that quantifies asset value. The ‘rationalization’ rhetoric was complemented by other arguments reflecting concepts, practices, and outcomes independent from either the social or economic logic, such as the alternative feature of the currency and its openness to building a broader community. To provide more substantial behavioural and outcome evidence for its rhetoric and to prove the feasibility of the revised frame in practices, the platform collected, synthesized, and increased the visibility of member experiences that were tolerant or supportive to the enhancement of some – not all – economic values and practices. It attempted to show that using the quantified GPs did not necessarily prevent people from practising the original social principles and community norms, and thus motivating sceptical members to consult the positive experiences of their peers and try working with the systems. The resource potential of member discourses was also reflected in the platform’s identification and explication of informal social symbols, norms, and implicit behavioural signals from the community. Normalizing these etiquettes and norms worked on reinforcing members’ reference to the social logic as the frame of perception and the guidance for action. Through cultivating individual behaviours, especially of the newcomers, this type of rhetoric attended to mitigating old members’ perception of market signals from interpersonal interaction and consolidating the weakened community norms. Meanwhile, these arguments and strategies, which worked directly on reconstructing the meaning and legitimacy of the virtual currency, were accompanied by the platform’s practice of strengthening the legitimacy of its role as a collaborative designer and facilitator and its decision-making process.

Seeking for less contradiction and at least partial resonance with the existing institutional frames of members, the new bundle of discourses and meanings emerged while the platform was ‘testing’ the cognitive bottomline of individuals, ‘patching’ its rhetoric, and refining the ‘signals’ sent to members. The cognitive bottomline of members in tolerating and accepting the enhanced economic logic gauges the maximum extent to which individuals are able to detach the core assumptions and behaviours from the social logic and coordinate them with the less conflicting elements of the economic logic. It reflects the cognitive capacity of individual actors to ‘compartment’ (Creed, DeJordy, & Lok, 2010) and ‘selectively couple’ (Pache & Santos, 2013) and the capacity varies among different member groups in the community. These communicative practices served the scaling purpose of the platform while involving as few commercial implications as possible. The reformed meaning of virtual currency consisted of the maintenance of the core exchange values and norms embedded in the social logic for governance purposes, and the extension of the economic logic to the means to and the expected returns from both the exchange and business development. They were lubricated by broader values and practices which are open to meanings more than the two competing logics.

5.2.Implications for sharing economy platforms: Multi-value creation and meaning ambiguity

The study responds to tackling a prominent challenge in the sharing economy, that is, how sharing businesses sustain the commitment to both social and economic value creation while facing the increasingly intense competition for market share (Cennamo, 2019; Yoffie, Gawer, & Cusumano, 2019). The exploration of network effects not only involves lowering the entry criteria to the community but also requires the adoption of market-like mechanisms that can increase the commensurability between individually-owned resources of diverse nature and functionality. The degree of emotional attachment and sense of ownership to the asset, and the existing institution, also tends to moderate the level of difficulty to promote such mechanisms to the sharing community (Bardhi, Eckhardt, & Arnould, 2012; Garud, Kumaraswamy, Roberts, & Xu, 2020). In the case of home-swapping, this challenge was embodied in its distinct difficulty of

introducing quantified virtual currency to the reciprocal exchange of homes. The change of technical design that contradicted the existing egalitarian concept and the inadequate prior communication triggered sharing participants' perception of a commercial and dominating motive of the 'exchange facilitator,' and thus a potential drifting away from social value creation. The subsequent organizational communication played an essential role in correcting these negative 'signals' and redirecting the community interpretation. While there is a scarcity of both theoretical and practical research on this key challenge, this paper raises the importance of problematizing and investigating how sharing platforms facilitate the shift in emphasis to economic value creation while sustaining the social aspects. By focusing on rhetorical practices, we provide an initial answer and show that the communication of the exchange 'facilitator' or 'mediator' is a reflective process that navigates the interchangeability and complementarity between the elements from existing and new institutional logics, exploring member-generated discursive resources, and 'patching' for a consistent narrative of legitimacy.

The finding of this research also deepens our understanding of to what extent and under what conditions the symbolic meanings of sharing practices can be malleable. There have been long-standing ambiguities in the mixed meanings and practices of the sharing economy, around to what extent the 'economy-related' elements can be blended to be considered legitimate sharing economy businesses or practices (Gerwe & Silva, 2020). Even with the development of regulative definitions and law enforcement, the evolution of sharing practices tends to expand the variation of symbolic meanings and material practices across different sharing sectors and contexts. This ambiguity brings about as well as leaves room for business and individual interpretation (Feront & Bertels, 2019). In our case, the malleability of the mixed meaning in the home-swapping context was limited by the existence of strong social traditions, reciprocal norms, and people's emotional attachment to the resource, embodied in the resistance of members who internalized these norms and assumptions. However, it was relatively extended with an increasing demand for connecting to and accessing more diverse assets of other members, as well as with the meaning patching and reproducing work of the organization. With the members who resisted being filtered out or persuaded into living with the new system, the new meaning would finally be settled in this particular home-

swapping community, but not yet in the home-swapping sector. Therefore, the study also contributes to uncovering the possibilities of reshaping the meaning of sharing practices in highly institutionalized sectors. These sectors can be those that existed before the popularization of the sharing business model and were later integrated under the umbrella.

5.3. Implications for communicative institutionalism: Rhetorical structure and digitalization

The investigation deepens our understanding of the role and structure of communication in institutional processes (Harmon et al., 2015), especially on how the digital environment interacts with communication structures on institutional changes and tensions (Cornelissen et al., 2015). So far, sharing activities have been mostly organized through platforms. The socio-technical nature of the intermediary platform not only sets limits on how much freedom individual users expect to have for managing exchanges, but also reforms the targets, forms, and strategies of organizational communication (Orlikowski & Scott, 2014; Yates & Orlikowski, 1992). In the case of HE, both the object whose meaning was changed and the spaces where the change of meaning was negotiated are infrastructured by information technology. The former is the virtual currency system, while the latter concerns the channels which the platform and users communicate through, e.g. third-party review website, platform blog, website FAQs⁴⁴, online Q&A sessions, and email newsletters.

While the malleability of meaning allows some room to justify and re-interpret the design of the technical system, the platform's early failed communication with members suggests the cognitive division between the platform designer and the platform user (Orlikowski, 1992). It warns platform organizations of the significance of refining the 'signals' conveyed in their communications on technical and strategic changes. The refinement of 'signals' needs close investigation of the constituents of both the user groups and their institutional frames, instead of taking for granted the designer's consideration or a single type of user demand. The digital nature of different communication spaces also revises the platform's forms and strategies of conveying

⁴⁴ FAQ: Frequently asked questions.

appropriate ‘signals’ to users. The constant update and accumulation of negative reviews on third-party websites such as TrustPilot and Facebook Reviews add to the challenge since they increase the visibility of tensions, facilitate the intertextuality and interaction between individual discourses, and promote the formation of collective voices. However, the digital spaces managed by the platform offer some opportunities for counteracting. The transferable and reusable nature of user-generated discursive resources, the access to them, and the capability of managing their digital visibility make it possible for the platform to identify the potential complementary and interchangeable elements, reconfigure them into consistent rhetoric and narrative, and influence the direction of storytelling the technical change.

5.4. Implications for hybrid organizations: Institutional complexity and change

The study makes theoretical and practical contributions to the literature of hybrid organizations and institutional complexity. First, it enriches a crucial but under-explored area of how hybrid organizations facilitate the deliberate change in its ‘still-functioning’ blend of logics and seek another point of balance. Most extant research treats the ‘mission drift’ as a passive choice or an unfavourable outcome of an organization, e.g., for financial survival (Grimes et al., 2019). However, it tends to downplay that considerable ‘mission drifts’ are more or less the deliberate intention and action of firms. The choice of making the shift can target improvements such as increasing competitiveness and broadening strategic visions instead of mere survival (Grimes et al., 2020). Therefore, who defines a shift toward economic value creation and whether they define it as a ‘mission drift’ make a great difference in interpreting the change and influencing its development (Grimes et al., 2020). This division of perspectives shows the necessity of investigating the transformation of multiple co-existing logics through meaning contestation and negotiation, looking into the micro-dynamics of how opposing and joint forces with different institutional frames co-exist, and how the meaning diverges and converges in their interactions.

Compared to a necessary decision to remove a broken system, replacing a ‘well-functioning’ object but still working with its assumed values and norms increased the difficulty of organizational justification since the decision itself indicated a certain

degree of rejection of the established logics. As it was a deliberate decision of the platform, it also made members more inclined to attribute the frictions they encountered to the design intent of the platform, rather than to less controllable factors such as communication barriers and personal traits of a member. They tended to refer to the logics of illegitimacy to make sense of the change and add to the instability in the existing logic mix. These differences brought about platform responses more than mere justification. The platform navigated new meaning bundles through ‘testing’ the bottomline of being perceived as ‘appropriate’ by the internally differentiated community, while searching for the possibilities of consolidating as well as reshaping individual frames and behaviours. The process shares important features with the ‘experimenting with practices’ dynamic proposed by Smith and Besharov (2017) in seeking a continuous re-balance between social and financial missions. While the ‘experimentation’ in their case requires the company’s investments in different projects, the ‘rhetoric experimentation’ of the HE platform risks losing members in the procedure and fragmenting the community. Through an in-depth analysis of the structures and contents of arguments and counter-arguments, we uncover the specific situations and challenges of promoting a deliberate change in a ‘still-functioning’ logic blend, and the representative dynamics of ‘approaching’ a new point of balance through symbolic practices.

Furthermore, the research contributes to specifying how institutional complexity is experienced differently by key stakeholders in an organizational change process, and how different rhetoric and experiences lead to varied reactions that shape the direction of change (Greenwood et al., 2011; Harmon et al., 2015; Scott, 2008). Our analysis of member arguments not only shows the co-existence of social, economic, and alternative logics in the community but also reveals that different types of members tended to internalize varying degrees and combinations of logics to guide their perception and action. While the arguments of members who internalized the strong legitimate assumption of the social logic and the illegitimate assumption of the economic logic initially caused the diffusion of the shared meaning, their subsequent action of leaving the platform would finally lead to the community’s agreement to the new meaning. In contrast, members with a less strict or selective illegitimate assumption of the economic

logic, or newcomers with limited internalization of most existing logics, provided an important resource that the platform employed to counteract the opposing member arguments and promote the shifting of logic mix to its desired direction. Hence, the development of the shifting logics and the final settlement of the reformed meaning and logic configuration was not only a result of the platform's initiative, communication, and cultivation of individual behaviour but also happened along with the choices of action of different member groups and the re-composition of the community. The illustration of platform-individual interaction in this research helps to elaborate on the micro-foundation of organizational change in a context where institutional complexity is high.

5.5. Implications for future research

The research opens up several directions for future research. First, investigating what conditions have moderated the tension of combining the social and economic logic (or other logics) in the sharing relationships can be a good opportunity of clarifying the long-standing conceptual and practical ambiguity in the sharing economy.

Compartmentalizing social and economic frames could be easier in some sectors such as ride-hailing, or some respects like making monetary payment to the home cook. A deeper understanding of the complexity in the platform's mediation work on interpersonal interaction can be gained by extending the qualitative analysis of how different relationships have defined the appropriateness of designing the exchange process and decided the flexibility level of revising the definition. Second, it could be an opportunity to inspect the impact of platform infrastructure and environment on platform-user communication. For instance, experiments can be conducted to find out what sorts of digital designs and elements are more likely to be infused with social meanings and influence the perceptions of different user groups.

Furthermore, there is room for exploring the micro-dynamics of 'mission drift' from more diverse stakeholder perspectives, uncovering both the symbolic and material practices of different parties that co-shape the direction of defining and governing the process. Both qualitative and quantitative methods could be employed. While our analysis focused on the communications in public spaces and through digital channels

that mainly facilitated one-round ‘questioning-responding’ interactions between the platform and the individuals, email correspondence and online chat between the platform customer service and the members could reveal richer dynamics of the repeated communications of the change or even bring new insights to our interpretation. However, due to the lack of accessibility to this type of data, an alternative could be conducting interviews with platform managers, customer service staff, community ambassadors, and different types of members.

CONCLUSION AND DISCUSSION

Summary of main findings

Integrating values and practices from the social and economic logic can be conflicting, but how do sharing platforms build their businesses on the integration and is it sustainable? It is easier for platforms to go for a safer way facing this challenge. But the observation of counterintuitive configurations of the dual logics and idiosyncratic solutions of conflicts suggests the constraint is not absolute. The key is to what extent and under what conditions the seemingly intense tension between the social and economic logic can be relatively dissolved to meet the platform's demand to capture more diverse value. In the sharing economy, and the broader platform practices that design to facilitate collaborative action and individual contribution, how participants perceive and experience interpersonal relationships shapes the level of conflict. The blending of bonded and transactional relationships obscures people's cognitive boundaries and behavioural principles, bringing unique challenges to organizational practices that facilitate and mediate these relationships. How does sharing platforms' coupling of values and practices enable the dual relationships to vary and evolve? To what extent can their complementarities be deployed for platform value creation? In this doctoral research, I seek the answers by investigating two specific questions in the sharing economy context. First, how do sharing platforms combine values and practices from social and economic logics differently to facilitate peer relations (Q1)? Second, how does a sharing platform address its conflicts with members when it changes the social sharing rules (Q2)?

The two questions relate to two respective complexities in how this type of platform organization governs interpersonal relationships with multiple rationales. One is how its governance is constructed in varied forms, and the other concerns to what extent the common forms, practices, and principles can be shifted through agency. Therefore, the objective of Q1 is to uncover the pattern of variation in sharing platforms' governance of peer relations based on both a logic that facilitates social bonds and a logic that

develops economic transactions. The introductory cases of the thesis and papers – Airbnb’s relatively balanced emphasis on the dual logics, Uber’s settlement on the economic logic, and Skjutsgruppen’s adherence to a social and community mode – are exemplary of this variation. Fulfilling the first objective unveils the *structure* of the variation in hybrid governance. By contrast, the second complexity requires not to neglect the chances of individual organizations to create a deviation from the dominant pattern and common approaches. Thus, I locate such a case – the website merger of HomeExchange – to investigate how this home-swapping platform, with a strategic vision of optimizing network effect and sustaining community cohesion, made a shift in the predominant and prosocial ways of governing the relation between home swappers. It explicates the *micro-foundation* of transforming hybrid governance. In the dissertation, Paper 1 and 2 responds to the first question and objective, while Paper 3 focuses on the second.

Governance involves mechanisms and functions which work on different facets and activities of an organization. By tracing the cognitive, behavioural, and institutional foundation of organizing interpersonal relations to sociology, economics, management, and marketing literature, Paper 1 identifies the specific dimensions and practices on which the rationales of developing social bonds and economic transactions differ and vary in degree. Based on the literature, it further extracts and proposes the possibilities that different practices from the social and economic logic could interact and bring desirable or undesirable consequences to organizational value creation, by either complementing or contradicting each other. These theoretical propositions go through the evaluation in Paper 2 by applying the conceptual framework to a sample of 56 sharing platforms and mapping how logic-specific practices are reconfigured in the governance forms of real cases. This application manages to achieve the task of capturing the highly repetitive ways in which different platforms configure the underlying governance practices of the social and the economic logic. These highly similar decisions of sharing platforms from different industries and backgrounds show the emergence of pattern is not coincidental. These decisions reflect organizational discretion on how much a social or economic logic should dominate in a governance practice, and in what conditions it could dominate less and be made more balanced with

the other logic. The use of fs/QCA in Paper 2 allows the identification of governance forms and practices that are more (or less) ‘hybrid’ or ‘balanced’ than others and their enabling conditions. It provides empirical evidence that some propositions in Paper 1, on the complementarities and contradictions between governance practices from the social and economic logic, are stronger than others. Moreover, tracking the rare but highly mixed governance forms reveals individual organizations that make unique decisions and choices on reforming their hybrid governance for strategic purposes. It provides a representative case, the home-swapping platform HomeExchange, to find the answer to the second sub-question.

