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Perceived Value in the Sharing Economy; The Role of Empathy, Citizenship Behaviour & Extra-Role Behaviour

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Abstract

Background: Given the rapid development of social networks and advances in electronic devices, many businesses have emerged in the context of sharing economy. Since the sharing economy is a peer-to-peer business model, ethical issues and creating value play a significant role. Most research on value creation in the sharing economy has not addressed how value is created for all actors in the sharing economy. This paper aims to examine all participants in the sharing economy to develop a value creation framework. This research also investigates the role of ethical concepts, including customer empathy, customer and service provider citizenship behaviour, and extra-role value behaviour in this framework.

Method: The method includes a qualitative study with a grounded theory approach. The statistical population consists of three different stakeholders (managers, providers, and customers) in the tourism industry of Iran. This study employed purposive and theoretical sampling. The sample consists of 34 in-depth interviews. The data is analysed with a grounded theory approach using MAXQDA software.

Results: The research findings lead to a value creation model in the sharing economy with respect to ethical issues such as customer empathy, citizenship behaviour, and extra-role behaviour considering all participants in the sharing economy.

Conclusion: Findings have helped to bridge the gaps in the theory. They have supported developing a theoretical framework for value creation concepts in sharing economy, including antecedents and consequences of perceived value. Findings also reveal that customer empathy and customer citizenship behaviour positively affects how customers and service providers perceived value.

Keywords: Perceived value, Citizenship behaviour, Customer empathy, Extra-role behaviour

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Introduction

The sharing economy is a scalable socio-economic phenomenon that applies an online platform in order to provide customers with temporary access to tangible and intangible assets that may be crowdsourced (1). In the business model of sharing economy, three participants create a triadic relationship through an intermediating technology platform (2): service enablers (e.g., Uber, Airbnb), service providers (e.g., driver, host), and customers (e.g., rider, guest) (3). The long-term success from the firm's side rests on the well-balanced acquisition, retention and win-back of profitable service providers and customers through both parties interacting through the platform (3). Here, the power balance is essential since neither side of the platform will participate without the other's existence. Therefore, the service enabler needs to simultaneously expand all its marketing activities in conjunction with two other actors to prevent excessive supply or demand (3).

By observing active businesses in the field of sharing economy in the tourism industry, some of the main problems in these businesses are because of limited control of sharing platforms over the quality of the user's experience (1), and due to lack of identifying the values of all participants and not offering and delivering values. It has been observed that sometimes service enablers ignore one party (mostly service providers) and may even destroy their value. Therefore, the service enabler's role as an intermediary and its impact on brand performance should be investigated in the sharing economy. To succeed in a sharing economy business, service enablers should know how to provide and exchange superior value with customers and service providers, how value is co-created and what types of value are perceived by participants.

However, the literature in the field of sharing economy is growing due to the popularity of this field and the interest of researchers; because of the novelty of the subject, there are a few numbers of studies on the marketing of a business with a sharing economy approach (4). Prior research appears to downplay the sharing economy's transformative potential and instead largely views this growing

trend from the traditional market economy lens (1). Therefore, further research is needed to understand how value is created and what value service enablers provide their customers and providers (5, 6). These theoretical gaps prompt the following research questions:

RQ1. What types of value are created for each participant in sharing economy?

RQ 2. What are the antecedents of perceived value in use in the sharing economy?

RQ 3. What are the consequences of perceived value by each participant in the sharing economy?

By answering the above research questions, this study hopes to make an original contribution to knowledge and practice by developing a comprehensive multi-party value creation framework, examining the intermediary role of the firm concerning the perceived value of both customer and service provider in the context of sharing economy in general and tourism industry in particular. This study also aims to provide a deep understanding of how value is created in the sharing economy and the types of values created for participants in this business model. The contributions will be helpful for theoretical development, especially to the services marketing literature in conjunction with the S-D logic perspective. Considering the theoretical contributions, we hope that sharing platforms (especially in the tourism industry) and marketers would also benefit from this study.

Material & Methods

In this paper, the method includes a qualitative study with a grounded theory approach. Considering the previous literature and the nature of the research questions, this paper adopted a grounded theory approach. The grounded theory is involved with discovering theory and knowledge throughout an iterative process between data and emerging constructs. This inductive methodology enables a researcher to develop a theoretical description of the underlying phenomenon and ground such a description in the data.

