Brand image in the Sharing Economy

An exploratory study of how to achieve positive customer perceptions in the sharing economy
Abstract

**Background:** Most of existing literature in the field of sharing economy has focused on aspects of sustainability and business model structure. Research on brand image in the sharing economy has up until today not been an area of investigation. The purpose of a company’s marketing activities is to influence the perception and attitude towards the brand and stimulate consumers’ purchasing behavior by establish the brand image in consumers’ mind. The peer-to-peer based structure of sharing goods and services in the sharing economy consequently means less involvement from the focal company and presents the challenge of influencing the customers’ perception of the brand.

**Purpose:** Page and Lepkowska-White (2002) developed the ‘Web Equity Framework’ which illustrates factors affecting brand equity in an online environment. By using this framework as a foundation for interviews, the purpose of this study is to understand how brand image is built and uncover factors that affects brand image in the sharing economy.

**Method:** This is a qualitative study using an abductive approach. Seven in-depth interviews have been held with sharing economy companies in Sweden to collect data and gain an understanding in the field of study.

**Conclusion:** The findings of this study show five factors that affect brand image in the sharing economy. The factors in Page and Lepkowska-White’s (2002) framework have been found to affect brand image also in the sharing economy, to different extent. However, two of them have been renamed to more appropriately fit the field of study and one additional factor has been identified, namely *Peer trust*, which has been illustrated in a revised model. Since trust between consumers becomes more apparent in the sharing economy, this is also one of the factors that impact the way consumers perceive the brand.
Acknowledgements

We would like to express our sincerest gratitude to those who helped us complete this thesis. First of all, we would like to thank our tutor Mark Edwards at Jönköping University for the constructive criticism and guidance. Secondly, we would like to show our appreciation towards the respondents who participated in our interviews. They have made this thesis possible by providing us with valuable insights and expertise in the area of investigation.

Finally, we would like to give a big thanks to family and friends who have supported and encouraged us throughout the research process.

Jönköping International Business School
21st of May 2018

Oscar Folkesson
Jacob Johansson
Jacob Henningsson
# Table of Contents

1. **Introduction** ........................................................................................................... 1  
   1.1 Problem discussion ............................................................................................... 1  
   1.2 Purpose .................................................................................................................. 2  
   1.3 Delimitation ........................................................................................................... 2  

2. **Literature review** ................................................................................................... 3  
   2.1 Sharing economy ................................................................................................. 3  
   2.2 Brand management concepts ................................................................................ 5  
      2.2.1 Brand equity .................................................................................................... 5  
      2.2.2 Brand awareness .............................................................................................. 5  
      2.2.3 Brand image ..................................................................................................... 6  
      2.2.4 Brand loyalty ................................................................................................... 7  

3. **Theoretical framework** .......................................................................................... 8  
   3.1 Brand equity in an online environment ................................................................. 8  
   3.2 Relevance of The Web Equity framework ............................................................ 9  
   3.3 Marketer/Non-marketer communication ............................................................... 9  
   3.4 Web design features ............................................................................................. 10  
   3.5 Vendor characteristics ......................................................................................... 11  
   3.6 Product/Service characteristics .......................................................................... 12  

4. **Methodology** ........................................................................................................ 13  
   4.1 Research strategy .................................................................................................. 13  
   4.2 Research approach ............................................................................................... 13  
   4.3 Research philosophy ............................................................................................ 14  

5. **Method** ................................................................................................................ 14  
   5.1 Sampling ............................................................................................................... 14  
   5.2 Data collection ...................................................................................................... 15  
   5.3 Primary data ......................................................................................................... 16  
      5.3.1 Interviews ......................................................................................................... 16  
      5.3.2 Interview process ............................................................................................ 17  
      5.3.3 Data analysis .................................................................................................. 17  
   5.4 Credibility of research ......................................................................................... 18  
      5.4.1 Data reliability ............................................................................................... 19  
      5.4.2 Data validity .................................................................................................. 20  

6. **Findings** ................................................................................................................ 21  
   6.1 Marketer/Non-marketer communication ............................................................... 21  
      6.1.1 Multiple segment marketing ........................................................................... 21  
      6.1.2 Advertising .................................................................................................... 22  
      6.1.3 Word-of-mouth (WOM) ................................................................................ 23  
   6.2 Web design features ............................................................................................. 23  
      6.2.1 Quality of information ................................................................................... 23  
      6.2.2 Experiential ..................................................................................................... 24  
      6.2.3 Online reviews ............................................................................................... 24  
   6.3 Vendor characteristics ......................................................................................... 25  
      6.3.1 Customer service ............................................................................................ 25  
      6.3.2 Privacy ............................................................................................................ 26  
      6.3.3 Security ........................................................................................................... 26
| 6.4 | Product/Service characteristics ........................................ 27 |
| 6.4.1 | Price ................................................................. 27 |
| 6.4.2 | Quality ......................................................................... 28 |
| 6.5 | Additional component ......................................................... 29 |
| 6.5.1 | Peer trust ........................................................................ 30 |
| 7. | Analysis ............................................................................. 31 |
| 7.1 | Revised framework of factors affecting brand equity ................ 31 |
| 7.2 | Marketing communication ...................................................... 32 |
| 7.3 | Web design features ............................................................. 33 |
| 7.4 | Vendor reliability .................................................................. 34 |
| 7.5 | Product/Service characteristics ............................................ 36 |
| 7.6 | Peer trust ........................................................................... 37 |
| 8. | Conclusion ........................................................................... 39 |
| 9. | Discussion ........................................................................... 41 |
| 9.1 | Further findings .................................................................. 41 |
| 9.2 | Contributions ..................................................................... 41 |
| 9.3 | Limitations ........................................................................ 42 |
| 9.4 | Suggestions for future research ............................................ 43 |
| 10. | Reference list ...................................................................... 44 |
1. Introduction

Chapter one will present a practical view of authors interpretation of the research topic combined with the background of sharing economy. Further, problem and purpose of the research will be discussed. Lastly, delimitations of the conducted research will be outlined to reflect an objective point of view.

1.1 Problem discussion

Two nights in an Airbnb-apartment in Barcelona. Two rooms equipped with a big bed, sofa and everything that was needed for a perfect stay. A broken water-tap and thin walls without soundproof instead made the stay unbearable and unconsciously resulted in a negative perception of Airbnb. What should be the focus for companies in a peer-to-peer sharing environment to maintain a positive brand image towards their customers?

Author’s own observation

Increasing societal concern about climate change together with changing attitudes towards consumption has led to an eagerness of localness and communal consumption. This has in turn increased the general attraction towards sharing economy (Albinsson & Perera, 2012). The sharing economy, also referred to as collaborative consumption, is a continuously growing industry and investors see it as a “mega-trend” where hundreds of millions is invested into related start-ups (Alsever, 2013).

Sharing economy has significantly changed consumption patterns and a study by Zervas, Proserpio and Byers (2017) show that the entry of Airbnb into the Texas market has resulted in a quantifiable negative impact in revenues for the local hotel industries. However, the sharing economy does not come without challenges. A home owner in Rockland Country rented out his house through Airbnb with the condition of “no parties” and later found it trashed with damages estimated to $100,000. The guests had, despite the condition, hosted a New Year party in the house which was left with shattered glass, a broken staircase and cracked bathroom tiles (Kim, 2018). Another woman in New Mexico that was attacked by a host sued Airbnb for a weak background check of the host, who earlier had been accused for domestic violence (Levin, 2017). If a brand fails to be consistent with its promises towards their customers, it will consequently have negative impacts on the brand image itself (Greyser, 2009).