Findings of the three papers provide specific responses to the two under-investigated questions. For Q1, the configurational analysis of the 56 cases in Paper 2 presents two general governance *structures* that these sharing platforms configure the respective governance practices from the social and economic logic to coordinate the individual motives, interaction modes, and institutional arrangements of sharing activities. One is a ‘prioritizing’ structure that a single logic predominates in almost all governance practices, and the other is an ‘integrative’ structure where a logic prevails only in selective governance practices, forming a more ‘balanced’ hybridity. The identification of the two governance structures is consistent with extant research. However, further findings reveal more nuanced variation in *degree*, and that platform choices on which logic to dominate in different governance practices are not random but interdependent. The decisions of making some practices less hybrid or balanced than others are associated with similar organizational choices in other activities. When some practices are mainly guided by the values and principles of an economic logic – for instance, demonstrating an explicit and specific commercially-oriented identity and offerings that strongly promote efficiency and scalability – sharing platforms tend to make the highly similar choice of developing systematic contractual rules and enforceable sanctions as the central institution of sharing activities. Sharing platforms utilizing intensive assurance instruments also predominantly integrate contracts and sanctions to control opportunistic behaviours. By contrast, cultivating significant social norms and community experiences as the central and long-term arrangement brings in a strong incentive or imperative for sharing platforms to identify with goals and roles that

promote social cohesion and wellbeing and convey them to individual users and the public. Hence, economic and social logics generate rigidity in constructing hybrid governance forms in an asymmetrical way. The practices which intensify the cognitive challenge for an organization to develop a more balanced hybrid governance and limit its other practices within a single logic are different.

Despite the rigidity in those practices related to organizational identities and institutions, there is more flexibility of blending the dual logics in the less enduring and demanding 'means' of governing. These means include motivating participants with more balanced social and commercial incentives like SkillShare, managing interaction frequency and online/offline co-presence as Airbnb, and adopting less impersonal assurance instruments in the way Couchsurfing does. The flexibility of these means is closely related to the advancement of digital technology and the design of platform architecture. Besides, how feasible engaging the alternative logic to a significant level and overcoming the structural constraint is can depend on spontaneous conditions. They could be the nature of the shared asset, the complexity of required information for exchange, the physical co-presence of sharing participants, and the possibility to 'compartment' competing logics in different organizational activities like WeWork.

For Q2, the investigation of HomeExchange in Paper 3 provides an in-depth analysis of the situation of increasing the emphasis on the values, rules of practices, and principles of design from the competing logic in the more inherent and enduring elements of governance. For scaling exchanges and businesses, the sharing platform integrated a quantified and calculative virtual currency system into the so-far prosocial and reciprocal mode of home exchange. As proposed by Paper 1 and supported by the dominant pattern of variation in Paper 2, this decision of the platform to make a shift in the core elements of its thus far well-functioning mix of logics is very likely to trigger intense conflicts between the social and economic logic. It can cause a situation exceptionally challenging to accommodate inconsistent organizing principles and, thus, has rarely been a common choice of sharing platforms. Despite the risk, HomeExchange made the decision as a significant step of its merger with another platform and alignment of the strategic vision. The triggered tension manifested in members'

perception and interpretation that the new system ‘invaded’ and ‘contaminated’ the social value and the reciprocal relationship between the host and the guest. Confronting diffused meanings and destabilized organizational legitimacy, the platform strived to rationalize the new sharing practices involving virtual currency and played down the prior ‘egalitarian’ discourse. The process involved exploring discursive resources in the digital space, navigating responses that partially resonated with the existing legitimacy assumptions, and using them to ‘patch’ organizational narratives targeting different members.

Therefore, in response to the opening question, the level of difficulty in exploring the integration of the respective values, assumptions, and rules of practices that underlie the generation of bonded and transactional relationships varies in distinct elements and practices of organizational governance. Blending them in the inherent identities and enduring institutions of the organization intensifies decision-makers’ perception of structural constraints and the risk of inducing intractable tension in the governance. Perceptions of different levels of tension or logic incompatibility in different governance elements and practices are an important force shaping the variation pattern of governance forms in both structure and degree. However, the opportunities for navigating the demands of inconsistent logics and expanding the choice sets of constructing hybridity can lie in the presence of advantageous conditions. They can also be enhanced through the micro-processes that organizational agency communicates with different groups of individuals, leverages their voices and discursive resources in the digital space, and reshapes the meaning of blended relationships. The challenges in arguing for a deliberate shift from an old to a new balance in pluralistic logics and restoring organizational legitimacy differ from those of adding a new logic into a pure form and creating hybridity. Seeking the ‘shift in emphasis’ creates a paradoxical situation of replacing the old system but still working under and needing to sustain most of its underlying values and norms. It increases the chance of self-contradiction in organizational communication since the action of removing the ‘still-functioning’ system has already indicated a certain degree of rejection of the established social logic. Members’ perception of the purposiveness of making the shift and a lack of responsiveness at the early stage further intensifies the tension. Consequently, it pushes

the platform to systematically reconstruct the shared meaning, strengthen the evidence and backing of the updated meaning, and seek resonance with members of different assumptions of legitimacy. Overall, the doctoral dissertation makes main contributions to three groups of research: sharing economy and platform governance, hybrid organization and organizing, and micro-foundation of institutional complexity and change.

Navigating through economic scalability and social cohesion:

Implications to sharing economy and platform governance

The direct contribution is to the sharing economy research in development and the governance of collaborative platforms. Clarifying the observed diversity in the practices of organizing peer relations has always been on the agenda since the emergence of the sharing economy (Acquier et al., 2017). On the one hand, the seemingly broad variation directly relates to sharing platforms' pragmatic and evolving strategies and approaches of adapting the general concept of 'connection' and 'access' to individual assets of different nature (Acquier et al., 2017; Muñoz & Cohen, 2017), seeking both network scale and community cohesion (Cennamo, 2019; Yoffie et al., 2019). On the other hand, it is further obscured by people's senses of varied extents of affinity with their existing understanding of what social 'sharing' and market 'economy' should be like (Belk, 2010; Laurell & Sandström, 2017). Hence, the source of the ambiguity in sharing activities is both practical and cognitive. While the underlying linkages between 'practice' and 'value' have been noted and conceptually developed to some extent in the extant sharing economy literature (Belk, 2010; Mair & Reischauer, 2017), they are underspecified and rarely applicable to systematic analyses of the variation pattern.

The doctoral research makes a direct contribution to filling this conceptual and empirical void. It addresses a significant challenge of sharing platforms to simultaneously exploit network effect and explore community cohesion, which avoidably engages two different sets of principles of organizing and criteria of legitimacy. One focuses on economic efficiency and scale, and the other is arranged around shared value, collective action, and social solidarity. It does so by unpacking the embeddedness of different sharing

practices in the existing cognitive frames that guide people's perception and action in bonded and transactional relationships, mapping and explaining the variation of governance forms in both structure and degree, and analyzing the bumpy and valuable experience of a typical case. These findings do provide evidence for the doubt and criticism that some platforms are mainly using the sharing concept to improve their corporate image, marketing, or to attract capital (Belk, 2014; Eckhardt & Bardhi, 2015). Despite the claims of engaging with the sharing goals and activities, these platforms are usually unspecific with these goals in their demonstration of organizational identities and make a limited investment to social mechanisms of exchange. The inconsistencies between their identities and operations are made insignificant, and social elements tend to be further marginalized through time, like in the case of Uber. However, most sharing platforms signal as well as practice the social values and principles to a lesser or greater degree. The identification of the interdependence between different governance practices provides a plausible explanation for the variation. Sharing platforms' choices and decisions on prioritizing social or economic value and principles are not only goal-directed but also structurally and cognitively constrained. The constraining roles of the social and economic logic differ. By capturing the systematic variation and identifying the deviants, this study locates the specific governance practices and elements that pose the most significant challenges to platforms navigating both network scalability and community cohesion. These practices and elements may require special attention in platform decision-making process on how to govern sharing relation. The study also identifies the potential conditions of and approaches to mitigation.

Furthermore, the case of sharing platforms deepens our understanding of the distinctive tensions in the development and governance of collaborative architecture and activities and of how digital settings and designs interact with institutional complexity and tension in organizational governance (Cornelissen et al., 2015). The primary tension concerns aligning complex individual incentives and behaviours with technical designs and artefacts (Barrett, Oborn, & Orlikowski, 2016; Benkler, 2017; Kozinets, 2002). Technical architecture, functions, and processes, especially those facing broader participants or consumers and organizing their activities, can get involved with the socially constructed criteria and assumptions of appropriateness held by different

collections of individuals. They are not entirely ‘rational’ and ‘neutral’ but susceptible to individual perceptions and interpretations, drawing on existing knowledge and frame, which either support or contradict the desired outcome of the platform designer. For instance, the impersonality of technical designs can be cognitively and behaviourally associated with economic value and a transactional mode, such as the extensive use of assurance instruments or the adoption of quantified evaluation systems.

On the one hand, the segregation between the designers’ and the users’ perception of technical designs and artefacts (Orlikowski, 1992) can induce misunderstanding and conflicts, increasing the pressure on coordination and communication. It entails specifying the purposes of design, refining the social signals that these designs send, and communicating them to the audience. On the other hand, the relative flexibility of modifying or humanizing technical systems, the information produced by different contributors and circulated in digital spaces, and people’s increasing openness to online social engagement and attachment, present the possibilities of enhancing people’s acceptance of mixed incentives and innovative combinations of platform designs.

Another tension that the research identifies in platform governance relates to the intermediary role of the platform. For collaborative or crowd-based platforms mobilizing individual contributions and mediating interpersonal interactions, senses of ownership of individual participants become a crucial aspect of governance. They can be influenced by the nature of the individual contribution (Belk, 2013). Instead of acting as consumers in the conventional sense, individual participants have greater demands of autonomy, openness, or democracy in making decisions on or about the platform. As indicated by the case of HomeExchange, personal ownership and owners’ self-interpretation on the meaning of intimate ‘homes’ may promote the emergence of more resilient and decentralized governance forms that balance the power relation between the platform and users (Massa, 2016). For example, during the contestation on HomeExchange, another home-swapping platform called People Like Us managed to prevent HE’s situation by bringing the issues of adopting a virtual currency system and how to design the system to community discussions and polls (Seitam, 2019, November). But in the case of HomeExchange, as the technical facilitator and

controller, the relative power of the platform in decision making is still prominent. And it shows considerable effectiveness of rhetoric strategies in acquiring the legitimacy as a designer and organizer of peer exchanges and sustaining individual contribution to the online community. In this respect, the study specifies the tensions in orchestrating human incentives and behaviours in the collaborative architecture as a new form of organizing and identifies potential approaches to mitigating them. It also proposes the importance of developing more proactive strategies to respond to individual self-identification as both the consumer and the contributor to the created value.

From hybrid organization to hybrid organizing: Implications to the construction of organizational hybridity

The dissertation makes theoretical and empirical contributions to the literature of hybrid organization and hybrid organizing. Hybrid organizations attract attention because of their unconventional way of integrating core organizing elements, and the tension that comes along with their stance in ‘different worlds’ (Battilana et al., 2017). Most extant research on them has focused on social enterprises, i.e., a type of organization that pursues social missions by integrating market mechanisms and whose hybrid nature is acquiring legal statuses (Ebrahim et al., 2014). The approach advances our knowledge in the ‘ideal type’ of hybrid organization and its typical features (Battilana & Lee, 2014). But the inclination of treating hybridity as a novel and stable nature of the organization tends to overlook the long-lived and evolving practices that engage disparate organizing elements and rationales in less explicit and less formal ways. Such practices are reflected by businesses investing in social responsibility (Battilana et al., 2017), private-public partnerships (Ashraf et al., 2017), virtual communities (Shah, 2006), peer production (Benkler, 2017), and sharing economy platforms (Mair & Reischauer, 2017). Instead of being the standard practice of a specific type of organization, the construction of hybridity tends to be a general organizational experience. It can vary in terms of the degree of blending and the elements that are blended.

The doctoral research selects and investigates sharing economy platforms based on this essential understanding. It understands the hybrid organization as being constructed with

discretion and involving the act of integrating multiple existing logics of organizing on different dimensions and with different practices. In this sense, it makes a primary contribution to expanding the empirical scope of hybrid organization research, through practising the initiative of Battilana and colleagues in advancing the exploration of more diverse ways of ‘hybrid organizing’ – namely, ‘the activities, structures, processes, and meanings by which organizations make sense of and combine aspects of multiple organizational forms’ (Battilana & Lee, 2014, p. 398). So the study moves beyond the ideal type of hybrid organization – social enterprises (Battilana et al., 2017). Sharing platforms embody a type of hybrid organizing in the digital era. Founded on platform infrastructure and collaborative architecture, they serve as a technical intermediary in interpersonal interactions, while their enacted roles go beyond that. Not only do they connect and facilitate relationships and interactions, but also reconcile and reshape them into an orchestrated system (Reischauer & Mair, 2018). Including for-profit and non-profit organizations and social enterprises, the hybridity of sharing platforms is not limited to sectoral attributes but manifests in their use of diverse mediating mechanisms and approaches to governing human relations driven by both social and economic motives. Investigating the working of hybrid organizing in the sharing economy field expands our view of how hybridity can be constructed by a mediator with both conventional and digitally-enabled governance practices.

Second, sharing platforms’ construction of hybrid governance provides an ideal setting that connects the disconnected existing perspectives of studying hybrid organizations and clarifies the value-related sources of tension in hybrid governance (Quélin et al., 2017; Seibel, 2015). A transaction cost perspective considers hybrid governance as a mixed form of governance mechanisms in market transactions, hierarchies, or networks (Makadok & Coff, 2009; Williamson, 1996). An institutional logic view highlights that organizational hybridity integrates multiple logics, i.e., different values, assumptions, and rules of practices that are socially constructed and guide the action of social actors (Battilana et al., 2017; Mair et al., 2015). However, sharing platforms’ use of different practices to facilitate peer relations driven by mixed value creation purposes shows that governance mechanisms can be infused with logics and loaded with values. For instance, not only are contractual arrangements widely adopted in market transactions

and contributing to their functioning, but the systematic and extensive adoption of them could signal the organization's identification with market value and principles of optimizing efficiency, economic scale, and financial revenue. In the thesis, important governance practices of sharing platforms are captured from a broad range of cases, and their associations with the social and the economic are identified based on cogent theories and studies of multiple disciplines. This framework, which bridges 'governance mechanism' and 'institutional logic', forms the theoretical foundation for the systematic analysis and empirical interpretation in the thesis. Thus, connecting the separate perspectives not only restores a fuller picture of organizational hybridity but also emphasizes the value-related tension in the hybrid governance discussed in the transaction cost perspective. That is, the high tension and cost in combining market, hierarchy, or network mechanisms can come from inconsistent assumptions of appropriateness and principles of organizing held by different parties.

Third, the research identifies the 'linkages' between the different dimensions and elements in organizational hybridity (Battilana & Lee, 2014, p. 422). It addresses and captures the interdependence between organizational decisions on making which organizational elements hybrid, and to what extent. In this research, the existence of these linkages is supported, and the specific organizational elements that associate are captured by identifying the highly repetitive ways in which sharing platforms configure these elements and practices to a similar degree. On the one hand, the associations between practices from a single logic represent a type of rigidity in the construction of organizational hybridity. It comes from organizational decision-makers' perception of the risk of using inconsistent prescriptions in interrelated practices and elements. Unless being compartmented in different units or activities, an institutional logic can exert widespread influence on different areas of organizational life. On the other hand, it also suggests that the perception of the risk can be either strong or weak. A weaker perception of risk, that is, a lower cognitive challenge for decision-makers to integrate the competing logic in some elements, allows a greater degree of these elements in the governance form and thus the appearance of a highly mixed or balanced form of hybridity. This perception alleviates the internal association within a logic and brings in

the flexibility we observe in how organizations configure presumably less consistent governance elements or practices.

Even when the perceived risk is high, the analysis of the cases which blend logics in core elements shows the possibilities for the organizational agency to be proactive and mitigate the structural constraints. It could be achieved by either making the most of spontaneous conditions of exchange or gradual communication and negotiation with individual participants. Therefore, this study also promotes our knowledge and understanding of organizational hybridity by uncovering the uneven distribution of the 'perceived' incompatibility in its different practices and verifying the internal association and interplay between these practices. It also provides a pertinent explanation for these observations based on the cognitive process of organizational discretion.

Fourth, this study also contributes to updating our understanding of 'mission drift,' a typical risk in hybrid organizations, especially in social enterprises. Mission drift in a social enterprise refers to the organization's tendency to shift focus to revenue-making activities and away from its original social missions (Ebrahim et al., 2014). It is usually considered as a negative and unintended consequence of the organization, resulting from the organization's incapability of aligning the requirements of achieving social wellbeing and financial sustainability (Battilana & Dorado, 2010). A recent definition from Grimes et al. (2019) proposes that mission drift is the perceived inconsistency between an organization's actions and its image. The external audience's perception of this inconsistency raises doubts about the authenticity of the organization's goal and identity and thus threatens its legitimacy (Grimes et al., 2019). From this perspective, mission drift may not just be a passive choice of the organization but an intentional effort of extending or evolving its image in the circumstance of value complexity, for example, in a strategic choice or business model innovation (Grimes et al., 2020; Klein, Schneider, & Spieth, 2020). So the outcomes of mission drift can be positive or negative, depending on the extent to which the organization can improve audience perception of the authenticity of its identity and responsiveness to the environment (Grimes et al., 2019).