The statistical population consisted of senior managers of sharing economy businesses (service enablers), service providers, and sharing economy customers in the tourism industry of Iran.

The research sample consisted of 34 participants from five sharing economy companies, including 12 senior managers of (service enablers), 11 service providers and 11 customers of sharing economy platforms in the transportation and accommodation sector in Iran (two companies from the transportation sector and three companies from the accommodation sector).

The sampling process was conducted by employing purposive and theoretical sampling. In purposive sampling, the researcher identifies and selects people or groups of people with knowledge or experience related to the phenomenon under study (7, 8). Theoretical sampling is a data collection approach in which the researcher simultaneously collects and analyses data and decides what data should be collected and where to gather them in the next step of the study (9). We continued theoretical sampling until the categories reach theoretical saturation, which occurs when recurring themes arise from data (10).

Qualitative data has been collected through three distinct kinds of in-depth interviews. An in-depth interview is a direct, personal interview in which an interviewer probes an individual participant to reveal substantive motives, attitudes, beliefs, and emotions on a particular subject (34). Accordingly, in the first stage, managers of sharing economy businesses have been selected as most likely to be well-informed about the subject based on the researcher's judgment. Subsequent participants, including other managers, service providers and customers, were selected using theoretical sampling. In our interviews, we asked interviewees to recall their experience of trips through a sharing economy platform from beginning to end. In the interviews, informants elaborated on why they chose to participate in sharing economy and what benefits and costs were perceived in the whole experience. The average time of the interviews was 45 minutes.

We followed recommendations of researchers (10, 11) to analyse qualitative interviews for analysing qualitative data. In doing so, by using MAXQDA

software, we first analysed interview transcripts, preparing memos for each. Then, we reviewed and discussed the interviews and notes extensively. Open-coding methods have been used to identify concepts with common properties and dimensions. We then clustered data pertaining to the same category together (axial coding). Finally, a set of antecedents and consequences relative to the customer perceived value and service provider perceived value were developed (selective coding).

We also conducted an extensive literature review focusing on Customer Value and Perceived Value (12, 13), Value creation (14), customer participation (15, 16), and Brand building behaviour (17) to go beyond pure inductivism and adds theoretical grounding to empirical grounding.

Following last studies (18), we employed both data triangulation and researcher triangulation to assure our study's overall reliability and trustworthiness (19). Regarding data triangulation, qualitative data were continually compared with relevant literature. According to a research (11), two researchers carried each coding step separately, considering the triangulation of the research. They reviewed and combined their coding after all steps, operating standard tests on internal consistency. For additional improvement of the trustworthiness of our study, we presented and explained the results of this study in two workshops with 18 Ph.D. candidates and four professors to refine our results constantly.

Results

We followed the process proposed by Corbin and Strauss for the data analysis, which includes three different coding stages: open, axial, and selective coding. Accordingly, in the open coding stage, emergent concepts and categories implied by the data were selected and named. In the axial coding, those data were put back together in new ways by connecting the categories. Finally, in the selective coding stage, categories were integrated to form the theoretical framework. Furthermore, core categories were selected and related to other categories. Then, these relationships were validated with data (10). Table 1 provides the main results of the study

in different coding stages, including open coding and axial coding.

Table 1: Coding results of the study

First-Order Categories	Second-Order Categories	Third-Order Categories	
Functional value	Customer Perceived Value	Types of perceived value	
Emotional value			
Economic value			
Functional value	Service Provider Perceived Value		
Social value			
Business-related value			
Relationship Building	Service Enabler Value Offering	Antecedents of perceived value	
Performance			
Pricing			
Co-creation			
Customer Participation Behaviours	Customer Value Co-Creation Behaviours		
Customer Citizenship Behaviours			
Perspective-taking	Customer Empathy		
Customer's empathic concern			
In-role value Facilitation	Service Provider Value Facilitation		
Extra-Role value facilitation			
Financial Performance	Service Enabler Brand Performance		Consequences of perceived value
Brand Reputation			
Request fulfilment			
Number of users			
Positive WOM	Service Provider Extra-Role Brand Building Behaviours		
Participation			
Behavioural Loyalty	Customer loyalty		
Repurchase Intention			