Much of existing research within the field of sharing economy has been conducted in the last decade due to the relatively recent growth. A substantive part of prior studies focuses on three different fields: business model structure of sharing economy (Sundararajan, 2016; Olson & Kemp, 2015), the impact on sustainability (Heinrichs, 2013; Cohen & Kietzmann, 2014) and changed consumer behavior due to
technological developments (Botsman & Rogers, 2010; Möhlmann, 2015). The lack of earlier research on affecting factors of brand image in the sharing economy presents the opportunity of a contribution to the field of research. Brands are said to be more than a symbol or name, rather what consumer value and associate about a product and service (Kotler, Bowen & Makens, 2009). Similarly, Aaker (1991) suggest that the brand is one of the most important intangible assets for an organization. By outlining factors that affect brand image, companies within the sharing economy can gain knowledge of what to focus on in order to understand and maintain customers. With the lack of prior research and with the potential applicability of findings for practitioners, the chosen topic clearly deserves to be studied.

1.2 Purpose

The purpose of this study is to understand how brand image is built through uncovering factors that affects brand image in the sharing economy. Existing research is focusing in components of brand management such as solely brand trust or personality. Hence, we aim to contribute to the current literature and provide useful insights for marketers in the sharing economy of what tools to implement in order to achieve positive perceptions from customers.

RQ: What factors affect brand image in the sharing economy and what should be the focus for companies in the field to achieve positive perceptions from customers?

1.3 Delimitation

This section presents shortcomings of the research through neutral lenses, with an aim to demonstrate restraining elements in the research procedure.

Firstly, the thesis is performed from a company perspective, meaning that the findings is viewed with their lenses. Therefore, it will not reflect a customer point of view, thus limits the writers to a certain approach. Secondly, existing literature has not been well-elaborated within the field of study, hence it presents a challenge when conducting the research. Thirdly, due to a limited time period of research the thesis has been based on the sharing economy as a whole, which can be seen an issue since industries within the sharing economy have different characteristics and therefore the importance of factors investigated might differ across industries.
2. Literature review

This section covers a broader view of the sharing economy together with brand image and associated components of brand management. This is done to introduce the terms to the reader by linking them to previous research.

2.1 Sharing economy

A sharing behavior has been evident for decades among communities, corporations and organizations and has in the latest years spread to previously non-collaborative industries (Belk, 2010). The term sharing economy was introduced in 2008, which aims to describe the collaborative consumption of several services such as renting, lending and exchanging goods and services without the need to own a specific good (Puschmann & Alt, 2016).

Collaborative consumption is defined as “the peer-to-peer based activity of obtaining, giving or sharing the access to goods and services, coordinated through community-based online services” (Hamari, Sjöklint & Ukkonen, 2015, p.2048). The simplified possibility to share physical and nonphysical goods and services through a number of various online platforms has emerged from the information technology developments (Kaplan & Haenlein, 2010). John (2013) describes sharing as the constitute activity of Web 2.0 and collaborative consumption as a high-tech phenomenon in that technology which is enabling and driving collaborative consumption.

According to Sundararajan (2016) the sharing economy is an economic system that is characterized by certain factors that distinguish it from a traditional economy. The traditional full-time jobs is being substituted by contract work, making lines between casual and full-time employment blurred. Furthermore, there has been a shift in supply in regards to labor and capital from centralized third parties such as corporate and state to decentralized networks of individuals. Activities such as lending someone money or giving someone a ride is being commercialized, resulting in a merger of professional and personal. Continuously, Sundararajan (2016) argues about the fact that sharing economy is resulting in a higher level of economic activity through the emerge of new services and a higher rate of exchanging goods.

This emerging trend has radically changed the consumer behavior and the landscape of service offerings (Möhlmann, 2015). It is simplified by a number of technological developments, resulting in available online platforms essential for sharing economy practices (Hamari et al., 2015). According to Botsman (2013) mainstream media has defined collaborative consumption as an “economic model based on
trading, swapping, renting or sharing products and services, enabling access of ownership which would not be possible without the technologies present nowadays”. Sharing economy is based on using underutilized resources such as goods and services between peers for monetary and non-monetary benefits, with the capability to be applicable within a business to consumer context (Botsman, 2013). Thus, Botsman (2013) presents an interesting distinction between these two concepts, hardly evident and elaborated upon within other definitional frameworks.

Schor (2016) argues that the sharing economy has presented something new which is called “stranger sharing” because people historically did not tend to share goods with people outside their personal networks with some exceptions such as assets without economic value. Instead the term sharing was solely trust-related practices between families and friends (Schor, 2016). However, this type of “stranger sharing” might present a higher level of risk since you are sharing valuable assets such as cars, accommodations or lending someone money (Schor, 2016). Frenken and Schor (2017) states that digital platforms function as a tool to decrease the perceived risk associated with sharing between strangers since people are able to access reviews and ratings of a given good or service. However, discovered patterns have shown that these trust systems might be inaccurate and misleading due to the advantages peers receive by a mutual favourable behaviour (Overgoor, Wulczyn & Potts, 2012). Rodrigues and Druschel (2010) describes the peer to peer platform as a system, driven by strong user self-organization where content is highly decentralized and frequently distributed. Kaplan and Haenlein (2010) highlights collaboration as the essential aspect within these type of platforms because information and knowledge can be publicly distributed between peers.

Sharing economy practices is perceived as an innovative way of existing businesses to develop and strengthening the brand, for instance the airline EasyJet have launched the car sharing service EasyCar (Owyang, Tran & Silva, 2013). Airbnb has developed into a major competitor for hotel chains, threatening to disrupt traditional practices within the industry while Lendify is now considered a viable substitute to regular investment practices among banks. Therefore, it becomes increasingly important to enhance the brand image and treat it carefully according to changes to not lose control of it in a continuously changing landscape. A challenging task for a brand is to balance the amount of control between itself and the audience, instinctively a brand might try to take full control without the need for it. Because people want to shape their own experiences and create their own perceptions, it might be important to relinquish some of that control to the customers. However, it is crucial to understand the factors functioning as key determinants when developing the brand image of companies within sharing economy (Brown, 2018).
2.2 Brand management concepts

This section will elaborate on the components of brand management that is of relevance to the purpose of this study. Brand image makes up the greatest part of this section and since it is a part of a company’s brand equity, the associated elements of brand equity will be explained accordingly.

2.2.1 Brand equity

The term “brand equity” is a result from attempts in the marketing literature to define the relationship between customers and brands and has been associated with the importance of seeing the long-term focus in brand management (Wood, 2000). Gaining competitive advantage through successful brands is something marketers should strive for, thus brand equity is regarded as an important concept within academic research and in business practices (Lassar, Mittal & Sharma, 1995).

Farquhar (1989, p.24) defines brand equity as “the added value with which a brand endows a product”. The majority of studies refer to the brand equity from two different perspectives - financial and customer based. The financial perspective relates to a value estimation of the brand more precisely for accounting objectives, as asset valuation for balance sheets. Simon and Sullivan (1993, p.31) suggest that from the financial market, brand equity is “the capitalized value of the profits that result from associating that brand’s name with particular products or services”. Their technique of estimating brand equity is to extract its value from the firm’s total assets. Researchers referring to the customer’s perspective (Keller, 1993; Lassar et al., 1995) claims that brand equity comes from the customer’s confidence in a brand and to a greater extent, the more likely they are willing to pay a high price for it. For the purpose of this study, an investigation of brand equity and the brand related concepts from the customers’ perspective will be presented rather than from a financial view.

