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The Sharing Economy: Understanding the Affordances of and Barriers to the use of Digital Platforms

Research-in-Progress Paper

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ABSTRACT

Studies exploring sharing economy services such as automotive, house-sharing, and bike rentals have predicted that these services will add billions of dollars to the global economy by 2025. Sharing economy services could reduce unemployment in Africa. Hence, there is a need to understand the affordance and the barriers to sharing economy platforms. This paper presents a literature review that helps answer the question: What are the affordances of and barriers to the use of sharing platforms? A literature review following a synthesis approach, reveals gaps around the sharing economy services relating to load-shedding, regulations and social exclusion. Potential future directions are presented.

Keywords

Sharing economy, Collaborative Consumerism, South Africa, Handyman, Barriers, Affordances.

INTRODUCTION

The "sharing economy" (SE) has become a catchphrase due to the global success of businesses such as Uber, Airbnb, and TaskRabbit. Researchers are beginning to pay attention to SE, and a growing conversation is developing on social media (Sutherland & Jarrahi, 2018). The SE is conducted through digital platforms (Belk, 2014) and comprises services such as hiring household goods and e-hailing. It has improved the way people share and conduct transactions, through the use of online platforms (Sutherland & Jarrahi, 2018). It also contributes to sustainability (Frenken & Schor, 2017) as it promises to reduce problems such as social exclusion, which entails unemployment and lack of resources.

South Africa (SA) has the highest unemployment rate in Africa, especially within the youth (Statista, 2023). The cultural aspects of SA and the SE encourage the Botho/Ubuntu philosophy that teaches that people are humans through others, and encourages sharing within communities (Coeckelbergh, 2022). Hence the SE may encourage South Africans to share through digital platforms. When it comes to entrepreneurship in townships, handyman work is a tried-and-true staple that has been around for ages. It is even considered an integral part of what was known as the "township economy" (Cant & Rabie, 2018). With sharing platforms, it is now easy to access services such as handyman and e-hailing (Cant & Rabie, 2018). Yet very few SE firms have emerged in SA and existing businesses are failing to capitalise

on this Botho/Ubuntu philosophy. As such, this paper aims to answer the question: What are the affordances of and barriers to the use of sharing platforms?

In this research-in-progress paper, sharing platforms refer to platforms offering services such as handyman services, and e-hailing services. Handyman services would include plumbing, gardening, house moving, carpet installation, locksmith and furniture repair. Platform users are workers and consumers. The paper will summarise the related literature reviewed, highlighting gaps.

METHOD

This paper presents a systematic literature review. Four databases (Research Gate, Google Scholar, Science Direct and Google) were searched to identify studies empirically investigating the affordances of and barriers to the use of SE platforms, identifying 29 articles. The Preferred Reporting Items for Systematic Reviews and Meta-Analyses guidelines were followed in conducting and reporting on the literature (Hennink & Kaiser, 2022).

LITERATURE REVIEW

This section will outline the definitions of the SE, affordances and barriers, and show examples of both affordances of and barriers to the SE. Relevant technology will be discussed.

The Sharing Economy

The SE is claimed to be as old as civilisation itself, as people have shared their resources with family, friends, and neighbours since they began to live in communities (Belk, 2014). It has evolved over the years and lacks a universally accepted definition. It is described as a peer-to-peer activity that involves gaining, donating, or sharing access to products and services through community-based online platforms (Hamari et al., 2016). However, this contradicts Belk (2014) who defines the SE as paid resource sharing but emphasises that “real sharing” in SE should not involve fees or compensations. This paper defines SE as collaborative consumerism that promotes the temporary acquisition of goods and services mediated through sharing platforms to create a pleasant living for everyone (Belk, 2014).

Types of Sharing Economy Services

The SE is spreading into new areas, and the rise of technology-based social platforms has resulted in new modes of consumption. As the collaborative economy grows, it threatens to disrupt every organisation; consequently, enterprises must understand the SE to capitalise on the possibilities generated. Thus, Roh (2016) detailed three primary categories of collaborative consumption: The **product-service system** refers to sharing where users share goods or services owned (Roh, 2016). The SE firms such as Uber, Airbnb, Lyft, HomePlus, Hitchhiker, and Fleetsimplify are examples of firms operating in African countries. This category includes handyman services under the HomePlus firm. The **redistribution market** refers to a form of sharing where goods are exchanged and re-owned (Roh, 2016). Online services such as Gumtree, BidorBuy and Teljoy are examples of firms operating in SA. The **collaborative Lifestyle** refers to the sharing of money, such as crowd financing platforms (Roh, 2016), or the sharing of one's abilities. Services such as Uprise Africa, Livestock Wealth, BackaBuddy and Upwork are examples of firms in this category.