In this study, sharing platforms' demonstration of a stronger socially or commercially-oriented identity and relevant offerings portrays the corporate image, whereas facilitating highly mixed governance and prioritizing the alternative logic in platform activities can exhibit inconsistent actions. The rhetoric analysis of the contestation between HomeExchange and its members on the change of the virtual currency system is a strong proof of the perceptual and interpretive nature of mission drift and clarifies the conceptual ambiguity. It illustrates the discrepancy in how the platform and the members, as well as how different types of members, interpreted the action as legitimate or illegitimate and evidenced their interpretations by linking to various observations of reality and existing assumptions of appropriateness. The case study also presents the process that members' intense perception of 'mission drift' in the early stage of the shift was alleviated to a tolerable level via the platform's patching of meaning, mobilization of discursive resources, and removal of highly controversial practices. Therefore, mission drift can be shaped or reversed for better outcomes.

From institutions to interactions: Implications to the micro-foundation of institutional change and complexity

The doctoral research also contributes to the institutional research by specifying the micro-foundation of facilitating organizational changes under institutional complexity. Hybrid organization/organizing is essentially organizational activities and processes under institutional complexity. The micro-foundation of institutionalization – i.e., how institutions are constructed, sustained, or altered in everyday situations and activities of social actors – has been a 'black box' in the well-developed institutional research (Powell & Rerup, 2017). It is especially the case for the institutional process under multiple and incompatible logics, which complicates the situation which organizations face and react in (Greenwood et al., 2011). What sits underneath and at the foundation of the varied ways of 'hybrid organizing' peer interaction is sharing platforms' different experiences of initiating, stabilizing, and transforming their governance under a social and an economic logic. In the research, a special focus is given to not only discovering the variants but also illustrating the micro-level process that institutions are shaped and

transformed by the platform and individuals in a situation of strong institutional complexity and tension.

First, locating ‘interpersonal relation’ as the basic level of analyzing the institutional complexity in the sharing economy, the research sheds light on the reflexive process of constructing and transforming organizational hybridity between multiple levels (Harmon, Haack, & Roulet, 2019; Powell & Rerup, 2017). It captures the different experiences and reactions of organizational and individual actors that bring about the idiosyncratic form of hybridity (Greenwood et al., 2011). These experiences and reactions come from two types of interaction – the interaction between individual participants in the sharing process, and the interaction between the platform and individuals on designing the process and defining the meaning of sharing relations. They go through the respective cognitive processes of the individuals and the organization and contribute to the observed form of governance configuration. On the one hand, how strong organizational decision-makers perceive the structural constraint – i.e., logic incompatibility – in bringing together potentially competing practices, influences platform decisions on what practices to blend in and to what extent. On the other hand, how strong individual participants perceive the tendency that bonded relations and social value get undermined by platform decisions on adopting inconsistent practices – namely, the signs of mission drift – affects the visible level of tension in the hybridity. A strong perception of mission drift triggers members’ opposing voices and actions, exposes or amplifies the tension in competing values and practices, and, in turn, increases the logic incompatibility perceived by the platform decision-makers. However, organization-individual interaction – in this study, the communication and argumentation of the platform with members – presents both the risk of intensifying the tension and the possibility of alleviating it and shaping individual perception towards the desired direction, through altering the criteria of legitimacy and reconstructing the meaning of sharing relations. The interactions between the organizational and the individual level, between their respective perceptions of the risks in hybridity and responses, constitute a reflexive process of reaching a relatively stable status of governing with multiple institutional logics. Extant literature has identified field-level, organizational, and individual factors that could influence the process of hybridization

and the final product of hybridity through affecting organizational and individual perceptions of tension in the prospective hybridity (Besharov & Smith, 2014; Greenwood et al., 2011). However, their influence on platform intermediaries, an unconventional organizational architecture, can await further verification.

Moreover, by focusing on organization-individual interaction, the case study foregrounds the role of language and communication in navigating through institutional complexity. And this role becomes even more prominent and evolved in a digitally mediated setting. It is a practice of the ‘communicative institutionalism’ (Cornelissen et al., 2015) and ‘rhetoric institutionalism’ (Green Jr & Li, 2011). The work of Harmon et al. (2015) establishes the linkage between the rhetoric structure and institutional maintenance and change. Analyzing the deep structure of the platform and individual arguments with this framework shows that language is not just a channel for sending messages. Arguments can reflect how organizational and individual agency process each other’s explicit ‘action’ and implicit ‘signals’ with their own frames of legitimacy, convey with their supportive observations and evidence, and influence others. Moreover, there is also more nuanced agency in using rhetoric to intercept and exchange conflicting meanings with more consistent elements of the same institutional logic, as well as search and transport supportive evidence from the arguments of other stakeholders present in the digital spaces. Therefore, the research also reveals both the limit and potential of digital communication in expanding the cognitive capacity of different stakeholders to process and contain the inconsistencies in values, principles, and assumptions of appropriateness, so they can acquire a broader consensus.

Governing sharing platforms and hybrid organizations in a digital era: Implications to business, management, and policy

This doctoral research has three implications for business, management, and policy-making practices, specifically to the governance of sharing platforms and the navigation of heterogeneous incentives for multi-value creation in a digital setting.

First, the two sides of the construction of hybrid governance in the sharing economy – rigidity and flexibility – show both the constraints and opportunities to explore the

complementarity between economic efficiency and social cohesion. The constraints and tensions show the specific governance practices and elements that require closer attention in the decision-making process of entrepreneurs and managers. For instance, it is worth more consideration and creative designs if a sharing platform targeting financial revenue in the long term intends to attract participants and shape their behaviour by cultivating community norms and shared experiences. It also applies if a platform building community norms and shared experiences among members thinks of exploiting the convenience of assurance instruments such as implementing highly quantified rating systems. While the constraints are systematic, the opportunities are contingent and disperse. The lack of highly mixed governance indicates a high perceived risk but does not mean innovation is impossible. The research provides exemplary cases that make most of the spontaneous conditions or seek to alter the existing interaction modes and design principles to uncover opportunities. Therefore, while not losing sight of the inconsistencies between different organizing principles, entrepreneurs and managers may benefit from reflecting on the possible cognitive limits in their decision-making process. For instance, whether their observation of common incompatibilities and solutions could have limited the choices of practices and prevented creative ways of using technical mechanisms to govern interpersonal interaction.

Second, the research illustrates the tensions in promoting and organizing collaborative activities as a mediator as well as in a mediated environment. It also identifies possible approaches to mitigating them. As a mediator, the platform not only provides the technical infrastructure supporting interactions between individuals and exchanges of individual assets but also designs the processes and nudges peer and collective relations towards the desired direction by managing heterogeneous human incentives. Operating in a mediated setting, and heavily relying on technical designs and digital channels to organize social activities, also turn the interpersonal as well as organization-individual interaction into processes of signalling and perception of signals to a considerable extent. It makes individual behaviours and organizational decisions more susceptible to multiple or even conflicting interpretations. Platform designers need to be more aware of the social meaning attached to technical designs, the sense of ownership of individual contributors, and their increased demand for self-autonomy and self-identity in

organizing exchanges. Platforms can benefit from improving the clarity and promptness of their communication about the specific purposes and meanings of the decisions to adopt counterintuitive mechanisms and functions. It can minimize people's perception of mission drift and platform authority,

Lastly, regulating sharing platforms and integrating their boundary-testing practices into legal frameworks have been a significant task for governments and policymakers. Despite the differences of political and cultural systems, a consistent theme of policymakers is to explore the potential of sharing activities in meeting the social and economic demands of people while preventing platform capitalism from exploiting legal voids such as individual assets and informal labour (2016; 2019; Valant, 2016). The research suggests the possibility of developing an index or classification system of sharing platforms based on their practices on different dimensions and their degrees of associating with social and economic values, principles, and outcomes. Differentiated regulations and stimuli could be established to promote more balanced development between sharing platforms that integrate social and economic value creation and those prioritizing one of them.

Future research

Limitations of this doctoral research present opportunities for future exploration in at least three directions. The first one concerns comparing and testing different explanations for the systematic rigidity and flexibility of configuring hybrid governance. Besides the general awareness of significant tensions in particular practices, there could be other cognitive processes influencing organizational decision-making, for example, learning from or copying successful business models. As proposed by extant literature on institutional complexity (Besharov & Smith, 2014; Greenwood et al., 2011), organizational perception of tension and discretion on the structure and degree of integrating distinct logics could also be susceptible to the influence of organizational and field-level factors and conditions. One conjecture could be that sharing platforms which raised substantial investments might be able to leverage more resources in different organizational units and activities to tackle inconsistent requirements, such as

improving technical functions, social features, and community communication. But they may also have an imperative to focus on revenue-making due to their dependence on capital. Thus, to develop complete and fine-grained explanations for the variety of hybrid governance on interpersonal relation, future research can work on specifying and verifying the interplay of organizational and field-level factors with the activities on and the discretion of intermediary platforms.

Moreover, although the research has a focus on the use of rhetoric, future exploration can conduct in-depth case studies to uncover the micro-level interactions and dynamics – both symbolic and material practices – that facilitate or hinder the changes in organizational hybridity. Conducting these studies in the context of digitalization and platformization can be interesting as it will reveal how the transformed roles, tools of servicing, and channels of communication of digital platforms may have modified the common symbols and practices of representation, justification, coordination, and conflict resolution. Third, tracking the changes of the governance forms of sharing platforms in the coming years with longitudinal studies will extend the current analysis of their variation to the verification of the stability and outcomes of different pathways of developing hybrid governance.

The chances of navigating through uncertainty and optimizing future practices lie broadly in learning from the phenomenon's present complexity. The research is a preliminary practice to unpack the complexities of governing mixed interpersonal relationships on platforms and inquire how they can be designed to achieve sustainable outcomes. The original motive of the doctoral researcher is to shed light on some latent behavioural and social rules that could clear our confusion on the diversity of the phenomenon, and enhance opportunities for multi-value creation through novel organizational architecture that digitalizes, mediates, and leverages individual and collaborative potential.

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Appendix

* **Bold:** New arguments appearing after the merger.

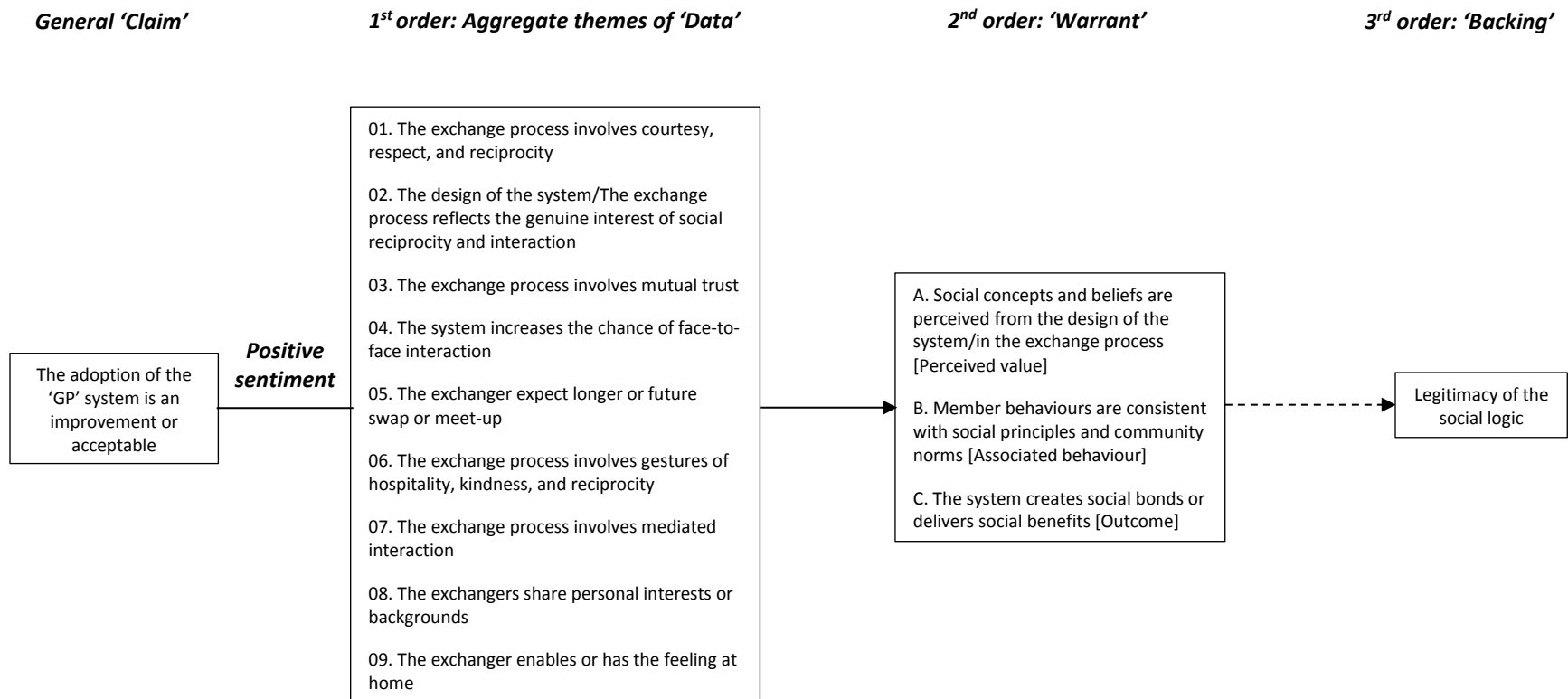


Figure 2a Member arguments after the merger: Structure of analysis (FULL)

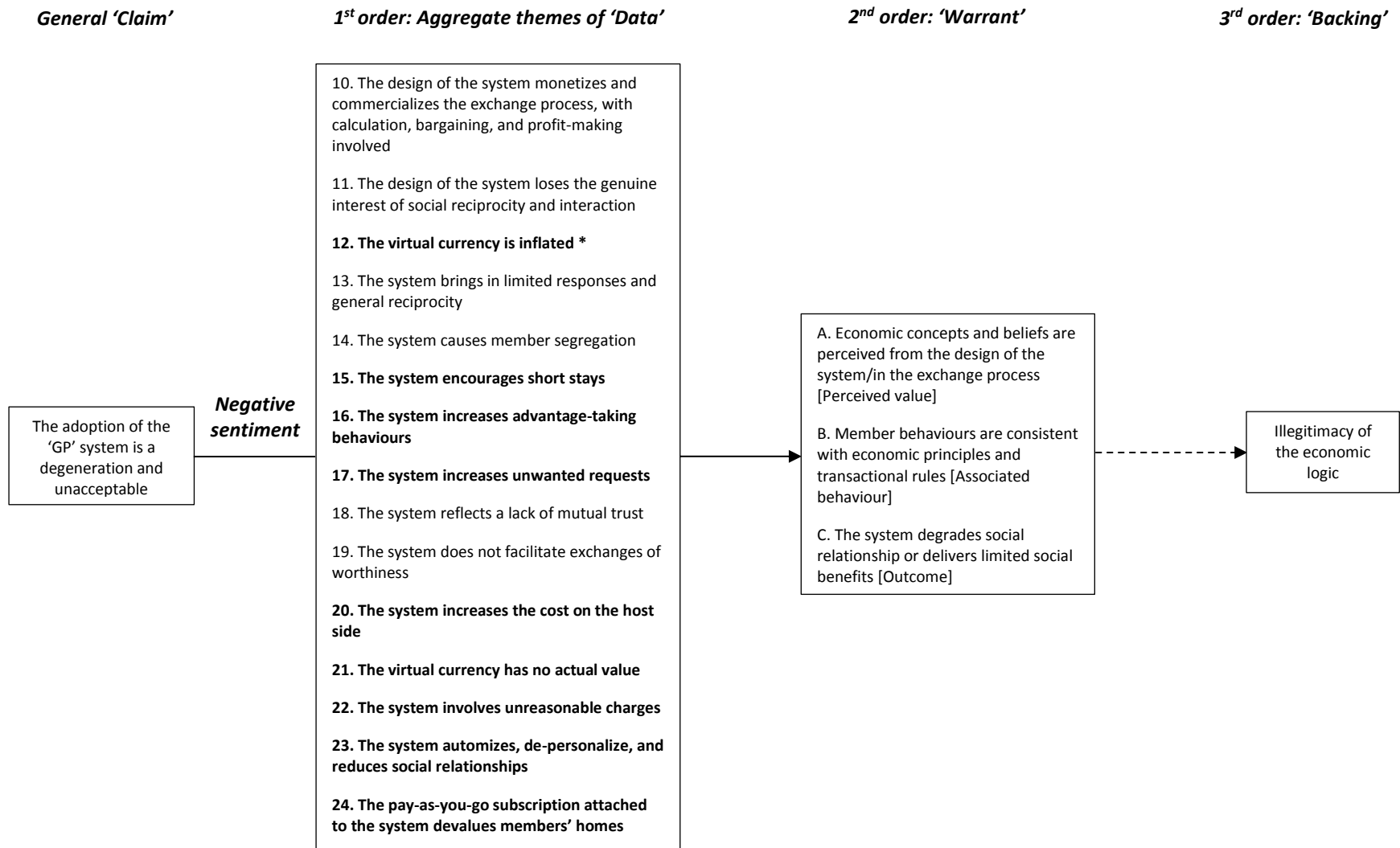


Figure 2a Member arguments after the merger: Structure of analysis (FULL) (cont'd.)