To build and maintain a strong brand equity, two dimensions are said to be important: Brand awareness and brand image (Keller, 1993). These two dimensions will be further elaborated in separate sections in this paper.

2.2.2 Brand awareness

Brand awareness refers to whether or not a potential buyer is able to recognize or recall that a brand belongs to a certain product category (Aaker, 1991) and the ease with which the customer does so (Page & Lepkowska-White, 2002). Hence, brand awareness significantly influences purchase decisions in the sense that a brand, previously known by the consumer, has a greater chance of being chosen compared to an unknown brand (Hoyer & Brown, 1990).

According to Aaker (1991), the involvement of brand awareness in building brand equity depends on the context and the level of brand awareness that is achieved. Burmann, Jost-Benz and Riley (2009) states that brand awareness is a necessary condition for brand strength, but that it by itself is insufficient to reach brand strength and needs to be combined with other dimensions. As mentioned, brand awareness
together with brand image is two strengthening dimensions of brand equity. Brand awareness impacts
purchase decisions by influencing the formation and strength of brand associations in the brand image
(Keller, 1993).

2.2.3  Brand image

Whatever a company’s marketing strategy is, the major purpose of their marketing activities is to
influence the perception and attitude towards the brand and stimulate consumer’s actual purchasing
behavior by establishing the brand image in consumers’ mind. This will improve sales, maximize market
share and help to develop brand equity (Zhang, 2015).

The definitions of brand image have changed over time and still lacks a collective agreement among
researchers. They range from relatively simple descriptions such as “Consumers’ general perception and
impression of a brand” (Herzog, 1963, p. 76) and “Consumers’ perception of a product’s total attributes”
(Newman, 1985, p. 61) to more cognitive and psychological connotations. For instance, Kapferer (1994,
p. 41) define brand image as “Consumers’ general perception about the brand feature’s association”.
Some researchers highlight the symbolic perspective of brand image as “The symbolic meaning
embedded in the product or service” (Nöth, 1988, p. 174) or “Consumers’ perception and recognition of a
product’s symbolic attribute” (Sommers, 1964, p. 59).

Dawn and Zinkhan (1990) claims that it lacks a general agreement concerning the components of brand
image. Since it was brought up in the early 1950’s, it complicates the process of drawing generalizable
and comparable conclusions in the existing literature of brand image research. However, a widely used
definition in the existing literature of brand image, and which consequently will guide the authors for the
purpose of this paper, is Keller (1993, p. 3) stating that brand image is “perceptions about a brand as
reflected by the brand associations held in consumer memory”. According to Keller (1993) these
associations are classified into three categories: attributes of product or service, the benefits associated
with the product or service, and the consumer’s overall evaluation of the brand. How strong the brand
image depends in turn on how positive the consumer’s evaluation is, how well they will store the memory
of the brand, and how unique it is compared to competitors (Keller, 1993).

Since it was put forward, researchers and practitioners have paid significant attention to the concept of
brand image because of its importance to marketing activities (Zhang, 2015), and considerable resources
are spent by marketers to assess consumers’ awareness and perception of brands (Esch, Langner, Schmitt
& Geus, 2006). If marketers are able to create a positive brand image in the minds of the customers,
positive effects such as enhanced revenue, lower costs and greater profits are achievable (Keller, 1993).

Earlier research has found that consumers often prefer brands with an image that is consistent with their
perception of their own abilities, characteristics and personality (Graeff, 1997). Hence, marketers should
examine the potential situations in which their product or service is being consumed and promote the
brand in varying consumption situations in order to comply with as many of their potential customers’ self-images as possible (Graeff, 1997).

2.2.4  Brand loyalty

Brand loyalty is most frequently explained with reference to Jacoby and Kyner’s (1973) definition as “the biased behavioral response expressed over time by some decision making unit with respect to one or more alternative brands out of a set of such brands and is a function of psychological processes”. Since brand loyalty in this paper simply will serve to demonstrate the result of a strong brand equity (Rosenbaum-Elliott, Percy & Pervan, 2015) we will define brand loyalty as the consumer’s probability of purchasing the same brand as the one previously owned (Bayus, 1992). Customer brand loyalty is seen as the ultimate desirable market-based outcome from strategic marketing activities (Taylor, Celuch & Goodwin, 2004).
3. Theoretical framework

This section presents a description of the chosen theoretical concept which has been used for investigating the research topic, following a motivation of relevance of the model to the research area. Each influencing component of the theoretical framework will be discussed more in-depth to demonstrate the different characteristics.

3.1 Brand equity in an online environment

The concept of brand equity in sharing economy has been hardly evident in existing literature, therefore making it difficult to apply any models directly linked to the research topic. Hence, a model was searched for to gain an understanding of how brand equity is managed and created in regular online settings. When looking upon existing models concerning the area, the model presented by Page and Lepkowska-White (2002) was suitable for our purpose.

To apply the concepts of brand management mentioned above to a context more towards sharing economy, Page and Lepkowska-White’s (2002) Web equity framework will be used, which focus on the online environment as illustrated in Figure 1. Based on the idea of brand equity, web equity is defined in terms of web awareness and web image resulting in customer brand loyalty, and the purpose of the framework is to illustrate the factors affecting these dimensions (Page & Lepkowska-White, 2002).

Kapferer (2012) claims that pure internet brands, or “dot.coms”, are struggling more than other brands to create long-term customer loyalty. Because when behavioral loyalty is extended to the e-marketspace, both the conceptual and measurement issues become more advanced and complex (Gommans, Krishnan & Scheffold, 2001). The essential aspect of the model by Page and Lepkowska-White (2002) is to demonstrate how the four influential factors outlined on the left side effects web awareness and web image respectively and how the sum of these ends up into web equity, automatically affecting loyalty.

The arrow from Marketer and non-marketer communications towards awareness illustrates that customers become aware of the brand through the communication of the company, which is the first and crucial step for the customer to actually form an image of the brand (Page & Lepkowska-White, 2002). The second arrow show that the communications in turn also affect image. The three remaining factors; Web design features, vendor characteristics and product/service characteristics and their corresponding arrows illustrate that they affect image, positively or negatively, once the consumer is aware of the brand (Page & Lepkowska-White, 2002).
3.2 Relevance of The Web Equity framework

The sharing economy has emerged from new technologies and the access to online platforms is essential to establish a well-functioning business (Hamari et al., 2015). One might identify an evident connection between e-commerce practices and the sharing economy since they are built upon a frame with similar characteristics. Page and Lepkowska-White (2002) have developed a framework for building brand equity online and outlined four influencing factors affecting brand image for e-commerce businesses. Therefore, a more detailed elaboration of these factors will be presented in the following section to discuss the most recurring elements within each factor. These factors will be applied as a foundation for the interview questions when collecting primary data from the respondents within the sharing economy with the aim to provide relevant distinctions for sharing economy compared to regular e-commerce practices.

3.3 Marketer/Non-marketer communication

As illustrated above, brand image and brand awareness is affected by marketer/non-marketer communication. Marketer communication refers to all the offline and online marketing activities performed by marketers in medias such as television advertising, printed media, outdoor (e.g. billboards), social media, banner ads etc. (Page & Lepkowska-White, 2002). These different medias are used for advertising with the primary communication objective to raise brand awareness (Rosenbaum-Elliot et al., 2015). Non-marketer communications refer to the tools such as word-of-mouth (WOM) that encourage customers to spread the word about a brand to other customers. Something that can be questioned with regards to this factor is Page and Lepkowska-White’s (2002) phrasing of the factor as Non-marketer...
communications, which implies that the marketer is not involved in the process of WOM. WOM and customers’ conversations about a brand is something that marketing firms work to influence intentionally and is a growing technique within marketing (Kozinets, De Valck, Wojnicki & Wilner, 2010).