As a result of selective coding, the customer perceived value in use and service providers perceived value in use are defined as the core category. The customer perceived value and service providers perceived value has four main categories of causal conditions: customer empathy, customer value co-creation behaviour, service enabler value offering, and service provider value facilitation that directly affect the perceived value of both participants. The consequence of the customer perceived value is customer loyalty, and the consequence of the provider perceived value is brand-building behaviour, both of which affect brand performance. The following section provides a discussion of the results in detail to present a comprehensive appreciation of the findings in relation to the research questions.

Discussion

RQ1. What types of value are created for each participant in sharing economy?

Value in use is what consumers cognitively (rationally) and affectively (emotionally) experienced in use (20). It is experiential and operationalized as a multi-dimensional construct, reflecting the customer's total experience from service consumption (13). Researchers have defined different types of the perceived value as a multi-dimensional construct (13, 21-24). Despite all the study participants emphasizing the importance of these types of value in sharing economy context, there are some differences between customers and service providers.

Customer Perceived Value in Use

As illustrated in Table 1, the most essential value perceived by customers during the service experience includes functional, emotional, and economic value. Functional value has been defined as the perceived utility received from an alternative for functional, utilitarian, or physical performance (13). In our study, interviewees elaborated those customers perceive functional value such as service quality, convenience, speed of service delivery (time), and variety in options. Emotional value refers to the perceived utility acquired from an alternative's capacity to arouse feelings or affective states (13). In our study, peace of mind, enjoyment, pleasure, privacy, feeling good and relaxed are subsets of this value type. Moreover, Economic value refers to the value for money of service and reduction of customer costs.

Service Provider Perceived Value in Use

The sharing economy has enabled many individuals to become micro-entrepreneurs who can make money by providing services for customers using their idle assets. According to the qualitative data, we drive the three most essential values that service providers have perceived during the service experience: business-related value, functional value, and social value (see Table 1).

Business-related value: Service providers seek value which improves their business and help them make more money through sharing platform.

In the sharing economy, the service enabler is responsible for marketing, data security, and reliable transaction (25). Furthermore, the service enabler creates the demand for the service. These circumstances attract service providers to the platform. Consequently, the demand (i.e., customer) and supply (i.e., service provider) parties of the market are matched with each other (3). On the other hand, service providers can learn business-related points by interacting with customers and the enabler platform. They can also look at how other providers behave and what value they provide for customers through the sharing platform. Besides, they can benefit from marketing activities and advertising campaigns that are planned and executed by service enablers.

Functional value is the perceived utility gained from an alternative for functional or utilitarian performance (13). In our study, interviewees elaborated that service providers perceive functional value such as service quality, convenience, speed (time), and variety from the service enabler value proposition.

Social value is the perceived utility acquired from an alternative's association with specific social groups (13). Many of the respondents explained that the sharing economy helps service providers to feel acceptable, improve the way they are perceived, make an impression on others, and gain social approval when providing services.

RQ2. What are the antecedents of perceived value in use in the sharing economy?

The literature review and our qualitative research identified three bundles of antecedents important to customer perceived value in use and service provider perceived value in use. As illustrated in Table 1, service enabler value offering, customer value co-creation and Service provider value creation behaviour has been driven as antecedents of perceived value in the sharing economy. The following subsections elaborate on these variables.

Service Enabler Value in Offering is defined as the value that the firm creates in its market offering upon which the customer consumes, judges, and confirms in the perceived value-in-use form (14). According to their study, value-in-offering includes four dimensions: relationship building, performance, pricing, and co-creation value. As shown in Table 1, research findings confirm these dimensions in the sharing economy context, leading to perceived value in use for both customers and service providers.

Customer Value Co-Creation Behaviour refers to the customer's willingness to contribute to the value co-creation process (26) and its informational and behavioural contributions to this process. Researchers identify two types of customer value co-creation behaviour: customer participation behaviour, which refers to required action necessary for successful value co-creation (in-role behaviour), and customer citizenship behaviour, which is voluntary behaviour that provides value to the firm but is not necessarily required for value

co-creation (extra-role behaviour) (16, 27, 28). Customer participation behaviours include information seeking, information sharing, responsible behaviour, and personal interaction, whereas customer citizenship behaviours are feedback, advocacy, helping, and tolerance (16). Qualitative analysis confirms that these dimensions and elements also exist in the sharing economy context, impacting perceived value for both customers and service providers.