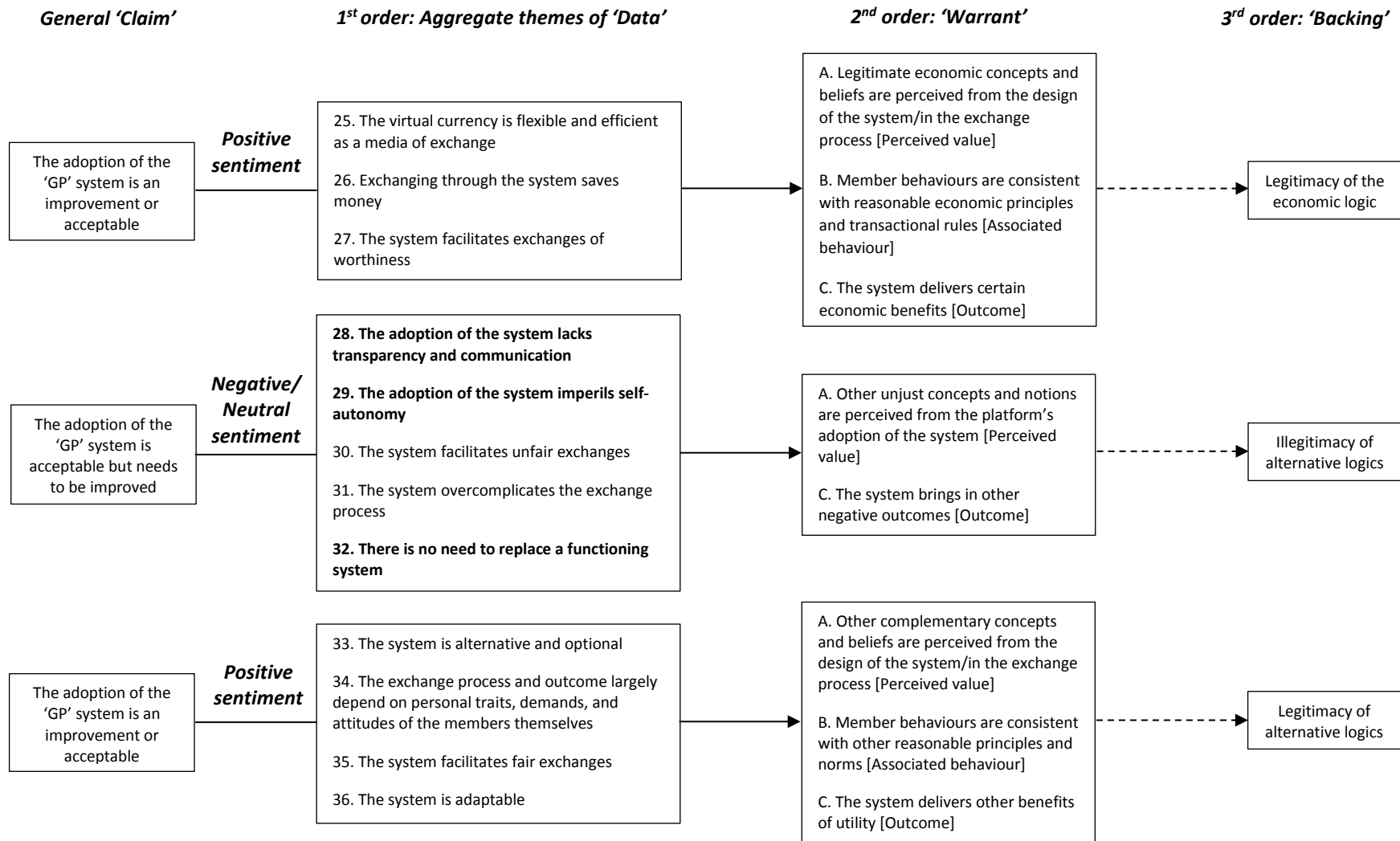


Figure 2a Member arguments after the merger: Structure of analysis (FULL) (cont'd.)

Table 2a Member arguments after the merger: Representative content and location (FULL)

<p>'Backing' & Aggregate themes of 'Data'</p>	<p>Representative content [with 'Warrant']</p>	<p>Content appears in ^a</p>
<p><i>Legitimacy of the social logic in the home-swapping field</i></p>		
<p>01. The exchange process involves courtesy, respect, and reciprocity</p>	<p>'All the planning and communication went very smoothly and they left our home in perfect condition. In fact, they deserve 10 stars for cleanliness ... everything was so tidy that we couldn't even tell they had been at our home for a week.' [Associated behaviour]</p>	<p>T / M</p>
<p>02. The design of the system/The exchange process reflects the genuine interest of social reciprocity and interaction</p>	<p>'What hasn't changed a bit from my experience, is the fundamental values underlying the spirit of exchanging homes. People are just as communicative, open and willing to help, as they were before the merger. There is still a lot to improve upon, but it's better than before.' [Perceived value; Associated behaviour; Outcome]</p> <p>'But above all our host understood everything in Homexchange and it is above all a beautiful human encounter that we had. We used GPs to get to Madrid. It was a first experience for them, but what a great welcome. Maria did everything she could to make us feel good and we did. We were even able to eat an ice cream together during their stay in Madrid in the middle of our stay.' [Associated behaviour; Outcome]</p>	<p>T / M</p>
<p>03. The exchange process involves mutual trust</p>	<p>'I have no reservations in recommending the program as worth everything you pay for it, the effort you need to put into it to learn how to use it and the personal trust it is based on.' [Perceived value]</p> <p>As it was through GP, we were able to meet and even Ayse brought me around the city to have a tour. They are the kind of people you can trust for the first moment, and they've been very helpful during the exchange.' [Associated behaviour; Outcome]</p>	<p>T / M</p>

Table 2a Member arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
04. The system increases the chance of face-to-face interaction	'We have loved meeting them and enjoying some moments together, something very positive for both parents and children.' [Associated behaviour; Outcome]	M
05. Exchangers expect longer or future swap or meet-up	'They took great care of the house over two weeks and left it perfectly ordered and clean. So in a word: perfect. We would not hesitate a second to repeat the experience!' [Outcome]	M
06. The exchange process involves gestures of hospitality, kindness, and reciprocity	'They left us drinks, homemade yogurt made by them and things for breakfast. They were sympathetic at all times; we even had the opportunity to have a wine in his lovely house and chat. I hope I can exchange again and be able to enjoy that wonder of home or go back to the cabin being them and enjoy this time the pool.' [Associated behaviour]	M
07. The exchange process involves mediated interaction	'We enjoyed our correspondence with Susan and our only disappointment is that we did not get to meet.' [Associated behaviour]	M
08. Exchangers share personal interests or backgrounds	'We spent a little time together as we were living close by and we developed bond of thoughts. They arrived totally unknown and they left as friends. We really hope that our next exchange will have the same human qualities.' [Associated behaviour]	M
09. Exchangers enable or have the feeling at home	'Our host and her family are very nice. Communication with them has been very simple. What we most appreciate is the interest shown for us to be at ease at home.' [Associated behaviour]	M

Table 2a Member arguments after the merger: Representative content and location (FULL) (cont'd.)

<p>'Backing' & Aggregate themes of 'Data'</p>	<p>Representative content [with 'Warrant']</p>	<p>Content appears in ^a</p>
<p><i>Illegitimacy of the economic logic</i></p>		
<p>10. The design of the system monetizes and commercializes the exchange process, with calculation, bargaining, and profit-making involved</p>	<p>'It now looks – and feels – like HomeExchange is run by Airbnb and Trip Advisor [...] one can then do a reciprocal exchange and ask one's partner to 'pay up' so many points because their home is smaller or doesn't have the jacuzzi or the international tourist site nearby. Worse, little 'carrots' in the form of 'points you can earn' pop up constantly: have your address verified and earn XX points, add a photo of yourself and earn XX points. And then one can go shopping for home stay of the non-reciprocal type.' [Perceived value; Associated behaviour]</p> <p>'As it was 191 GP per night and said it slept 7, with a hot tub and games room, we thought it would be really nice (our lovely 4-bed home is on for 120 GP, by comparison) but it was very unlovely, a self-contained holiday home next to their house with a gap under the front door ...' [Associated behaviour; Outcome]</p>	<p>T / M</p>
<p>11. The design of the system loses the genuine interest of social reciprocity and interaction</p>	<p>"Generosity, Trust and friendship were the essence of the exchanges NO MONEY was involved in the process. Just the idea of sharing what we have ... small/big, downtown, farm, whatever but from our heart not from money basis. The owners of HE have decided to change the spirit of swap and nowadays our houses have POINTS = COINS.' [Perceived value; Associated behaviour]"</p>	<p>T</p>
<p>12. The virtual currency is inflated ^b</p>	<p>"Free points for everyone!!" Anything to get people to list their "home" and increase HE's reported numbers. So basically, you have a whole lot of people coming to the site and putting up a listing just for the free points they get. With no intention of ever hosting themselves. Reminiscent of a Ponzi scheme in a lot of ways. This is extra worrisome because this one-way exchange is not only not being discouraged – it appears to be being encouraged.' [Perceived value; Associated behaviour; Outcome]</p>	<p>T</p>

Table 2a Member arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
13. The system brings in limited responses and general reciprocity	'We have earned about 5000 GuestPoints. The problem is, we have approached at least 30 people in the US in various locations to use these GPs, many with open availability on their calendars, and not one has been interested in accepting this made-up currency.' [Associated behaviour; Outcome]	T
14. The system causes member segregation	There are far too many sharks in this pool because there are no rules. – Many only look at bed numbers and think it's normal and respectful to try to double, triple or outnumber other Members in travelers. You will receive an endless stream of greedy requests if you offer something nice, have lots of beds and are less travelers. (85 of each 100 requests we receive are totally self-centered).' [Associated behaviour; Outcome]	T
15. The system encourages short stays	'I no longer receive offers to exchange homes and now I receive near-daily demands or requests from strangers for me to vacate my house for one or two days on short notice so that they can make themselves comfortable in my home in exchange for something called guest points which have utterly no value. I am not running an Air B&B. Where do these people think I will go while they are enjoying my home? A hotel?' [Associated behaviour; Outcome]	T
16. The system increases advantage-taking behaviours	'Since the buy-out, I have made several swaps (7) where the owner stayed at my place then could not accommodate me at their place. Four of them can never find a time available despite our locked-in date agreements, and 3 quit swapping almost immediately after staying at my place.' [Associated behaviour; Outcome]	T
17. The system increases unwanted requests	'I make it perfectly clear in the description of my property that I will not accept points but no one is reading the description. They are just sending out many offers hoping to get free accommodation.' [Associated behaviour; Outcome]	T

Table 2a Member arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
18. The system reflects a lack of mutual trust	'(The website) all became bigger which simply means more money for the organizers meanwhile the spirit of the "early" days, including trust, is vanishing rapidly.' [Perceived value; Associated behaviour; Outcome]	T
19. The system does not facilitate exchanges of worthiness	'The number of points requested is very exaggerated when you are 2 to find yourself in a room with 2 small beds and you share toilet and sdb. In this case the number of points must be absolutely reduced. The principles of life and operation need to be better explained, I do not question them, but not at this rate (125 pts/night).' [Outcome]	M
20. The system increases the cost on the host side	'It takes significant effort to prepare a home for a guest and I would not consider doing so for one or two nights [...] I am not interested in running an Air B&B on behalf of homeexchange.com nor do I have the time or patience to respond to people hoping to exploit me.' [Associated behaviour; Outcome]	T
21. The virtual currency has no actual value	'By using AirBNB I can earn cash form my guests using a proven market value rather than "Guest Points", and use that cash to go anywhere in the World.' [Perceived value]	T
22. The system involves unreasonable charges	'Guess what... they are selling nights at our homes. Last week I tried to finalize summer exchange using guest points, I had 1497 guest points but I needed 500 more to finalize my 10 day stay in the wine country. Just of curiosity to find out what happens I try to finalize without necessary amount of point... I was promptly directed to a payment page where I could buy points from home exchange using my credit card. They wanted \$197 dollars which means that one night is roughly 100\$.' [Perceived value; Associated behaviour]	T

Table 2a Member arguments after the merger: Representative content and location (FULL) (cont'd.)

<p>'Backing' & Aggregate themes of 'Data'</p>	<p>Representative content [with 'Warrant']</p>	<p>Content appears in ^a</p>
<p>23. The system automizes, de-personalize, and reduces social relationships</p>	<p>'The beautify of the simple reciprocal home exchange has been drowned in an endless number of little add-ons including inviting people to be "friends", being notified when someone has put your listing of their "favorite" list, being encouraged to join the "club" on people who "like to bike" or "are gourmet cooks" so that you can communicate with the 8,742 other people in the club (whether they know it or not), etc.' [Perceived value; Associated behaviour]</p>	<p>T</p>
<p>24. The pay-as-you-go subscription attached to the system devalues members' homes</p>	<p>'Reminiscent of a Ponzi scheme in a lot of ways. This is extra worrisome because this one-way exchange is not only not being discouraged – it appears to be being encouraged. It's HE's own bloggers touting it. And these people are coming to have a cheap (\$15 a night) stay in our beautiful homes.' [Perceived value]</p>	<p>T</p>
<p><i>Legitimacy of the economic logic</i></p>		
<p>25. The virtual currency is flexible and efficient as a media of exchange</p>	<p>'With the union of guest to guest and home exchange, the new web site gives us more options and tools to conclude exchanges and live like locals anywhere in the world. Feel that the combination of exchange and guest points have a lot of potential and will help us visit more places easily.' [Perceived value; Outcome]</p>	<p>T / M</p>
<p>26. Exchanging through the system saves money</p>	<p>'This visit would not have been possible if it wasn't for the fact that we could do home exchanges and save so much money on not having to pay for accommodation' [Outcome]</p>	<p>T / M</p>
<p>27. The system facilitates exchanges of worthiness</p>	<p>'Also favored by the fact that we are Italian and professed both, we communicated directly and perfectly , everything went as planned, the house is delicious, with a terrace that makes you want to dive into the sea, and well organized: worth the points great.' [Outcome]</p>	<p>M</p>

Table 2a Member arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
<i>Illegitimacy of alternative logics</i>		
28. The adoption of the system lacks transparency and communication	'I was completely blindsided when I logged on one day to find out my balloon exchanges were gone and replaced with "guest points". Why would they do this and not even tell you beforehand?' [Perceived value; Outcome]	T
29. The adoption of the system imperils self-autonomy	'Who has the power to say how many POINTS deserve my place or your place??? Unfortunately I have not received a report from HE telling about all these changes before I paid my renewal ...' [Perceived value]	T
30. The system facilitates unfair exchanges	'Groups usually offer one property while half of the party, not even Members, comes along for a free vacation. If they would need more points than they would have to consider offering more than one property. Only the sun comes up for free.' [Perceived value; Associated behaviour]	T
31. The system overcomplicates the exchange process	'They have also changed the format from a simple exchange-based system to a points-based bartering system which is over complicated.' [Outcome]	T
32. There is no need to replace a functioning system	'Whilst mostly engaging in simultaneous exchanges, I have in the past used our points (not the new points system) to use and host other home exchangers. "If it ain't broke, why fix it?"' [Perceived value]	T
<i>Legitimacy of alternative logics</i>		
33. The system is alternative and optional	'In my opinion, the points system enables a lot more exchanging to happen and if a member prefers the old way, they can opt to only do reciprocal exchanges, just like before. It's the best of both worlds available to members now.' [Associated behaviour]	T / M

Table 2a Member arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
34. The exchange process and outcome largely depend on personal traits, demands, and attitudes of the members themselves	<p>'Of course, it would save the company but it would compromise our community. We can't avoid the risk. Nevertheless, we can overcome it: it only depends on us, on our attitude.' [Associated behaviour; Outcome]</p> <p>'For anyone hesitant to receive Guest Points (GP) based on the concern that the exchange isn't "reciprocal", look at the person's reviews and/or have a phone or SKYPE conversation with them to allay your fears.' [Associated behaviour]</p>	T / M
35. The system facilitates fair exchanges	'In my experiences and I know some people have been worried with changes to the home exchange program but I have been very pleased with the new set up as an example the old balloon program was not always fair as the balloon did not have equal value where the new points system has points value for each day you exchange.' [Perceived value; Outcome]	T / M
36. The system is adaptable	'Though I heard a lot of valid criticism from naysayers, I figured that if I spent my time learning the new system, by the time a lot of the wrinkles were ironed out, I'd be that much further along the learning curve. I'm afraid some people fixate on what is causing them a challenge rather than figuring out how to transition to the new site and its features.' [Associated behaviour]	T

^a T: represents members reviews on TrustPilot. M: represents member mutual reviews on past exchanges.