WOM has the potential to generate brand awareness and new customers to a website in the sense of recommendations from existing customers. It also affects the brand image depending on the state of the discussion about the brand (Page & Lepkowska-White, 2002). The information communicated through Internet in that form is called electronic word of mouth (eWOM) and is one of the most significant developments regarding consumer behaviour since it requires companies to adapt to a changing technological landscape (Rosario, Sotgiu, Valck and Bijmolt, 2016). Industry reports state that approximately 2.4 billion (Keller & Fay, 2012) conversations regarding brands take place every day, therefore it is crucial for marketers to understand and influence WOM patterns to create a successful business (Berger & Schwartz, 2011). Calle and Vaquero (2013) argue that companies in the sharing economy industry unnecessarily spend massive investments in advertising and marketing. Instead these resources should be dedicated to word-of-mouth marketing due to the credibility perceived among peers using these platforms (Calle & Vaquero, 2013). Except from generating brand awareness, the marketer and non-marketer communications builds a positive brand image if the brand’s website and offerings corresponds with the initial impression created by the communications (Page & Lepkowska-White, 2002). Therefore, we will further explain the importance of web design features, vendor characteristics and product/service characteristics as potential affecting factors.

3.4 Web design features

The impact of a website’s design features on brand image relates to the importance of a positive customer experience with the website that consequently will lead to corresponding feelings towards the brand itself (Page & Lepkowska-White, 2002). Some aspects that a brand should focus on is the reliability of the website and being accessible at all times, it should be easy to navigate, provide useful information and provide product comparison (Page & Lepkowska-White, 2002). One of the biggest threats to Peer-to-peer online practices is the perception of each other as customers and how the website is outlined to demonstrate information regarding operations (Schlosser, White & Lloyd, 2006; Jones & Leonard, 2008). A good brand often delivers accurate and qualitative information which will generate a positive experience among customers, which in a longer perspective induces a relationship between the customer and the brand (Alam & Yasin, 2010). Hence, customers establish broader knowledge which creates positive perceptions towards the brand (Ha, 2004).

Experimental features such as entertainment on the website increase involvement, the duration of which the customer visits the website as well as enhances brand image (Page & Lepkowska-White, 2002; Hausman & Siekpe, 2009). Customers are more likely to have a positive experience with the brand, thus increased brand image if web design features allow customers to interact with each other and having
According to Duan, Gu and Winston (2008) *web design features* such as online reviews are an effective tool to build brand awareness and in turn, brand image. Online customers use reviews as an important source of information to ensure that the products and services offered are to their expected standards (Yang, Sarathy & Lee, 2016). In the sharing economy where you catch rides with strangers through Uber or live in someone’s house through AirBnb, reviews and reputation systems are a way to ensure transactions between customers to be less uncertain (Belk, 2014). Lauterbach, Truong, Shah and Adamic (2009) state that reputation mechanisms are essential for online transactions where parties have little or no prior experience with one another. Following, Jøsang, Ismail, and Boyd (2007) argue that these reputation systems serves as mutual beneficial to peers by gaining knowledge about one another before agreeing to a transaction, creating an incentive to conduct themselves in an appropriate manner.

### 3.5 Vendor characteristics

*Vendor characteristics* concerns issues such as privacy and security, which also affects trustworthiness towards the vendor. These issues involve how secure the customer feel about their personal information and whom it is disclosed to. Furthermore, it involves the degree of security the vendor can assure in regards to how their information is transmitted as well as stored (Page & Lepkowska-White, 2002). According to Furnell and Karweni (1999) the perceived security is a major obstacle towards the adoption of e-commerce services due to the perceived effects of data transaction attacks, unauthorized access to your account and theft of credit card information. The perceived security is the degree of protection towards these threats provided by the source (Hsu, Shu & Lee, 2008). Srinivasan (2004) describes perceived security as a dominant factor regarding trustworthiness since many customers feel uncertainties of using online platforms for purchasing goods due to security concerns associated with the buying process.

Privacy in contrast to security concerns the amount of control of your own information which is an important distinction. According to (Yousafzai, Pallister & Foxall, 2003) privacy is defined as “*customer’s perception regarding their ability to monitor and control the information about themselves*”. An underlying reason to many peoples’ concerns is the relatively easy process to collect information about customers and share it with third parties which has emerged from new technologies (Clay & Strauss, 2000). According to Ha (2004), one common scepticism towards online purchases are the lack of control over personal information, thus *vendor characteristics* are identified to play an important role to overcome the scepticism towards purchases online (Metzger, 2006).

A report by BigCommerce indicate that nearly 29% of consumers had privacy concerns when providing personal information since they felt insecure about how the data collector will process the information (Kelly, 2017). To overcome this issue, earlier research by Hoffman and Novak (1997) suggest that trustworthiness is built through a more cooperative relationship between customers and online businesses,
resulting in a more equal balance of power. Metzger (2006) identified *vendor characteristics* as the most important factor in regards to consumers’ perceptions towards a brand. Handling of personal information creates trustworthiness towards the vendor which in turn affects brand image (Page & Lepkowska-White, 2002). Vendor characteristics also involves customer service which includes vendor accessibility and responsive rates which increases consumer satisfaction and affecting brand image (Page & Lepkowska-White, 2002). In the sharing economy where the firm primarily offers the platform where the peers deal with each other, customer service is key to ensure a safe purchase of products and services (Möhlmann, 2015). Furthermore, Möhlmann (2015) argues that when experiences are positive in regards to customer service, the likelihood that the consumer will use the platform again increases.

### 3.6 Product/Service characteristics

The concluding factor affecting brand image is *product/service characteristics*. In contrast to brick and mortar shopping environments, consumers most often do not have the possibility to see the actual product or service before a purchase. In order for the vendor to overcome this obstacle, product and service information such as usage instructions and attributes are key (Page & Lepkowska-White, 2002; Gommans et al., 2001). Product/service characteristics concerns primarily quality, selection and price of product and services (Page & Lepkowska-White, 2002). When customers perceived quality expectations are met, there is an increased likelihood that the consumer will visit the website again. At the same time, when the customers expected quality of products and services are not met, the relationship declines between the customer and the firm (Zhang, Fang, Wei, Ramsey, Mccole & Chen, 2011). Even though the quality of product and services offered in a website are essential, factors such as fair and accurate prices and product selections are important (Kim, Galliers, Shin, Ryoo & Kim, 2012).

Customers are expecting both lower prices as well as a wider selection of products and services offered in an online environment (Page & Lepkowska-White, 2002; Zhang et al., 2011). With respect to the sharing economy, the *product/service characteristics* for some businesses differs from an e-commerce because peers set their own prices, selection of product/services and information about quality, usage instructions etc. For example, Airbnb identified a problem in hosts price settings and therefore implemented “price tips” to ensure efficiency (Gibbs, Guttentag, Gretzel, Morton & Goodwill, 2017). Another challenge for companies such as Airbnb are quality assurance in terms of product/services that meet the customers’ expectations. Since hosts offer the accommodation, Airbnb needs to implement review systems, customer complaint management and extensive information to ensure the quality and price of the accommodation (Priporas, Stylos, Rahimi & Vedanthachari, 2017).
4. Methodology

This section will first include the choice of research strategy, research approach and research philosophy. Furthermore, it will describe authors the methodological design, sampling procedures, how data has been collected along with a motivation of interviews as a way to collect primary data. Lastly, the credibility of research will be discussed through the measurements of reliability and validity.