Customer Empathy is defined as customers' ability to take the service provider's perspective and react to the service provider's thoughts, feelings, and intentions during a service interaction (29). Qualitative analysis indicates that customers have an empathic perspective toward the service providers and their emotions and misfortunes usually disturb them. The results show that the more empathic customers perceive more value from a sharing experience.

Service Provider Value Facilitation is defined as how a service provider contributes to the customer's value creation by offering resources representing potential value-in-use (30). Our analysis demonstrates that the service provider's value facilitation can be divided into in-role and extra-role. In-role value facilitation refers to offering and providing required resources that do not lead to higher customer perceived value, though dissatisfaction results from their absence. The data reveals that providing necessary facilities and services, delivering core service, personal interaction with customers are different types of in-role value facilitation by the service providers.

We define Extra-Role value facilitation as offering extra resources that provide extraordinary value to the customer but is not necessarily needed for value co-creation. Based on our analysis, delivering additional services, improving customer experience, helping customers, and tolerance are different types of extra-role value facilitation by the service providers.

RQ3. What are the consequences of Perceived Value by each participant in sharing economy?

Based on the literature review and our qualitative analysis, we have identified three categories of

consequences: customer loyalty, service provider brand-building behaviour and brand performance. The following subsections elaborate on these constructs.

Customer loyalty is defined as "a deeply held commitment to rebuy or patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour" (31). Literature classifies customer loyalty in two facets, behavioural and attitudinal (32).

Most of the respondents believed that customer perceived value could lead to customer loyalty which has been reflected as behavioural intention like repurchase the service, recommend the service to others, and spread positive word of mouth.

Service Provider Brand Building Behaviour is the service provider's contribution to an organization's customer-oriented branding efforts (17). Qualitative analysis confirms that service providers perceived value can lead to their brand-building behaviour. The data also reveal that, like employee brand-building behaviour, positive WOM, participation, and retention can be considered service Provider brand-building behaviour dimensions in sharing economy context.

Brand Performance has been defined as a measure of a service brand's strength in the marketplace, evidenced by the growth in the number of customers, profitability, sales, and overall performance (33). Based on our interviews, the most important types of brand performance in sharing economy are financial performance, brand reputation, number of users, and request fulfilment rate.

Implications for practice and research

Overall, the results of this study will help the sharing platforms (especially in the transportation and accommodation sector) and marketers. From a managerial lens, understanding the most important types of value to both customers and service providers as well as antecedents and consequences of these values provides managers of sharing platforms with guidelines for developing, delivering, and managing the value proposition that has potential value to customers and service providers which will lead to improving the company performance.

The future researcher might conduct a study to operationalize these constructs and investigate the relationships among the constructs suggested by this study. Besides, as we addressed the research problem by researching Iran's transportation and accommodation sector, future studies can address the same research problem in different settings, contexts, locations, or cultures.

Conclusion

In this study, we applied an exploratory research approach to examine perceived value from the viewpoints of three different actors in the sharing economy as well as investigating the role of ethical concepts such as customer empathy, citizenship behaviour and extra-role behaviour. The most important types of value for each participant in the sharing economy (i.e., customer and service provider) were recognized. Moreover, we identified the antecedents and consequences of both actors' perceived value in the sharing economy. Consequently, customer value and service providers' perceived value have four main categories of causal conditions: customer value co-creation behaviour, customer empathy, service enabler value offering, and service provider value facilitation. These constructs directly affect both participants' perceived value. The consequence of the customer perceived value is customer loyalty, and the consequence of the provider perceived value is extra-role brand-building behaviour, both of which affect brand performance.

Ethical Consideration

Ethical issues (such as plagiarism, conscious satisfaction, misleading, making and or forging data, publishing or sending to two places, redundancy and etc.) have been fully considered by the writers.

Conflict of Interest

The authors declare that there is no conflict of interests.

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