

## ABSTRACT

### Transformative Impact of Platform-mediated Trust in the Base of the Pyramid Segment

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#### Background

Trust mediated by the platform is the most integral condition of participation in platform-based sharing services (PBSS) (Möhlmann and Geissinger, 2018; Hawlitschek et al., 2016), and is even referred to as the currency of the sharing economy (Ufford, 2015; Botsman and Rogers, 2010), specifically in the Base of the Pyramid (BoP) segment that is historically challenged with high crime rate and poor judicial system (Bharadwaj, 2014; Khan, 2006). The literature on the sharing economy has focused largely on examining the consequences of trust in relation to firm profitability through customer retention and satisfaction (Halilovic and Ur Rehman, 2020; Luo et al., 2021; Santoso and Nelloh, 2017). However, research to date, is devoid of studies that shift the focus of traditional service research within the sharing economy to transformative service research (TSR), emphasizing particularly on the well-being outcomes of platform-mediated trust in communities that are challenged with multiple transaction constraints in their daily lives.

#### Research Aim

Given the gaps in research, this study adopts Social Exchange Theory (SET) to comprehensively investigate the role of platform-mediated trust in facilitating sharing based social exchange, and the transformative outcomes of these social exchanges in the BoP segment, specifically from a service provider's viewpoint.

#### Research Design

An electronic survey consisting of 277 responses from the bike ride-sharing service providers belonging to the BoP segment of Pakistan was conducted to test the proposed model through a structural equation modelling technique.

#### Findings

The results offered a validated model depicting that platform-mediated trust acts as a key contributor towards the flourishing of service providers, where they experience emotional, psychological, and social dimensions of well-being. The results also depicted that such an outcome is sequentially mediated by the service provider's positive attitude towards

collaborative consumption (CC) and their job satisfaction with PBSS. In particular, the mechanism-based model depicted that trust positively influences the attitude of service providers towards CC. Successively, this positive attitude inculcates positive emotions during the sharing experiences, thereby increasing the service provider's satisfaction levels with their job. Eventually, this job satisfaction spills over to various aspects of their life, consequently impacting their emotional, psychological, and social dimensions of well-being, hence leading the service providers to flourish.

### **Contributions**

This study identifies the transformative impact of platform-mediated trust in the BoP segment, a topic of both theoretical and practical importance, nonetheless, remaining under-researched (Ostrom et al., 2021; Ostrom et al., 2015). The findings add to the emerging literature of TSR by advancing the theoretical understanding on the nature of transformation brought upon by PBSS, depicting that PBSS has the capability to offer both hedonic and eudaimonic well-being outcomes. Moreover, the findings also add to the BoP research stream, providing a solution to transform the lives of the poor (Fisk et al., 2016; Ostrom et al 2021), by suggesting PBSS as a beneficial service model for the flourishing of service providers that addresses the challenges caused by a high crime rate and the poor judicial system in the BoP segment, which hinders their entrepreneurial ability. Managerially, the findings inform the marketing managers and policy makers of PBSS to rigorously exhibit trustworthiness and establish methods to boost transaction-based and experience-based contentment to foster interpersonal and institutional trust, which eventually develops their employees' positive attitudes, ensures on-going satisfaction, and ultimately uplifts their livelihood.