4.1 Research strategy

This study was conducted using a qualitative research method based on “grounded theory” in terms of individual in-depth interviews with firms operating in the sharing economy. Glaser and Strauss (1967) developed the concept of “grounded theory”, which comprises that the theory is derived and built upon the collected data itself (Taylor, Bogdan & DeVault, 2016). Flick (2011) suggests that by using grounded theory and a qualitative method, the researcher is able to find important conditions of the topic throughout the research process. The reasoning behind using a qualitative method is to get a deeper understanding of the relationship between sharing economy and the factors affecting brand image. According to Eisenhardt (1989) qualitative research methods are useful and suitable in order to understand the dynamics of a relationship. Continuously, Eisenhardt (1989) suggests that qualitative methods open up the opportunity for the researcher to find relationships that may not be salient and obvious. The aim of this paper is to investigate the factors affecting brand image in a sharing economy context. Therefore, the use of a qualitative method is suitable to recognize and find the characteristics influencing this relationship. To understand the emerging concept of sharing economy, the use of a qualitative research method lays a foundation for insights and understanding patterns in data. Additionally, it helps to develop concepts instead of collecting data biased from assumptions from already existing theories and hypotheses (Taylor et al., 2016).

4.2 Research approach

In terms of research approaches, there are primarily two types used: inductive and deductive (Saunders, Lewis & Thornhill, 2009). Deductive reasoning comprises building hypothesis through existing knowledge and literature, which are most commonly used in quantitative research methods (Ghauri & Grønhaug, 2010). In qualitative research the use of an inductive approach is most common, referring to collecting data and relating it to literature (Saunders et al., 2009). Abductive research is characterized as a mixture of an inductive respectively deductive approach, thus brings two separate approaches together (Haig, 2005). By using an abductive approach, the researcher is able to go back and forth between data and literature relevant to the subject of investigation. According to Dubois and Gadde (2002) the use of an abductive research approach is appropriate if the research objective is to discover new observations.
An abductive approach lays the foundation for development of new theory and theoretical models similar to grounded theory, instead of affirmation of already existing research (Dubois & Gadde, 2002). The concept of sharing economy is an emerging trend that creates new social perspectives, thus an abductive approach is used in this study to identify and observe factors affecting concepts in this phenomenon. Ong (2012) suggests that by using an abductive approach, the researcher is able to develop new theories since the researcher challenge the current social perspectives. By using an abductive approach, the aim is to contribute to this field of research by collecting qualitative data and using the empirical evidence to develop theory in relation to sharing economy and branding.

4.3 Research philosophy

When conducting research, our values impact the way we make decisions and pursue our research (Saunders et al., 2009). In terms of research philosophies and the way we think of research, there are primarily three ways: epistemology, ontology and axiology (Saunders et al., 2009). Ontology concerns assumptions about the nature of the world and how the reality really works (Brinkmann, 2017). Epistemology on the other hand is based on the study of knowledge, constitutes what it is and whether the field of research is acceptable. Axiology concerns how researchers sees the role of values in the process, which is important in terms of the credibility of your research (Brinkmann, 2017). There are mainly four different research philosophies used in business and management: positivism, interpretivism, realism and pragmatism (Saunders et al., 2009). Interpretivism is the philosophy most applicable to this study due to its characteristics, often used in qualitative research methods with in-depth interviews and small samples. This philosophy sees the world as far too complex to be investigated in a quantitative manner due to that every situation is unique and have different circumstances. Interpretivism take the complexity of conducting research among people into account which adds a complexity that differs from research in terms of objects such as machines. Furthermore, interpretivism focus on situations, the underlying details behind these situations and the influencing actions of the situation under investigation (Saunders et al., 2009). Many researchers argue that interpretivism is the most suitable for business studies, particularly in the field of marketing as well as how organizations behave and function (Saunders et al., 2009).

5. Method

5.1 Sampling

The area of investigation was the sharing economy as a whole, therefore it was important to get participants representing several industries to generate a well-reflected overview. Primarily, the aim was to get an interview with one of the pioneers within the sharing economy such as Airbnb or Uber since it would provide an in-depth understanding of the phenomenon. However, these companies had a policy not to participate in these kind of projects in general due to their restricted amount of time. Therefore, the participants included in the research was small and medium sized companies in Sweden, actively
operating for one to seven years. However, Sunfleet was founded in 1999 but have developed their concept continuously and are today classified in the category of sharing economy since 2011 (Vaughan & Daverio, 2016). An important element was to have convenience in sampling procedures, thereby making the Swedish market suitable due to the geographical aspect.

The table below gives the reader a better understanding of the details in the sampling and data collection process. Company name, year of establishment, the participant’s role, gender, what type of interview along with duration of the interview have been demonstrated in the table. Because we believed it is appropriate to have this information when reading the material to see potential underlying reasons causing certain type of answers from the respondents. For the purpose of anonymity, each respondent has been given an acronym, representing them throughout the paper in quotes and statements.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Founded</th>
<th>Type of industry</th>
<th>Role of participant</th>
<th>Gender</th>
<th>Type</th>
<th>Interview Length (mins)’</th>
<th>Acronym</th>
</tr>
</thead>
<tbody>
<tr>
<td>RideBite</td>
<td>2015</td>
<td>Car-sharing</td>
<td>CEO &amp; Founder</td>
<td>Male</td>
<td>Face-to-face</td>
<td>00:38:05</td>
<td>r1</td>
</tr>
<tr>
<td>Hygglo</td>
<td>2011</td>
<td>Tool-sharing</td>
<td>Marketing Manager</td>
<td>Male</td>
<td>Face-to-face</td>
<td>00:32:58</td>
<td>r2</td>
</tr>
<tr>
<td>ToolPool</td>
<td>2011</td>
<td>Tool-sharing</td>
<td>CEO &amp; Founder</td>
<td>Male</td>
<td>Telephone</td>
<td>00:49:22</td>
<td>r3</td>
</tr>
<tr>
<td>Sunfleet</td>
<td>2011</td>
<td>Car-sharing</td>
<td>Marketing Manager</td>
<td>Female</td>
<td>Telephone</td>
<td>00:32:11</td>
<td>r4</td>
</tr>
<tr>
<td>Yepstr</td>
<td>2015</td>
<td>Renting of staff</td>
<td>Operations Manager</td>
<td>Female</td>
<td>Face-to-face</td>
<td>00:40:36</td>
<td>r5</td>
</tr>
<tr>
<td>Båtpoolen</td>
<td>2017</td>
<td>Boat-sharing</td>
<td>Founders’</td>
<td>Male</td>
<td>Telephone</td>
<td>00:39:11</td>
<td>r6, r7</td>
</tr>
<tr>
<td>Marinpoolen</td>
<td>2011</td>
<td>Boat-sharing</td>
<td>Founder</td>
<td>Male</td>
<td>Telephone</td>
<td>00:29:44</td>
<td>r8</td>
</tr>
</tbody>
</table>

Table 1. Graphical representation of the seven interviews and detailed information regarding each session

5.2 Data collection

Existing research of brand image in a more general context have been well-articulated, however not applied to the field of sharing economy. Hence, it was required to use multiple databases such as Scholar, Primo, Sage, Business Premier, EmeraldInsight and Sciencedirect to find relevant literature. Additionally, company reports have been used to gain statistical knowledge regarding certain issues such as Ernst & Young which have constructed a comprehensive report of the sharing economy. The articles used during the writing process have been carefully evaluated based on a number of criteria namely: number of citations, peer-reviewed and source of publication. Hence, the aim was to find articles according to reliability and trustworthiness. Date of publication was an important factor during the selection process.
since the area of research concerns technological developments such as online platforms where the sharing economy can operate, hardly evident in the same extension only a few years ago. The search terms were used to explore literature that touches upon brand management and the sharing economy. It was done to reach a larger amount of material, which later could be narrowed down into smaller categories of relevant articles.