^b **Bold:** New arguments appearing after the merger.

* **Bold:** New arguments appearing after the merger.

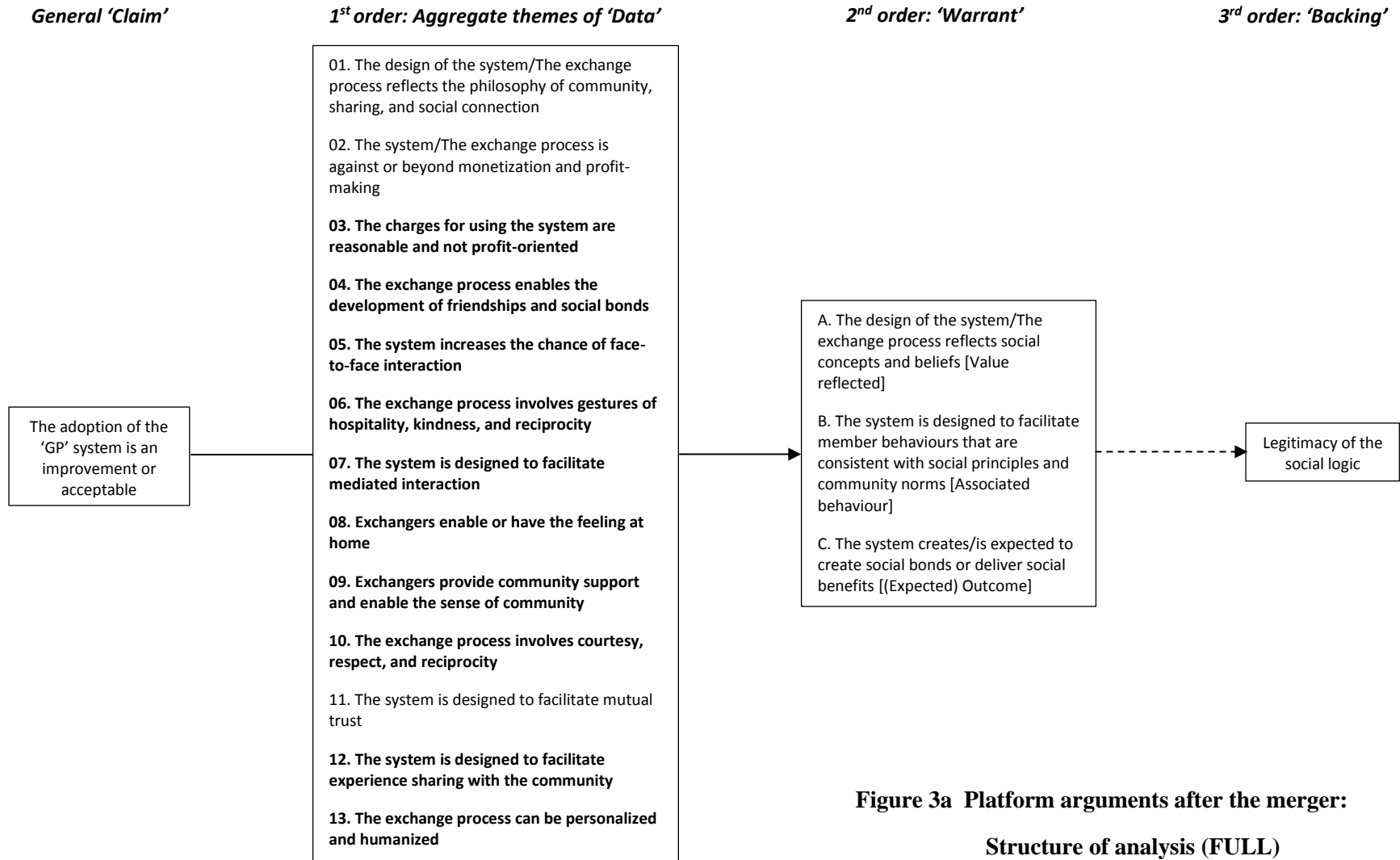


Figure 3a Platform arguments after the merger:

Structure of analysis (FULL)

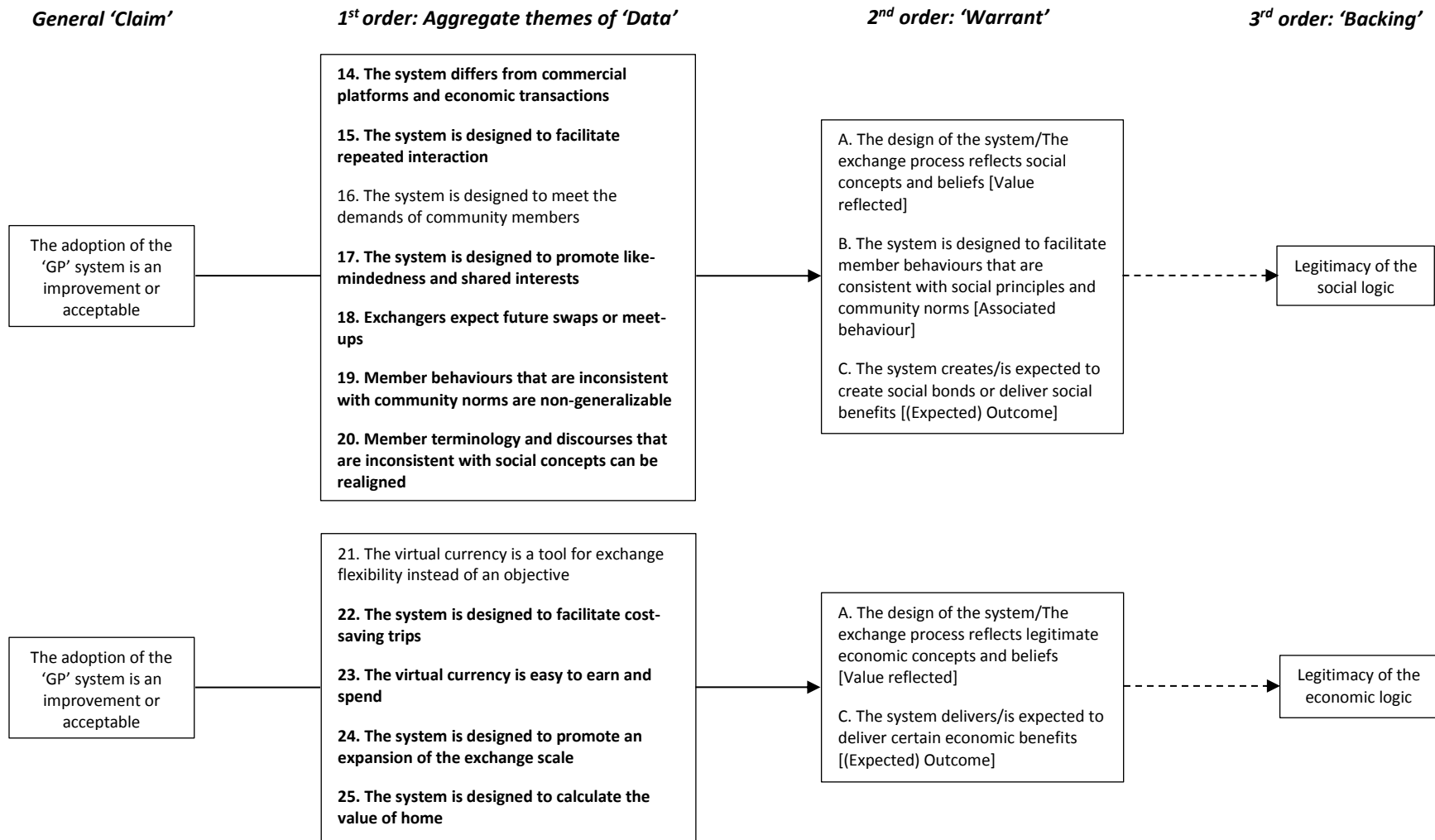


Figure 3a Platform arguments after the merger: Structure of analysis (FULL) (cont'd.)

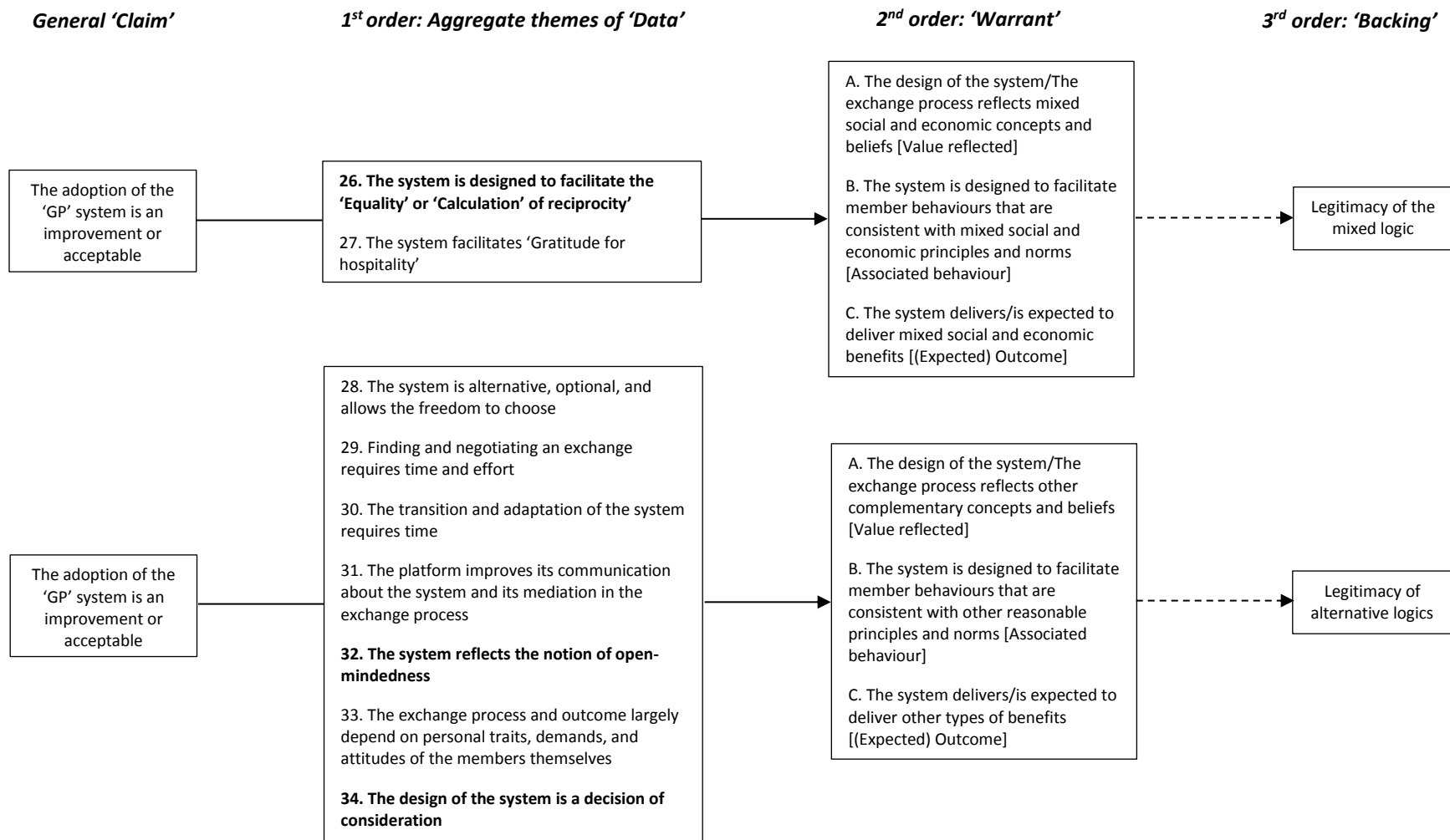


Figure 3a Platform arguments after the merger: Structure of analysis (FULL) (cont'd.)

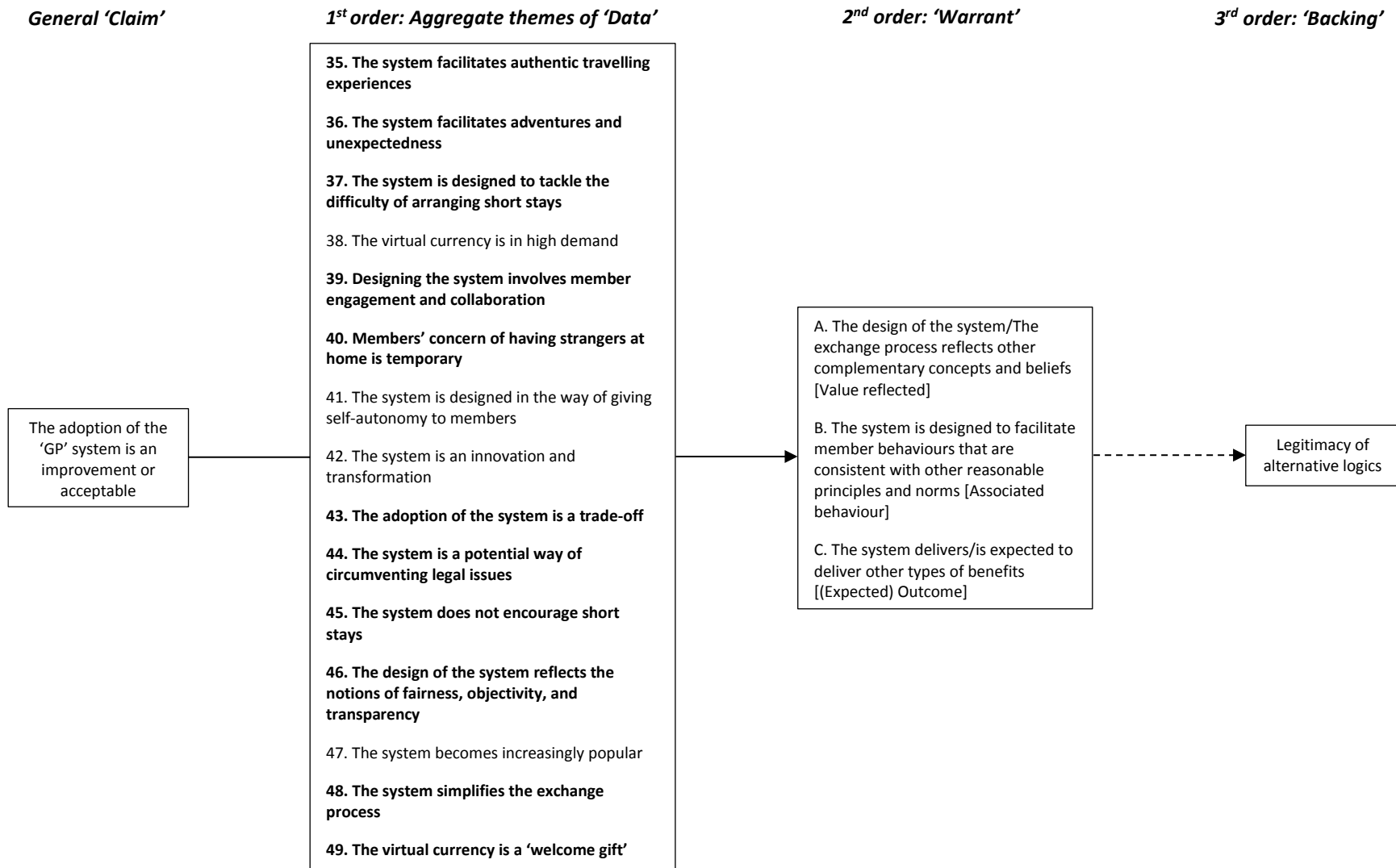


Figure 3a Platform arguments after the merger: Structure of analysis (FULL) (cont'd.)