Elaborating the Affordances of the Sharing Economy Services

Literature defines affordance as relations between the agencies of human actors and the material features of technology (Sutherland & Jarrahi 2018). This study elaborates it as a process that benefits both

workers and consumers as they interact on handyman platforms in exchange for services and money. The primary benefits of the SE, include cost savings and the opportunity for increased earnings. Here we discuss SE affordances experienced by platform users.

Affording convenience to consumers. The SE sector is disrupting established industries globally, offering consumers convenient and affordable access to resources while improving the financial and social burdens associated with ownership (Eckhardt & Bardhi, 2016).

Providing opportunities for entrepreneurship or employment. The SE platforms provide opportunities for workers to monetise their skills or resources through sharing platforms (Vallas & Schor, 2020).

Affording cost reductions. The SE allows people to share the cost of owning durable goods, mitigating risks of loss and depreciation, while also enabling access to a variety of products or services which potentially leads to cost savings (Sun et al., 2016).

Barriers to the Use of Sharing Economy Services

This subsection reveals examples of the barriers to the use of handyman work through sharing platforms. Literature defines barriers as obstacles that make it difficult or challenging to access or achieve certain objectives (Almanthari et al., 2020).

Load-shedding is a threat to sharing platforms. Power outages pose a substantial risk to small and medium enterprises, hindering their operations, and e-hailing services are particularly affected as drivers grapple with internet disruptions (ITWeb, 2022). There is a call that future studies should explore the possibilities of sharing resources such as generators within communities during load-shedding (Olunloyo & Moloi, 2023).

Regulatory issues within sharing platforms. There has been legal controversy in SA surrounding e-hailing operations, some drivers use SE platforms to kidnap women (BusinessTech, 2019). The workers are regarded as contingent workers with no employee rights or benefits. Future studies should focus on addressing the regulatory challenges of sharing economy (Heydari et al., 2023).

Data privacy, safety and security concerns. The SE services require users to disclose their personal information (Chen et al., 2022), this is done to ensure safety (Lutz et al., 2018). E-hailing firms in Africa launched an emergency application to ensure the safety of their users, this feature will allow drivers to have trust in the firm (TimesLive, 2018).

Social exclusion is a challenge to sharing platforms. African countries are typically socially divided due to social exclusion challenges which are frequently associated with the lack of access to services and resources (Akbar & Bodhanya, 2021). Inequalities and poverty are leading challenges in SA which might lead to individuals not having access to the SE platforms. Future studies should consider investigating different types of the SE services and possible ways of including people living in poverty. Sasol has training that is meant to upskill individuals living in poverty. The training will provide individuals with handyman skills (Sasol, n.d).

Technology Used in the Sharing Economy

Technology has helped the SE advance and the trend should continue as the world becomes more connected digitally. The technology connects seekers of certain goods and services with their suppliers (Miller, 2022). With technology, such as blockchain, people can access secured transactions stored in a potentially infinite sequence of cryptographically interconnected data blocks and they could experience

difficulties such as privacy protection (Hawlitshchek et al., 2018). When a user meets innovative technology, features impact how they adapt and use it (Frederick & Bhat, 2021). Examples of the SE system features will now be discussed.

Free sign-up. Simple online sign-up or registration is required before using the SE application and users are required to use a valid email address and mobile number when creating profiles (HomePlus, n.d).

Automated payments and matching. The SE applications provide automated matching features to minimise discrimination against workers and consumers, as well as automated payment processes to prevent racial discrimination (Tushev et al., 2022).

Vetting. Security is often an issue in any software implementation (Lechesa et al., 2012), which is why applications need to offer vetting as part of the registration process.

Profile Reviews. Sharing platforms offer users an opportunity to see one other's reviews once both parties have submitted the reviews. Users will provide honest reviews (Tushev et al., 2022).

Limitations

Literature selections are subject to bias (Moher et al., 2009), our preferences whether conscious or not can be positive or negative and can influence the research. Due to limited research in our domain, some of the affordances of and barriers to the use of the SE platforms such as Uber and Strapp were assumed to be applicable to all or handyman SE platforms. The approach used is prone to incomplete outcome.

SUMMARY

There is a need to investigate potential solutions, such as the SE, that could aid in minimising challenges such as unemployment. This literature review informed the definition of key concepts and identified diverse types of affordances and barriers to the use of the SE. These are summarised in Table 1. Literature highlighted that in SA handyman services are integral to the economy of the urban poor. Firms, recognising this, are providing training to upskill individuals in this field. Hence the need for future research on sharing platforms for handyman services.

Table 1. Literature themes reviewed

Key areas	Themes
Affordances; barriers; Sharing Economy; technology	Definitions; types of affordances; types of barriers; types of sharing services; types of system features; examples of technology that is used

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