<table>
<thead>
<tr>
<th>Literature Review</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Search terms:</strong></td>
</tr>
<tr>
<td>(terms used to find literature)</td>
</tr>
<tr>
<td><strong>Databases:</strong></td>
</tr>
<tr>
<td>(Platforms to retrieve literature)</td>
</tr>
<tr>
<td><strong>Timeline:</strong></td>
</tr>
<tr>
<td>(Year of publication)</td>
</tr>
<tr>
<td><strong>Main fields of research:</strong></td>
</tr>
<tr>
<td><strong>Criteria of being selected as an article:</strong></td>
</tr>
</tbody>
</table>

Table 2. A visual overview of the process of the literature review process

5.3 Primary data

5.3.1 Interviews

Interviews can be a set of structured and standardized questions to gain a cohesive understanding of an issue (Saunders et al., 2009). There are three types of interview formats: structured, semi-structured and unstructured, depending on research procedures (Saunders et al., 2009). Semi-structured interviews are most commonly used in qualitative research, which is a set of predetermined questions covering a specific theme but can be modified depending on respondent (Teijlingen, 2014). This interview format is especially useful if the interviewee wants to explore the respondents’ views on a specific topic and delve deeply to thoroughly understand the answers provided (Teijlingen, 2014; Harrell & Bradley, 2009). Grant (2011) suggests that telephone and face-to-face interviews does not differ notably in length or depth, therefore making them good substitutes to one another. Therefore, it was decided to value these alternatives as equally important when companies were contacted. Semi-structured interviews have been used throughout this research because it gave the opportunity to generate answers through elaborations and explanations made by the respondent (Saunders et al., 2009). In addition, semi-structured interviews are most suited when questions are open-ended or when the logic and order of questions need to be varied (Saunders et al., 2009).
5.3.2 Interview process

In accordance to Saunders et al. (2009), the interview process was carefully treated so that the behaviour and questions asked was appropriate and within acceptable parameters. In addition, it needed to be clearly communicated that respondents have the right to decline answering any given question if respondents perceived them as personal (Cooper & Schindler, 2008). The interviews conducted started with a set of basic questions such as “Have you previously worked within the sharing economy industry?” and “How would you summarize the current situation of the phenomenon sharing economy?”. These questions were asked to better understand the respondents’ background and the underlying circumstances. The questions were divided into four different factors based on the framework developed by Page and Lepkowska-White (2002) namely: marketer/non-marketer communication, web design features, vendor characteristics and product/service characteristics.

During the interview it occurred that respondents did not answer questions in a consistent manner. Questions primarily related to one of the factors sometimes resulted in answers not related to that specific factor. Therefore, it was needed to go back and ask for clarifications if the answers were not relevant. Since this research investigates the sharing economy as a whole, it was important to get industry diversification among respondents to reflect a generalized view. The semi-structured interviews (DiCicco-Bloom & Crabtree, 2006) were between 30 and 50 minutes in length depending on how thoroughly the respondents elaborated their answers. However, the interviews were closed when questions were not contributing any new information to that already gathered.

5.3.3 Data analysis

To analyze the data in a consistent manner, it is required to reduce data, identify coding categories and interpret meaningful patterns or themes (Suter, 2012; Miles & Huberman, 1984). Therefore, an important element is to understand the results collected during interviews, thereby necessary to transcribe the audio-files into actual words (Saunders et al., 2009). To get an understanding of collected data, coding was used. The process of coding is putting data into a system by reorganizing and categorizing the collected information. According to Leavy and Saldana (2014), coding is a “problem-solving technique” that links the essential elements to theory. Developed by Peräkylä and Ruusuvuori (2011) the “analyzing text” was the coding method used in this study in form of categorization analysis (Denzin & Lincoln, 2011). This process is illustrated in figure 2. below and included two activities, firstly to derive categories from the framework used or from collected data which are guided from the research objective. Corbin and Strauss (2008) suggests three ways of deriving these names: to utilize emerging names in data, terms used by respondents or terms derived from the framework or existing literature. The second step was to unitise data where relevant parts of the text was divided into these categories to further clarify and ease the progressively analytical process (Saunders et al., 2009). A manual approach was used to process the data collected by transcribing them into related units. Therefore, it was important not only to understand what respondents said, also how they said it to analyze the emotional aspect and provide a truthful meaning (Saunders et al., 2009).
**Figure 2. Illustration of coding process**

Existing literature in the field of study in combination with thorough information given from respondents operating in this field made the analysis of data easier. By elaborating upon the findings from coding and literature, this study could identify information that was both accurate and supportive to the purpose. The process of going back and forth between data and theory further implied the use of an abductive approach. As a result, a new model was developed, more suitable to a sharing economy context based upon Page and Lepkowska-White’s (2002) framework.

### 5.4 Credibility of research

The evaluation process of credibility is a “scientific methodology which needs to be seen for what it truly is, because it’s a way of preventing me from deceiving myself in regard to my creatively formed subjective hunches which have developed out of the relationship between me and my material” (Saunders et al., 2009, p.156). However, qualitative and quantitative analysis have different traditions in how to
evaluate the trustworthiness of research (Graneheim & Lundman, 2004). Despite this, common types of measures such as reliability and validity are often applied across both traditions of analysing the research without respect to the nature of analysis method (Saunders et al., 2009). There has been a popular growing movement towards using the measure dependability rather than reliability within qualitative research because it is concerned with the stability of data over time and changes which might occur in the content (Sandelowski, 1986). However, Long and Johnson (2000) conclude that these two terms have similar meanings and nothing is to be gained by changing labels, thereby making reliability a suitable option also for qualitative projects. Therefore, the two measures of credibility in this paper will firstly be reliability which is defined as “the extent to which your data collection techniques and analysis procedures will generate consistent findings” (Saunders et al., 2009, p.156). Secondly, validity concerns if the findings provided are really connected to the topic itself and are relevant to the investigation area (Saunders et al., 2009).

5.4.1 Data reliability

There are four threats to reliability when conducting a research namely: subject or participant error, subject or participant bias, observer error and observer bias (Saunders et al., 2009). Errors occurring from participant errors refers to the consistency of answers regardless of how many times questions are asked or in what type of setting. Individual interviews allowed the authors to generate information from each person independently. In groups people have a tendency to take into account the view of others when formulating their answers (Bauer & Gaskell, 2000). However, semi-structured interviews present challenges since people might respond differently depending on how they are perceiving interviewers, giving inconsistent answers without full honesty (Denscombe, 2007). The open-ended questions asked can also be an issue if the interviewers have not developed detailed questions and are unprepared because the interview might be too short without any valuable insights.