Table 3a Platform arguments after the merger: Representative content and location (FULL)

<p>'Backing' & Aggregate themes of 'Data'</p>	<p>Representative content [with 'Warrant']</p>	<p>Content location ^a</p>
<p><i>Legitimacy of the social logic</i></p>		
<p>01. The design of the system/The exchange process reflects the philosophy of community, sharing, and social connection</p>	<p>'HomeExchange is, above all, a story of trust, sharing, and hospitality. Our community is based on an exchange of houses and apartments and each Member is both a guest and a host. Even with GuestPoints, an exchange is an exchange that is both unique and human. The 6 principles, which we worked on together with a group of ambassadors, are fundamental.' [Value reflected; Associated behaviour]</p>	<p>R / B</p>
<p>02. The system/The exchange process is against or beyond monetization and profit-making</p>	<p>'GuestPoints are not a business model, they are just here to help members to find more flexible exchanges. The need to buy GuestPoints when you miss a few ones was repeatedly asked by some members who lacked just a few points to conclude an exchange. It is a marginal source of revenue for us. We decide to put a high price in order to discourage people to buy some GuestPoints.' [Value reflected; Associated behaviour]</p>	<p>R / B</p>
<p>03. The charges for using the system are reasonable and not profit-oriented ^b</p>	<p>'The need to buy GuestPoints when you miss a few ones was repeatedly asked by some members who lacked just a few points to conclude an exchange. It is a marginal source of revenue for us. We decide to put a high price in order to discourage people to buy some GuestPoints. About the revenues, I want to overcome a big misunderstanding, these figures are not right.' [Value reflected; Associated behaviour]</p> <p>'HomeExchange was always based on an annual Membership option. We did have recently an option to pay per night, instead of only the yearly Membership option. This pay-per-night option has been removed, as it showed not to be in line with the HomeExchange spirit.' [Value reflected]</p>	<p>R / B</p>

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
04. The exchange process enables the development of friendships and social bonds	<i>'(User content quoted by the platform)</i> One of the best parts about traveling through home exchange is the personal contacts. Our hosts had asked their friends and neighbors to "look after us". They took such good care of us that they invited us to dinner at their house! We feel they are also our new friends and we are already hoping we can find a way to visit them again' [Value reflected; Associated behaviour]	B
05. The system increases the chance of face-to-face interaction	<i>'(User content quoted by the platform)</i> Our hosts suggested that we spend a day together, at their house in suburban Southern California, to get to know each other and go over the workings of the house. We are so glad we agreed because we enjoyed meeting them so much and now feel like we have new, lifelong friends.' [Value reflected; Associated behaviour; Outcome]	B
06. The exchange process involves gestures of hospitality, kindness, and reciprocity	'In this article, we want to honor the hospitality of our Members, their gestures of kindness and thoughtful touches, which makes our home exchanges such a special experience. Carole recalls "When we arrived at our exchange in Belgium, a good rhubarb cake was waiting for us," and Ann, as a host, shares "I always leave a small present if there are children!" All these little extras gestures are common in HomeExchange. Chocolates, local specialty dishes, travel guides are left as thoughtful gestures that make for a warm and friendly welcome in the home [...] Without monetary exchange, we can experience hospitality in the purest form: an ever-changing human experience, nourished by kind gestures that make the stays lasting memories.' [Value reflected; Associated behaviour]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
07. The system is designed to facilitate mediated interaction	'Are you a budding cook? An unconditional cat-lover? Or maybe a Sunday-skier? Whatever your hobbies are, you're not alone! Go to the "Social" section of your profile to join interest groups. This will allow you to refine your search and organize exchanges with people who share the same interests. If you have things in common, it makes exchanges that much easier to organize!' [Value reflected; Associated behaviour]	B
08. Exchangers enable or have the feeling at home	'(User content quoted by the platform) We knew that this experience would only be possible with HomeExchange. We were treated as friends, as family, not just as guests and it was just for one night!' [Value reflected; Associated behaviour]	B
09. Exchangers provide community support and enable the sense of community	'(User content quoted by the platform)) We have found that one of the benefits of the community chat done by Ambassadors is that other Members (especially newbies) feel they get a real connection with the community, get to talk to someone who has a long experience in HomeExchange, and get very good tips on how to travel. For newcomers, unfamiliar with the site and the very concept of home exchange, it is more about advice and personal support for their first research and exchange experiences. In short, it is the human side of the very concept of home exchange that motivates me to give some of my time to those who are part of this community!' [Value reflected; Associated behaviour; Outcome]	B
10. The exchange process involves courtesy, respect, and reciprocity	'(User content quoted by the platform) In fact, in an online survey 100% of members said that they make these products available to their guests (even in exchanges with GuestPoints, it does not change the philosophy!). Everyone also agrees on one thing: "if a guest finishes something, he has to replace it, it's a matter of courtesy!"' [Value reflected; Associated behaviour]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
11. The system is designed to facilitate mutual trust	'Trust is one of the key aspects to home-exchange. How do we promote it and how can you contribute to it? At HomeExchange, we believe that trust is key for a successful home-exchange. There is no greater sign of trust than to open the doors of your home and offer your hospitality to another Member. Every day, you feed this trust by communicating between yourselves. By completing your profiles with nice pictures, presenting yourself, talking to your exchange partners, and preparing your trips, you create trustful relationships.' [Value reflected; Associated behaviour]	B
12. The system is designed to facilitate experience sharing with the community	'We love hearing from you! Just like your family and friends, we love to hear about your travels. Share your experiences with other Members through the Facebook groups.' [Value reflected; Associated behaviour]	B
13. The exchange process can be personalized and humanized	'Write a personalized and detailed description of you (and your family): By taking the time to explain how many travelers you are, what it is you like to do, professional details, and more, it lets those looking at your profile know a bit about you before reaching out. Think about what information you would like to read from other Members and offer them the same sort of details about you.' [Associated behaviour]	B
14. The system differs from commercial platforms and economic transactions	<i>'(User content quoted by the platform)</i> On other trips we used AirBnB but the experience was completely different because of the feeling that it was just a business transaction. So when I learned about HomeExchange, I was immediately eager to join. The process of using GuestPoints with any of the participating Hosts has all the advantages of a direct exchange, with infinitely more flexibility.' [Value reflected; Outcome]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
15. The system is designed to facilitate repeated interaction	'Reconnect with the host family: You may have been posting and sharing while on your travels, but that isn't the same from hearing it firsthand. Sure, you were still connected through Whatsapp with your host family, but taking the time to sit down for a lunch or dinner and tell about that restaurant that you discovered or the person you met when catching a train, that's the real treasure.' [Value reflected; Associated behaviour]	B
16. The system is designed to meet the demands of community members	'During the year prior to the update on our site, we collected feedback from our valued members in order to ensure that we understand what they need from our site. They have continuously asked us to increase exchange possibilities, to offer added protection to their exchanges, and to present a dynamically usable website. HomeExchange and GuesttoGuest listened to these comments and suggestions to better improve the user experience. This new website was our answer and I am sure that it will offer more to our members.' [Value reflected; Outcome]	R
17. The system is designed to promote like-mindedness and shared interests	'HomeExchange is a place that allows our Members to exchange with people who share similar interests with them. Groups, Clubs, and Friends can help with that.' [Value reflected; Associated behaviour]	B
18. Exchangers expect future swaps or meet-ups	<i>'(User content quoted by the platform)</i> We feel they are also our new friends and we are already hoping we can find a way to visit them again.' [Outcome]	B
19. Member behaviours that are inconsistent with community norms are non-generalizable	<i>'(User content quoted by the platform)</i> There is occasionally one less nice apple in every bunch, but don't let it spoil the whole bunch, girl! One ostensibly nice family with a gorgeous home agreeably offered to allow us to cancel when we ran short on points, then reneged. Fortunately, Home Exchange's Happiness team had our backs, and helped us navigate the odd unpleasantry or unexpected hairpin turn in the road.' [Associated behaviour; Outcome]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
20. Member terminology and discourses that are inconsistent with social concepts can be realigned	'Have you received a message from a Member saying they wanted to "reserve" your house or "pay" with GuestPoints? Feel free to talk to the Member about it, of course in a kind manner, to explain why this terminology does not characterize us. Our hospitality is a gift, and when we are invited we offer our GuestPoints in gratitude for that hospitality.' [Value reflected; Associated behaviour]	B
<i>Legitimacy of the economic logic</i>		
21. The virtual currency is a tool for exchange flexibility instead of an objective	'The points are actually really not a purpose but only a way to help people finalize more exchanges and give them more opportunities to travel and meet new people.' [Value reflected; Expected outcome] <i>'(User content quoted by the platform) All in all our stay exceeded our expectations and again we felt that familiar happy feeling we get each time we use HomeExchange. What we enjoyed even more, as we used GuestPoints, there was a lot less to organise before our departure, so it was even easier than usual!'</i> [Outcome]	R / B
22. The system is designed to facilitate cost-saving trips	<i>'(User content quoted by the platform) Why would we even want to buy a second home in Malaga, with all the expenses and potential stress that it would entail? We already had a 'second home' in this great city. In fact, we had many - and all without the expense and upkeep of a house or apartment hundreds of miles away from home. It was called Home Exchange. And with our flexibility on travel dates, being able to stay for points or reciprocal swaps, and with so many users.'</i> [Outcome]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
23. The virtual currency is easy to earn and spend	'A complementary solution for getting GuestPoints (and unlimited travel for only 130 €/year): become an Optimal Member and receive 500 GPs when you sign up. [...] You can also earn 100 GPs by becoming a verified member. [Outcome]'	B
24. The system is designed to promote an expansion of the exchange scale	"We are convinced that the practice of home exchange is reaching a turning point and will soon become the next big thing in tourism. The acquisition of HomeExchange will create the largest and most active community of home exchangers in the world. In two years' time we plan on having more than one million travelers organizing their vacations through home exchange," said Emmanuel Arnaud and Charles-Edouard Girard.' [Value reflected; Outcome]	B
25. The system is designed to calculate the value of home	'The value of your home in GuestPoints is calculated using a unique algorithm based on your home's location, size, number of beds, and the other amenities.' [Value reflected]	B
<i>Legitimacy of the mixed logic</i>		
26. The system is designed to facilitate the 'Equality' or 'Calculation' of reciprocity	'Let me give you an example: with Balloons many members would not give them away because they were too "precious" to get; they wouldn't either redeem a balloon for 3-4 nights ("too short stay" they told us) but the host would then ask for 2 Balloons for a long exchange of 3-4 weeks. With GuestPoints all these problems are solved. We know it feels strange in the beginning to have a "number" of points per night, but this is actually a more fair and transparent way of calculating the reciprocity.' [Value reflected; Associated behaviour; Outcome]	R / B
27. The system facilitates 'Gratitude for hospitality'	'Our hospitality is a gift, and when we are invited, we offer our GuestPoints in gratitude for that hospitality.' [Value reflected; Associated behaviour]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

<p>'Backing' & Aggregate themes of 'Data'</p>	<p>Representative content [with 'Warrant']</p>	<p>Content location ^a</p>
<p><i>Legitimacy of alternative logics</i></p>		
<p>28. The system is alternative, optional, and allows the freedom to choose</p>	<p>'We just think the GuestPoints system is easier to use than the balloon one, but feel free to ignore this type of exchange and to keep doing reciprocal exchanges.' [Associated behaviour]</p> <p>'Did you know that it is also possible to organize simultaneous exchanges WITHOUT GuestPoints? Yes, GuestPoints are like antibiotics: they're not automatic! Some members prefer to organize their reciprocal exchanges without using GuestPoints. This is a personal choice, which is very simply done by checking a button on your home page, after discussion with your potential exchange partner. So, you don't necessarily need GuestPoints to finalize an exchange!' [Value reflected; Associated behaviour]</p>	<p>R / B</p>
<p>29. Finding and negotiating an exchange requires time and effort</p>	<p>'You also mentioned that you had problems to find an Exchange using GP's. In average, to find an Exchange (any Exchange, being one with or without GuestPoints) a Member sends about 10-15 messages until finding a positive reply. We have noticed that since you have been a Member of our community, you have sent 3 requests for GuestPoints Exchanges.' [Associated behaviour]</p>	<p>R / B</p>
<p>30. The transition and adaptation of the system requires time</p>	<p>'Whether you're new to HomeExchange or you've been a long-time Member, we know that the concept of GuestPoints can be a little daunting. The team came together to create a guide to add some clarity to the many ways of exchanging.' [Value reflected]</p>	<p>R / B</p>
<p>31. The platform improves its communication about the system and its mediation in the exchange process</p>	<p>'On March 13th 2019 we launched the first Community Q&A Session for many of our English-speaking Members. Members were allowed to ask a question in advance to receive live answers, while during the webinar it was possible to participate with other Members in the live chat.' [Value reflected; Associated behaviour]</p>	<p>R / B</p>

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
32. The system reflects the notion of open-mindedness	'We like to say that "You're either like us or you're not." HomeExchange members believe in sharing their world. [...] It's about opening your mind, your home, and your heart to friends you have never met before, and letting them enjoy your world for the first time.' [Value reflected; Associated behaviour]	R / B
33. The exchange process and outcome largely depend on personal traits, demands, and attitudes of the members themselves	'What might work for a member, doesn't work for another one. For us, as a company, it is important to provide all the possible (and best) solutions and let our members choose. We see you were a fan of the former Balloons. Neither balloons or GuestPoints are perfect but we had to choose between keeping one or another.' [Associated behaviour] 'Naturally, a large part of the HomeExchange experience is determined by the Host Member and their personality.' [Outcome]	R / B
34. The design of the system is a decision of consideration	'Be assured that every choice that we have made to choose the features of the new HomeExchange was pondered, measured and discussed for the better good of our users. It may not be perfect, it seems that the majority of them are making good use of it.' [Value reflected; Outcome]	R / B
35. The system facilitates authentic travelling experiences	<i>'(User content quoted by the platform)</i> You still get to see sites, attractions and have the buzz of unearthing and probing for often the first time but you also get a more realistic sense of what it might be genuinely like to live there.' [Outcome]	B
36. The system facilitates adventures and unexpectedness	<i>'(User content quoted by the platform)</i> We love the testimony of Bonnie, one of our American ambassadors, who shared his many adventures ... and found it difficult to choose his favourite memory.' [Outcome]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
37. The system is designed to tackle the difficulty of arranging short stays	<i>'(User content quoted by the platform)</i> By now it was Saturday, and the girls would be flying into Paris. By using HomeExchange "points" we were able to arrange a non-reciprocal exchange for 1 night in Paris.' [Outcome]	B
38. The virtual currency is in high demand	<i>'(User content quoted by the platform)</i> Mostly we used GuestPoints and even had to turn down a terrific bungalow in Pasadena and a beautifully appointed lake side condo in West Lake as we ran out of our arsenal of saved GuestPoints. Additionally we booked a couple of non-reciprocal exchanges with our lakefront artists' home near Stone Mountain to augment our bank of points while we were on the road as a fallback measure.' [Outcome]	B
39. Designing the system involves member engagement and collaboration	'We would like to thank all of you for making HomeExchange what it is today: an engaged and committed community of Members who share values of hospitality and generosity! [...] After a lot of analysis and feedback from our community, we decided to remove the Essential plan (pay-per-night offer). It seemed to be too commercial for a majority of our Members and created some misunderstandings on the use of HomeExchange.' [Value reflected; Associated behaviour]	B
40. Members' concern of having strangers at home is temporary	'At first glance, it might seem that way. But remember that exchanging is a process. By the time you actually exchange homes, you will likely have swapped multiple messages and spoken via phone or Skype with your exchange partners. These "strangers" will have become friends. And by the time you leave your exchange partner's place, you'll feel like you've known them all your life.' [Associated behaviour; Expected outcome]	B
41. The system is designed in the way of giving self-autonomy to members	'You're in control. If you ever feel like something seems off, it's perfectly OK to decline the exchange.' [Value reflected; Associated behaviour]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
42. The system is an innovation and transformation	'As Henry Ford said: "If I had asked what people wanted they would have answered faster horses". We want to make HomeExchange possible for everyone in the world and that's why some important changes have been made in terms of system and site. And that includes using GuestPoints to arrange the non-reciprocal exchanges.' [Value reflected]	R
43. The adoption of the system is a trade-off	'What might work for a member, doesn't work for another one. For us, as a company, it is important to provide all the possible (and best) solutions and let our members choose. We see you were a fan of the former Balloons. Neither balloons nor GuestPoints are perfect but we had to choose between keeping one or another. And we decided to stick with GuestPoints because they offer more flexibility in the non-reciprocal swaps.' [Value reflected; Expected outcome]	R
44. The system is a potential way of circumventing legal issues	'If you've been following the news, you've read that home "sharing" sites are under fire for creating gray-market economies, avoiding hospitality taxes and driving up real estate and rental prices. Additionally, many Home Owners Associations have forbidden short-term rentals or sublet agreements. These are excellent reasons for joining HomeExchange! Why? Because your exchange partners are invited guests and no money is involved. It's no different than having a family member stay in your home while you're away.' [Expected outcome]	B
45. The system does not encourage short stays	'Are you receiving exchange offers for 1-2 nights? Home-exchanging is a very rewarding and unique way to travel, but we know it is also very demanding to prepare your home! That is why we don't encourage short and quick stays.' [Value reflected; Associated behaviour]	B