Subject or participant error concerns that the respondent might answer differently depending on state of mind or time of the day. Participant bias reflects the risk of answers being provided due to, for instance, interests from top management level, thus not completely truthful to protect themselves from telling more than allowed (Saunders et al., 2009). To overcome these issues, participants were provided with the possibility to be anonymous, thus relieving them from feeling threatened that personal opinions will disadvantage them in the future. Observer errors and biases were carefully discussed since it was crucial to find a suitable way of interpreting the results provided. Therefore, the authors were present at all interview sessions and the semi-structured approach were used to keep a structure in questions asked which will decrease the risk of reliability errors among observers (Saunders et al., 2009). In addition, the transcripts were initially analyzed individually to establish an independent reflection among authors. Later on, the different perspectives were summarized and composed into a final analysis to be as accurate as possible. This is called a cross-validation approach which emphasizes individuals’ own interpretation of the results before discussing them together and draw collective conclusions (Saunders et al., 2009).
5.4.2 Data validity

The aim was to get participants genuinely interested in discussing the topic without any time restrictions or dubious reasons not to participate and make them aware of the interview format. This was done to make them mentally prepared of how it was going to be carried out. The interviews began with a short general discussion and some brief questions regarding the participant to take the edge of a potential tensed situation. As mentioned, all interview questions were related to certain factors based on the framework presented. However, it was important not to give pre-assumptions of directions in the questions asked, therefore questions were open-ended and gave participants the possibility to elaborate freely and express themselves without boundaries. Nevertheless, if the questions are too obvious or demanding of socially acceptable responses they can be easily faked. Therefore, we did not express that a certain way of implementing different factors would affect brand image positively or negatively, this was done to achieve an unbiased answer from the respondents. Holden, Fekken and Jackson (1985) have investigated the concept of face validity, indicating that clear, moderately short and relevant test items tended to be most empirically valid. An “absolute” face validity measurement were used to assure validity of the data. This approach is used to measure how well the area of investigation is covered (Nevo, 1985). Therefore, the participants were asked to rate the conducted interviews on a 1-to-5-point scale, thereby assuring that the interviews were relevant for the purpose.
6. Findings

This section presents the empirical findings regarding investigated factors gained from the conducted interviews. Quotes and opinions have been included to demonstrate connections in the material. Further, interview respondents have been kept anonymous, each representing a certain acronym. This is done to clarify differences in claims made by respondents.

Findings are divided in the different factors that have been found to affect brand image in the sharing economy. Four of them are the same as Page and Lepkowska-White’s (2002) factors in the ‘Web Equity framework’ while one additional factor has been identified; Peer trust, that will be elaborated more closely below. Each factor is elaborated through the different tools or elements that have been mentioned as important by the respondents. As an example to illustrate this, one interview question was asked: “How do you work with the customers’ discussions about you, are there any functions implemented so that they can spread information to others?” This was done to retrieve information about marketer/non-marketer communications, more specifically word-of-mouth. Therefore, the categories were divided based on recurring elements in the respondents’ answers. The level of importance varied since some companies did not emphasize certain components to a large extent in their operations.

6.1 Marketer/Non-marketer communication

One of the factors that we aimed to investigate was how the respondents perceived their marketing activities, how they work to make customers aware of the brand and build a positive brand image. A recurrent theme among the respondents was that social media advertising and digital marketing make up the biggest part of their marketing communication.

6.1.1 Multiple segment marketing

There were differences in number of segments towards whom the companies aimed their marketing. Respondents r1, r2 and r5 state that they have two different target audiences while the rest have only one specific target group. This is because the business idea of these threes’ respective companies includes one supplying peer and one consuming peer, where the consuming peer pay to use a product or service possessed by the supplying peer. Respondent r5 points out that the way they want to be perceived by customers differ between their two segments.

“Our main priority is the youths and we want to be perceived as a place to find a job in an easy, safe and fun way. When it comes to the customers that order help, we want to mediate a gratefulness for taking action against youth unemployment.” – r5, Operations Manager
“What we have noticed is that there are two very different sides that you need to build very unique strategies for. The advantage for the customer renting out is that we can pitch a cold customer that you should rent out something since you probably don’t need it and because it’s good for the environment. The disadvantage with the consuming side is that it’s intent driven” – r2, Marketing Manager

One of the respondents identified challenges of building efficient strategies for the supplying peer since they do not have a need to rent out.

"The downside is that there is no time pressure on the supplying peer, they manage just fine today without renting out products"- r2, Marketing Manager

6.1.2 Advertising

All of the respondents claim that the fact that they have moved away from a traditional way of operating in their respective industry have resulted in attention from different media channels. Hence, newspaper articles and television news stories have more or less worked as free marketing for the companies. Respondent r3 even means that his way of extending his traditional business with one part of lending tools for free, that goes within sharing economy, has been a way of marketing to gain customers to his regular, traditional service.

“It started a buzz in social media and we won advertising awards that made it big in the news. Digitally I’m pretty big but in reality it’s just a small store. It’s about sending signals and that it’s free often generates skepticism but if it’s good for the customers it can reflect positively to the rest of the business” – r3, CEO & Founder

Common for the majority of the respondents concerning advertising is the limited budgets partly due to the relatively recent start-up phase for many of the companies. The exceptions were the companies of r2 and r4 that have a larger investment partner or parent company that help to fund their marketing efforts, these are also the companies with the most advertising.

“We have Shibstedt as investment partner who own several media channels such as SvD, Aftonbladet and Blocket. Generally, our focus is digital media and Shibstedt work as a brand builder to show our brand in positive contexts.” - r2, Marketing Manager

Since all the companies operate online, digital marketing is said to be the natural choice while physical advertising is barely existing at all.

“On platforms i think we are like everybody else and work almost exclusively with digital channels, we did some physically aimed campaigns with folders that we put on windshields in areas that we thought had
large potential. Otherwise it was mainly channels like Google ads where we worked with search engine optimization” - r1, CEO & Founder

6.1.3 Word-of-mouth (WOM)

As mentioned, a cheap and effective way of marketing is to have people that spread the word about the brand such as customers who recommend you to potential new customers through WOM. Therefore, throughout the discussions about the respondents’ marketing, WOM is one of the strategies that is used frequently and that also is said to be the most effective. Respondent r2 is the only one who says that they don’t work enough with WOM and that their focus so far has been through paid advertisement such as banner ads because of a large budget.

The tools to achieve a positive and effective WOM differ between the respondents. While r4 and r1 use a review system as a channel for WOM, r5 have designed the app similar to a game adapted for their target group with younger people in a way that points are earned by recruiting their friends as new users.

“With a low budget you choose the most effective way. We use a lot of word of mouth and the goal is that people will convert their family and friends to become customers.” - r4, Marketing Manager

6.2 Web design features

Through the interviews, the aim was to investigate if and how web design features affect a firm’s brand image in the sharing economy. Questions relates to how the firms design their website and why the firms implement specific web design features is asked in order to identify if these factors affect brand image. The factors that stands out are quality of information and the implementation of online reviews in their websites.

6.2.1 Quality of information

All the respondents believe that information is an important element on their website. However, it exists some differences in regards to what type of information they believe is important. Respondents r3 and r6 argue that displaying terms of conditions is important on their website to be transparent and make the customer feel safe in the process.

“Everything is available if you go to the website and look, we have our terms and conditions which is a quite extensive document about what applies. We have tried to be as transparent as possible” - r6, Co-Founder

Information about how the service actually works is another important element on the website among several of the respondents. Participant r2 explains that by providing information about how their services
works as well as giving information about safety nets such as insurance, support and verification, they will establish trust with the consumer.

“If we look at the website, we have changed the design and implemented features such as ‘here is how Hygglo works’. We have also included information about insurance, support, verification and so on in order for the process to be safe, secure and to create trust” - r2, Marketing Manager

Participant r7 emphasize the information about how their service works and that it should be easy to use. Furthermore, r8 explains that since their service is new with only one real competitor, it is important to show the customer how the service works.