Table 3a Platform arguments after the merger: Representative content and location (FULL) (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
46. The design of the system reflects the notions of fairness, objectivity, and transparency	'They are evaluated on 3 criteria, which we believe are fair and do not rely on subjectivity: the number of beds, the location of the home & the amenities.' [Value reflected]	R
47. The system becomes increasingly popular	'The numbers show us that the non-reciprocal option of Exchanges (so using GuestPoints to do it) represents nearly half of all of the Exchanges we have registered on the site, and we have an average of 4 a minute. So we believe that this shows that the system does work, especially when a Member is proactive and contacts Members in order to find their Exchanges.' [Outcome]	R
48. The system simplifies the exchange process	'What are GuestPoints? Created to simplify the process for Members exchange their homes, GuestPoints (GP) are your key to a world of adventures.' [Outcome]	B
49. The virtual currency is a 'welcome gift'	'GuestPoints are awarded as a welcome gift, for completing your profile, and for hosting other Members. The more GuestPoints you get, the more exchange opportunities you have at your disposal.' [Value reflected; Associated behaviour]	B

^a R: represents platform replies on TrustPilot. B: represents the content of platform Blogs.

^b **Bold: New arguments appearing after the merger.**

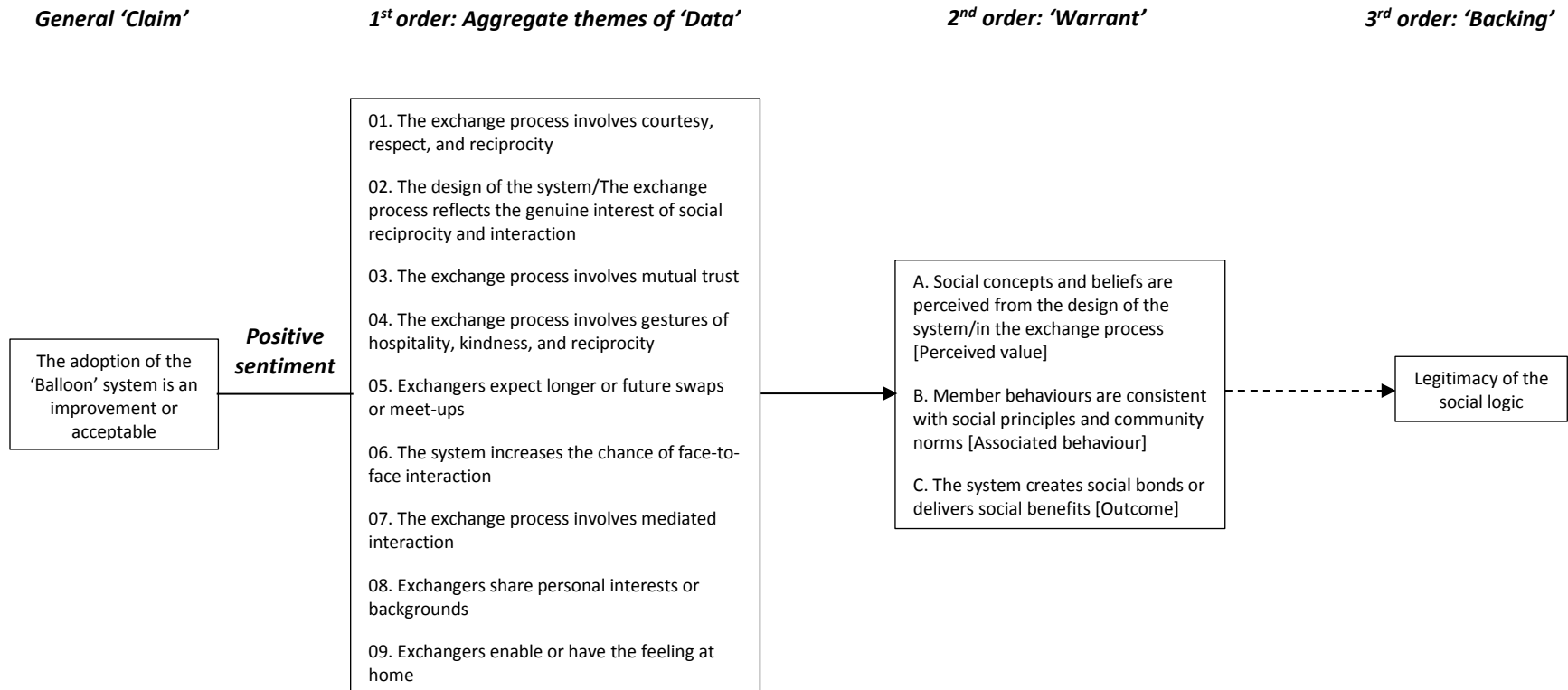


Figure 4 Member arguments before the merger: Structure of analysis

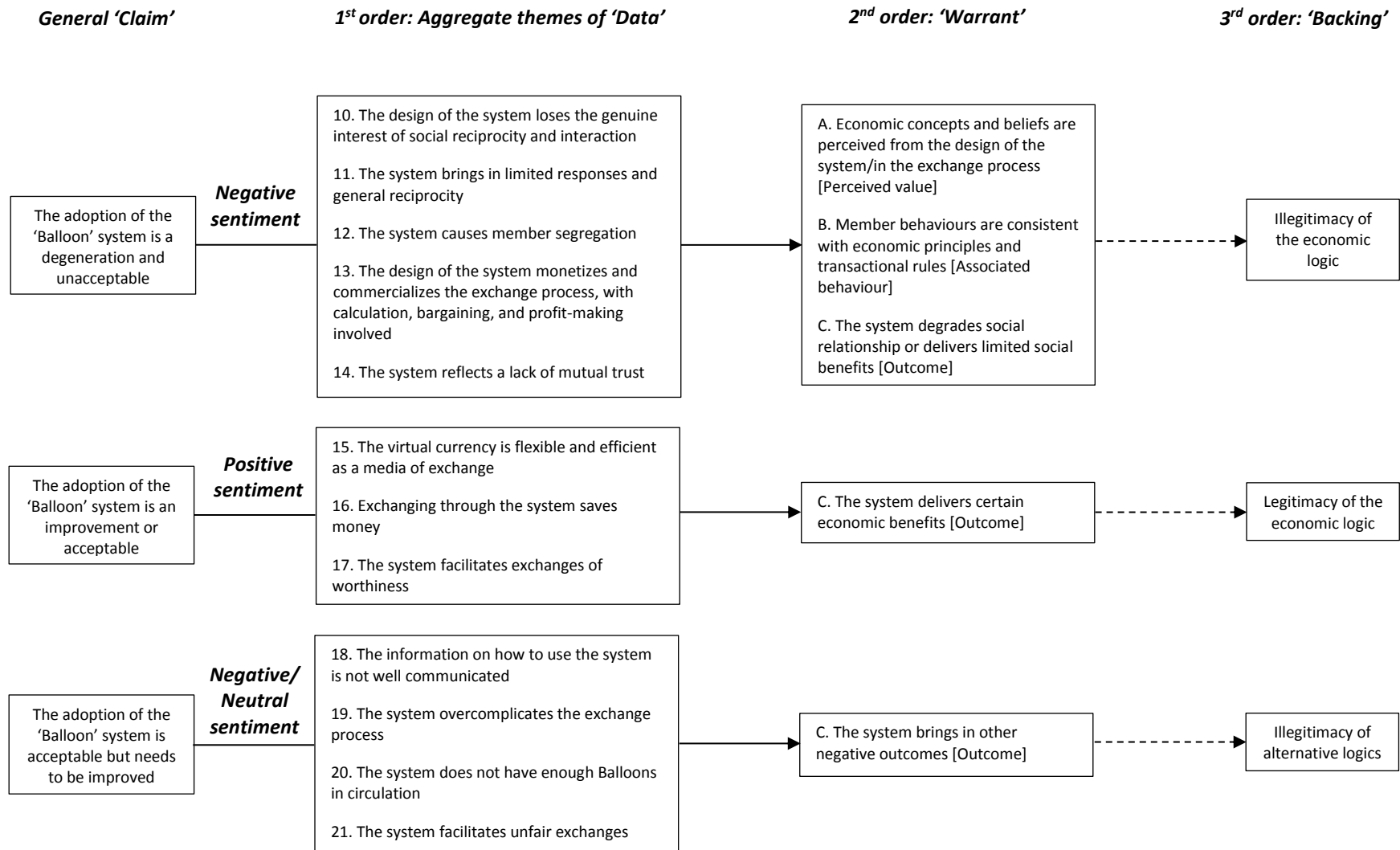


Figure 4 Member arguments before the merger: Structure of analysis (cont'd.)

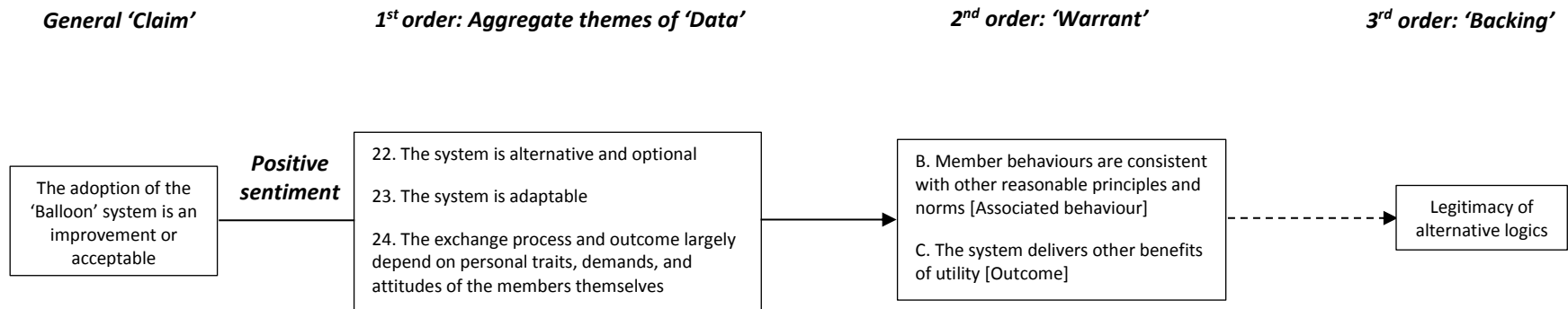


Figure 4 Member arguments before the merger: Structure of analysis (cont'd.)

Table 4 Member arguments before the merger: Representative content and location

‘Backing’ & Aggregate themes of ‘Data’	Representative content [with ‘Warrant’]	Content appears in ^a
<i>Legitimacy of the social logic in the home-swapping field</i>		
01. The exchange process involves courtesy, respect, and reciprocity	‘We loved hosting our guests and were thrilled how well they took care of our home. We are planning now where go next to spend our Balloon!’ [Perceived value; Associated behaviour; Outcome]	T / M
02. The design of the system/The exchange process reflects the genuine interest of social reciprocity and interaction	‘Balloon system works like a song! [...] Mostly the exchanges work 100% smooth, and life-long friends and bonds are made. [...] For the second time me and my host are going away together as travel partners, a friendship casted in trust and acceptance of different cultures’ [Outcome] ‘Although this was not a reciprocal exchange (balloon earned), we were very happy to get to know them. They left our home in a wonderful condition complete with little gifts from Spain! Sadly we never got to meet in person, but very much hope one day we can.’ [Associated behaviour; Outcome]	T / M
03. The exchange process involves mutual trust	‘Although we are experienced exchangers this was the first time we didn't have a reciprocal arrangement in place so we couldn't be quite so assured that the same level of care would be taken. We shouldn't have been at all concerned.’ [Perceived value; Associated behaviour; Outcome]	T / M
04. The exchange process involves gestures of hospitality, kindness, and reciprocity	‘It was a wonderful stay, starting with our host coming to pick us (plus all our luggage) up at the railway station and her wife making coffee for us in the apartment, both of which we really appreciated.’ [Perceived value; Associated behaviour]	M
05. Exchangers expect longer or future swap or meet-up	‘They were communicative, courteous and fun, and left our home in great shape. If you liked Summer here you'll love Winter... come on back!’ [Perceived value; Associated behaviour; Outcome]	M
06. The system increases the chance of face-to-face interaction	‘I was there on a hospitality Passport stay, so I had the pleasure of time with the family and also complete freedom and privacy.’ [Perceived value; Associated behaviour; Outcome]	M

Table 4 Member arguments before the merger: Representative content and location (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
07. The exchange process involves mediated interaction	‘During our communications our host was kind enough to stay in touch throughout with entertaining information about Australia. Although we never met they made us feel right at home.’ [Perceived value; Associated behaviour]	M
08. Exchangers share personal interests or backgrounds	‘It was really a pleasure to have them as guests from me, because we share the passion for Casacasa Exchange.’ [Perceived value; Associated behaviour]	M
09. Exchangers enable or have the feeling at home	‘She is a lovely person with whom we felt at home.’ [Perceived value; Associated behaviour]	M
<i>Illegitimacy of the economic logic</i>		
10. The design of the system loses the genuine interest of social reciprocity and interaction	‘The balloon system is not in line with the concept of exchange. One is not staying at the house of your counterpart.’ [Perceived value]	T
11. The system brings in limited responses and general reciprocity	‘I have tried to make exchanges and to even accept passport balloons of people requesting to stay in my home, just to get the next reply to say they’ve found accommodations elsewhere or changed their minds. I feel they are trolling for the best offer.’ [Associated behaviour; Outcome]	T
12. The system causes member segregation	‘After speaking with many people about the balloon program though, we feel it needs reviewing. It might work for people who are in high demand places but not for those in little known places. It is quite difficult to earn one (Balloon).’ [Perceived value; Outcome]	T
13. The design of the system monetizes and commercializes the exchange process, with calculation, bargaining, and profit-making involved	‘The balloon program has changed the flavor of exchange to one of 'renting'. There are plenty of sites for that.’ [Perceived value]	T
14. The system reflects a lack of mutual trust	‘I am not a fan of the balloon program as it does not have the same reciprocal relationship and I prefer to avoid those and stick to the actual mutual trust of an exchange.’ [Perceived value]	T

Table 4 Member arguments before the merger: Representative content and location (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
<i>Legitimacy of the economic logic</i>		
15. The virtual currency is flexible and efficient as a media of exchange	'The new balloon system has expanded opportunity for exchanges tremendously and is just fantastic!' [Outcome]	T / M
16. Exchanging through the system saves money	'It allows us to live the lives of our exchange family. Without the expense of hotels, eating out and car rental.' [Outcome]	T / M
17. The system facilitates exchanges of worthiness	'Redeemed a balloon issued to me upon membership renewal. Used the balloon a week later for a doith of France stay in a great with swimming pool. Worth every penny.' [Outcome]	T / M
<i>Illegitimacy of alternative logics</i>		
18. The information on how to use the system is not well communicated	'I can't get my head around this balloon program and need someone to explain it to me, so I can start to use it.' [Outcome]	T
19. The system overcomplicates the exchange process	'In a Balloon, you now have the person who is staying at your home and then a second round of communications is done with a person whose home you are visiting. More time consuming to work out the details with multiple parties.' [Outcome]	T
20. The system does not have enough Balloons in circulation	Not having any balloons or ability to acquire balloons easily, the playing field is warped. Been on for 2 years. Attempted hundreds of times. Exchanged once.' [Outcome] 'The Passport Program would be a hundred times more valuable if members with more than four (or five) exchanges completed were granted one new red balloon as a thank you every one or two years. I think this might cause exponential growth of the membership and rates of activity.' [Outcome]	T
21. The system facilitates unfair exchanges	'The balloon programme needs more promotion and perhaps a bit more thought? The value of each balloon is equal and this can be problematic if you have a large house with staff and a pool are swapping for a tiny flat with one bedroom!' [Perceived value]	T

Table 4 Member arguments before the merger: Representative content and location (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content appears in ^a
<i>Legitimacy of alternative logics</i>		
22. The system is alternative and optional	'In our case, we have a second home that we have used for direct exchanges, as well as for "Balloon passport" exchanges. That has given us the flexibility to use Home Exchange for three-week long stays at different ski destinations this winter.' [Associated behaviour; Outcome]	T / M
23. The system is adaptable	'At the very beginning, I have had some problem understanding a balloon system, but it is in fact very simple and useful solution as long as members will treat their balloon exchangers the same as they would treat a "regular" exchanger.' [Associated behaviour; Outcome]	T
24. The exchange process and outcome largely depend on personal traits, demands, and attitudes of the members themselves	'Not all exchanges were perfect. But hey its part of the experience and people are always people so I understand that home 237raveler.com can't always be held responsible for my experiences with individual people.' [Associated behaviour]	T

^a T: represents members reviews on TrustPilot. M: represents member mutual reviews on past exchanges.

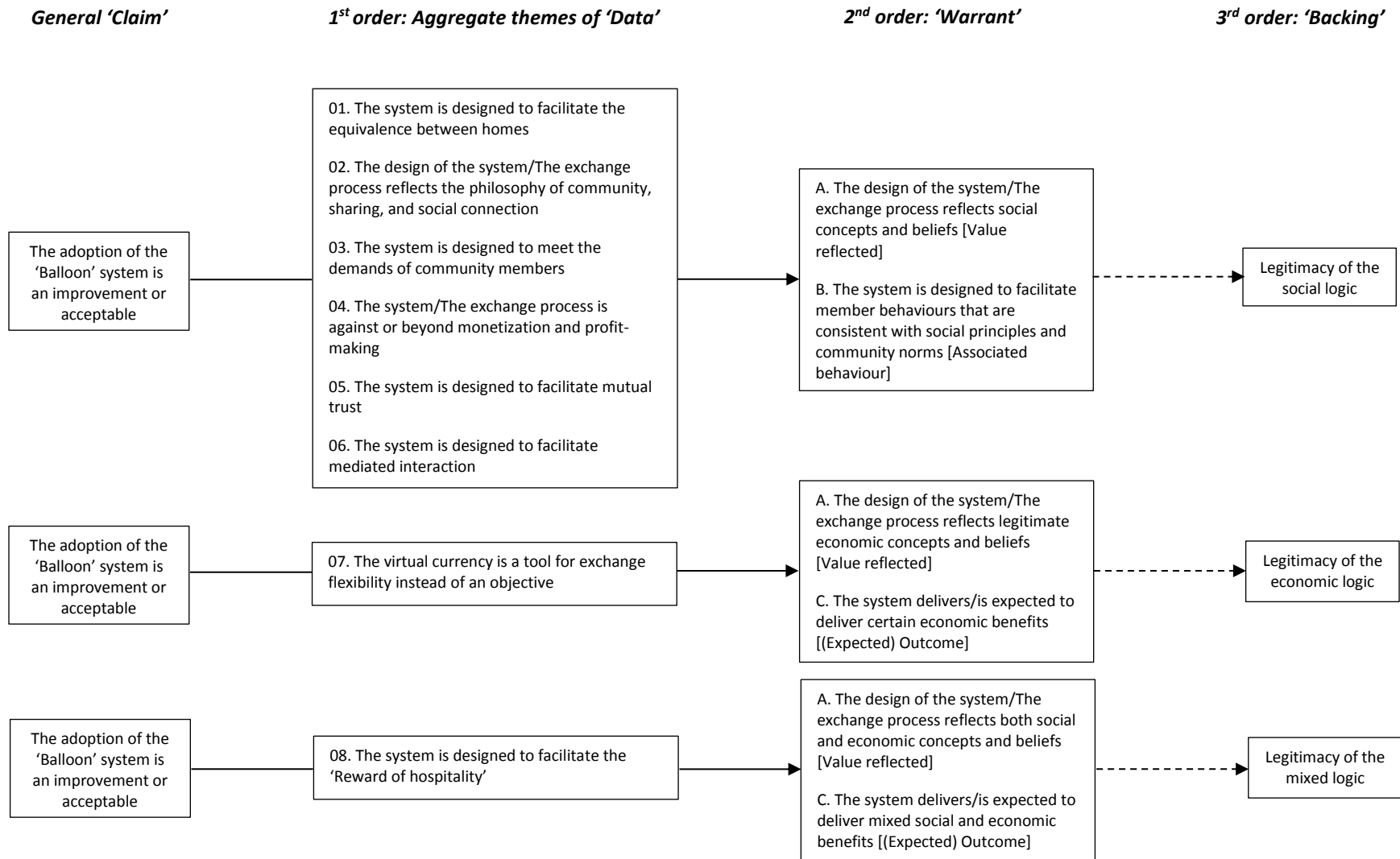


Figure 5 Platform arguments before the merger: Structure of analysis

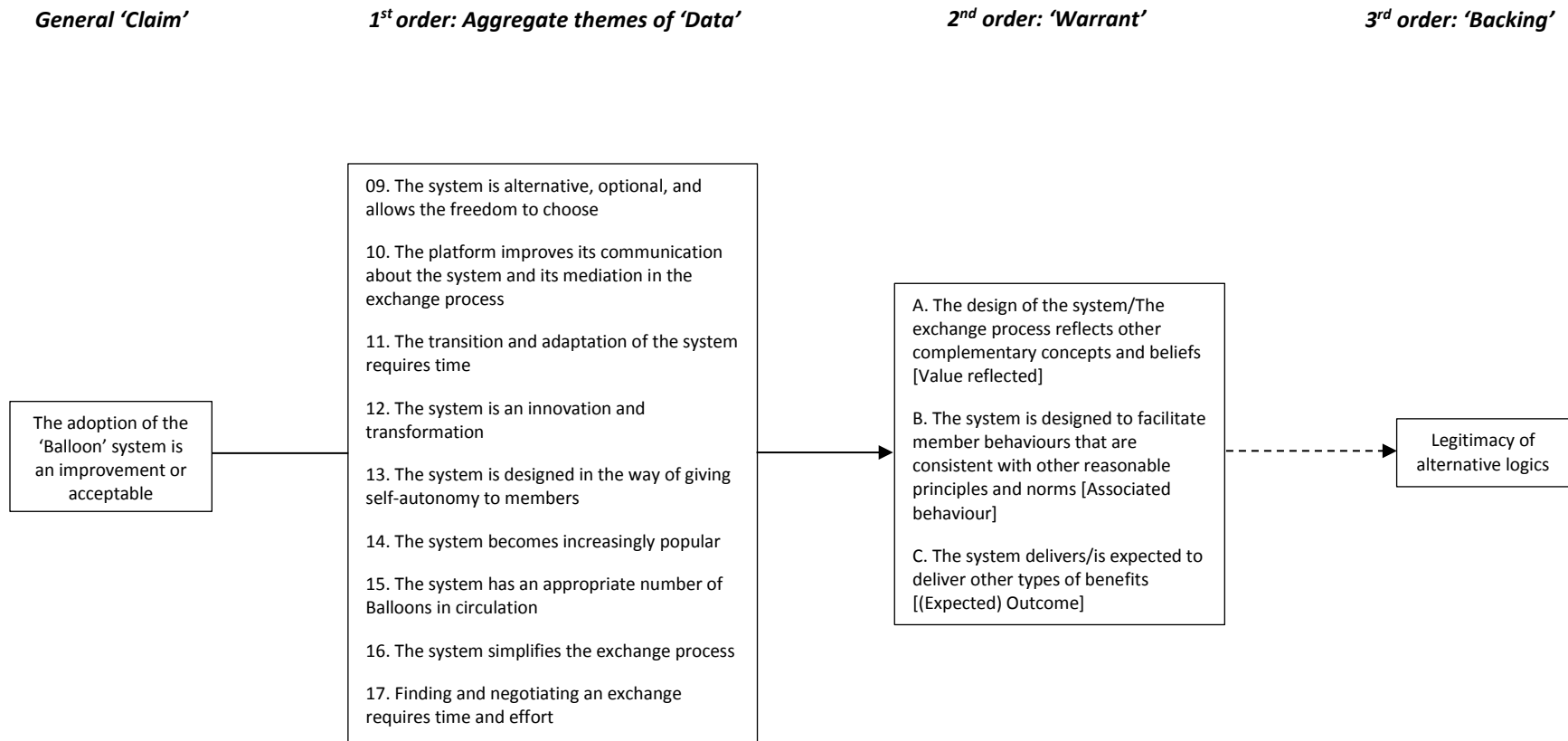


Figure 5 Platform arguments before the merger: Structure of analysis (cont'd.)

Table 5 Platform arguments before the merger: Representative content and location

‘Backing’ & Aggregate themes of ‘Data’	Representative content [with ‘Warrant’]	Content location ^a
<i>Legitimacy of the social logic</i>		
01. The system is designed to facilitate the equivalence between homes	‘In HomeExchange.com the value of the Homes is never taking as differentiating factor - all Homes and Members are exactly the same and have the exact same treatment! It's always up to the Members to decide where they want to go and with whom they want to Exchange with, being on a reciprocal Exchange or on a balloon Exchange. The fact that the Home can be a 15-bedroom castle in Scotland or a 1-bedroom apartment in Iowa is never taking as a differentiating factor, and this just shows how big and diverse our community is!’ [Value reflected]	R / B
02. The design of the system/The exchange process reflects the philosophy of community, sharing, and social connection	‘The balloon system simply caters for the situations when a Member is available to host the other, but for some reason cannot reciprocate that Exchange. So, instead of not having this Exchange happening as reciprocal Exchange was not a possibility, the Member looking to be hosted will still be hosted and enjoy their vacations and the Member that hosts will receive the balloon which grants them a free stay in the future when they come across the same situation. As you see, it is still the same principle, and mainly to make sure that more and more Members are able to find their Exchanges! It simply gives the Members an extra option to make sure they find their desired Exchanges!’ [Value reflected; Associated behaviour]	R
03. The system is designed to meet the demands of community members	‘Regarding the Passport/Balloon programme we are listening to what our members are saying and are continuously looking for feedback. We have recently made changes to the website and made info about the Passport programme more easily accessible, we will continue to monitor this programme to ensure it's meeting the expectations of our members and we will continue to look for ways to improve it.’ [Value reflected]	R

Table 5 Platform arguments before the merger: Representative content and location (cont'd.)

‘Backing’ & Aggregate themes of ‘Data’	Representative content [with ‘Warrant’]	Content location ^a
<i>Legitimacy of the social logic</i>		
04. The system/The exchange process is against or beyond monetization and profit-making	‘We absolutely agree with you that HomeExchange was not created with an idea of it being a platform for renting homes. We are firm believers in the sharing economy and we do not allow members who also rent their homes on other websites to post prices, advertise that they rent or solicit business from our members. If you ever notice a listing that is advertised as a rental please report it to our Global Support team, as this is not allowed.’ [Value reflected; Associated behaviour]	R
05. The system is designed to facilitate mutual trust	‘It is the Main Point of this community ... Trust. When you share your home you have to trust the other one.’ [Value reflected; Associated behaviour]	R
06. The system is designed to facilitate mediated interaction	‘If you already know who you’d like to contact, click “Get in Touch” and check the “Balloon Exchange” option in the Exchange Request form. From there, you arrange the Exchange as you would any other. You communicate with the potential Exchange Partner and sort out all the dates and information.’ [Associated behaviour]	B
<i>Legitimacy of the economic logic</i>		
07. The virtual currency is a tool for exchange flexibility instead of an objective of the company	<p>‘For instance, we noticed that there were thousands of possible Exchanges that could still go through (as there was the availability to host from one of the Members), but as a reciprocal Exchange was not possible for whatever reason. So, and in order to allow these Exchange to happen and ensure that our Members could still enjoy their vacations, we created the balloon option.’ [Value reflected; Outcome]</p> <p>‘At HomeExchange, we want to make exchanging your home as easy as possible. The same was true for GuesttoGuest. HomeExchange created the Balloon while GuesttoGuest leveraged their GuestPoints.’ [Value reflected; Expected outcome]</p>	R / B

Table 5 Platform arguments before the merger: Representative content and location (cont'd.)

'Backing' & Aggregate themes of 'Data'	Representative content [with 'Warrant']	Content location ^a
<i>Legitimacy of the mixed logic</i>		
08. The system is designed to facilitate the 'Reward of hospitality'	'The reason behind the Balloon program was not to facilitate renting but rather to reward our Members who have offered hospitality to fellow HomeExchangers over the past years and to encourage new Members to embrace this way of traveling.' [Value reflected; Expected outcome]	R
<i>Legitimacy of alternative logics</i>		
09. The system is alternative, optional, and allows the freedom to choose	'Balloon exchange is just an option and it is perfectly fine if you don't want to use.' [Value reflected; Associated behaviour]	R / B
10. The platform improves its communication about the system and its mediation in the exchange process	'One of the questions we tend to hear the most through our Happiness Support Team and Member-only Facebook Groups (if you haven't joined any, now's your chance!), it is regarding the concept of Balloons. The HomeExchange team came together to create a guide to give you added clarity about this exciting exchange option.' [Value reflected]	R / B
11. The transition and adaptation of the system requires time	'Regarding the balloon system, it has been a success so far, but indeed there are still some questions about it and some Members have not yet grasped the idea behind it. But we are certain that all of the Members will benefit from it and it will help the Members to find their Exchanges when a reciprocal Exchange is not an option.' [Outcome and expected outcome]	R / B
12. The system is an innovation and transformation	'We also think that the balloon program has brought the HomeExchanging concept to a new level!' [Value reflected; Outcome]	R / B
13. The system is designed in the way of giving self-autonomy to members	'We would love if you could be more specific on the reasons why you say that we are inflexible towards non simultaneous swaps. We give absolutely full control to the Members to organize their Exchanges - non simultaneous included. The Members can decide the when and for how long an Exchange can be made. We also created an entire option (balloons) especially dedicated to the options when a one-way exchange is possible.' [Value reflected; Associated behaviour; Expected outcome]	R / B

Table 5 Platform arguments before the merger: Representative content and location (cont'd.)

‘Backing’ & Aggregate themes of ‘Data’	Representative content [with ‘Warrant’]	Content location ^a
14. The system becomes increasingly popular	<p>‘Since it started, nearly 30% of all of the Exchanges registered are done through this option.’ [Outcome]</p> <p>‘We are particularly happy with the results of the balloon option. We were expecting that it would be a success, but it has gone above and behind! We are really glad that you feel the same!’ [Outcome]</p>	R
15. The system has an appropriate number of Balloons in circulation	‘Regarding the balloons, awarding one for each renewing, will not be a possibility, simply not to overflow the system. We have run several simulations to come up with the best formula to keep the balloon ration in a continuous flow and the numbers showed that awarding one for each renewal would simply overload the system making balloons not relevant to use. Awarding balloons only when hosting a Member that already have balloons will always keep the balloon ratio at a leveled number.’ [Value reflected; Expected outcome]	R
16. The system simplifies the exchange process	‘Searching for an Exchange using a Balloon just got a whole lot less complicated.’ [Outcome]	B
17. Finding and negotiating an exchange requires time and effort	‘If you find someone you’re interested in hosting you can “Get in Touch” and offer to Host Member (Earn a Balloon). From there, the process continues as before. Please be considerate when making requests. Take a look at the Member’s Preferred Destinations and be conscious of the number of travelers in their party. If your home is not child friendly, it is probably best to save your request for Members who don’t have children.’ [Associated behaviour]	B

^a R: represents platform replies on TrustPilot. B: represents the content of platform Blogs.