“We try to have it relatively easy on how it works because I can imagine that it could be complex how it works so it is important that you have all information that explains how the service function” - r7, Co-Founder

6.2.2 Experiential

In this section, findings concerning the overall experience of the website will be presented. What's true for most of the respondents is that the website should be easy to use and that navigation on the website should run without disruptions. Respondent r5 argue that by making their app fun and more like a game, users experience on the website will be positive resulting in communication and promotion of the brand.

“We have made the app like a game so that it should be fun when they invite people they know they earn XP and then goes up in level and when they go up in level they can earn more and get other jobs so they are driven to invite others to the app” - r5, Operations Manager

The company of respondent r4 designed their website in a way that information relevant for each person is presented when for example clicking on ads and other communication tools.

“When we work with ads for example we navigate people to the corporate page if the ad concerns travel in the service. Therefore, we try to direct people towards what’s most relevant for them” - r4, Marketing Manager

6.2.3 Online reviews

Below the findings in regards to online reviews are presented which the majority of the respondents believe to be an important part of their websites. Respondent r5 means that their rating system is an important tool in order to create trustworthiness towards the service. Review systems between peers is crucial for respondent r2, but also reviews about the company itself. r1 suggests that review systems are important but need to be designed to function properly and be thoroughly utilized by the customers.
“Of course we have a review system where the peers can rate each other, we also provide the opportunity for customers to rate us through app store, google play and Facebook” - r2, Marketing Manager

“I believe that review systems are really important and that you need them to work properly, it’s not only to have it in place, but also that it functions. You need to think about how to design it so people use it” - r1, CEO & Founder

Respondent r4 is in contrast to the other respondents not using reviews, but instead let customers communicate about the company on platforms such as Instagram which is implemented as a banner on their website. Respondent r6 is in contrast to the other respondents not using reviews and felt that they as of today does not have the need.

“I don't feel that we have had the need for it so far” - r6, Co-Founder

6.3 Vendor characteristics

When looking into vendor characteristics, the focus is to create an understanding of what the respondents perceive to be crucial when building their platforms and which areas they can improve to develop an even stronger perception of themselves in the marketplace. The most recurring and comprehensive factors is customer service, privacy and security.

6.3.1 Customer service

The findings regarding customer service and the perceived importance of support functions will be discussed to evaluate whether the decision to implement customer service affect brand image. All of the respondents feel that customer service and support function is an important tool to create trustworthiness towards the vendor and create accessibility for customers at all times if problematic situations would occur or specific questions arise. However, it differs in how the respondents have implemented these functions and what is demanded to use it more significantly throughout their operations. r2 argue that the support function is an important tool for them in order to make customers feel safe and create a sort of bond between them and their customers. r3 instead said that it is a function which he would like to have but due to maintenance costs of this option it is not possible to implement it in an extensive manner at this point.

“We want to show transparency and openness towards our customers, also if something goes wrong it should be possible to get in contact with us easily. Therefore, we built a support system, for example 24 hours’ customer service” - r1, CEO & Founder
6.3.2 Privacy

This section covers the findings associated with the level of control of customers’ own information and how much that is available for other people. It will also present the different views on how to build mechanisms which functions as a way to strengthen the customers’ perceptions and what the participants believe is important for the customer itself.

The respondents have slightly different views of what they believe is important in their operations to enhance privacy and make customers feel safe throughout the process. Respondents r2, r3 and r8 argue that their customers are used to purchase online and do not feel any substantial risk that their information will be expropriated and are well-known of procedures if they want to withdraw any of their data from the website.

General data protection regulation (GDPR) is a new regulation reinforced to protect customers in terms of their personal information. It makes it necessary for companies to follow them in their operations where any violation to these regulations will end up in high economic penalties. Furthermore, r8 and r5 stress the new regulations associated with GDPR as a changing landscape in data collection and that it might be necessary to make operational changes to adapt accordingly.

“We only use the data for an educational purpose. With GDPR and everything we do not have the need for in-depth information regarding our customers. We keep it as an internal policy” - r5, Operations Manager

Respondents r6 and r7 believe privacy had a lot more influence in deciding whether to use the services provided and what impression the customers have of the business because people want to be anonymous, and not have any information about themselves open for the public.

“We keep the booking system completely anonymous because we as a company or the customers between each other do not gain anything by putting the information publically, that’s a conscious strategy with several reasons, GDPR is one of them” - r8, Founder

A third respondent saw issues but it was more related to specific cases.

“It exists sceptical individuals if we talk in general terms, we have customers who want us to withdraw their account when they stop using the service. Probably because you don't want to have private information at places you don't use” - r2, Marketing Manager

6.3.3 Security

Below, findings regarding several aspects of security will be presented which includes participants’ view of payment systems as a way of overcoming security issues and collaboration with financial institutions,
this was done in an attempt to evaluate whether the difference in these elements could create an effect in the level of security customers perceive throughout the process when using services.

The respondents had different views of the question depending on their size of business, a small business struggles more than large ones because of limited resources to implement large payment systems. Respondent r7 argued that if they would be larger, it would probably be necessary to implement a more sophisticated and well-known system but currently the only option was to have a regular company account. r2 explained that they initially struggled to convince customers to put their credit card information into the website, something they overcame when the business grew and became more well-known.

“We had some issues in the beginning to get people to use their credit card at our website. However, we have not experienced that lately, people are nowadays used to buy online in combination to our more established brand” - r2, Marketing Manager

In addition, r5 declared that his perception is that people often do not make an evaluation of payment alternatives, instead it is more likely that the customer look at what’s recognized from previous payments at other places.

Furthermore, r3 said that their clients did not think of insurance in an extensive manner, partly because the value of goods is low and believed it would not make any significant difference if he would advertise that an insurance company stood behind the business even though it actually does it. On the other hand, r2 and r5 said that it was crucial for them to communicate the collaboration with insurance and payment companies because that is the first thing people look at when they are evaluating whether to use a service or not.

“People want to pay through something they are familiar with because they don’t read about the actual security of it. A strong name can overcome scepticism and for us very important to work with, therefore we use Stripe” - r5, Operations Manager

6.4 Product/Service characteristics

The aim with investigating product/service characteristics with our respondents was to grasp an understanding of the importance of attributes such as price and quality and how these elements might affect the image of the brand.

6.4.1 Price

All of our respondents indicated that price was an essential element in their operations because if they are estimating the price inadequate, the level of customers willing to pay for it will be lower. However, it was
not obvious how they saw price as a direct factor to strengthen customers’ perception of the brand itself. r4 and r5 argued that due to a high level of competitiveness within these industries, it was absolutely necessary to make an accurate demand analysis to see where they could place themselves in the marketplace.

“We need to adapt since people have different needs and perceptions of what something should cost, therefore it is important not to trespass that limit. To solve it, we are looking at demand and patterns to see frequencies of people returning and evaluating how they perceived us in combination to the price” - r4, Marketing Manager

Respondents r6 and r7 partly agreed because they are not only focusing in putting a suitable price, instead it was a conscious decision to have a lower price in the start-up phase to reach a larger customer segment.

“A business is about making money, so we wanted to find the break-even point with some profit. But I definitely think we could set a higher price but in this start-up phase we just want to get going and I don’t think it affect how people sees us” - r7, Co-Founder

Respondent r2 had a slightly different approach, because he believed that price is priority for a business like them because the goods shared does not have a high economical value, making it more price sensitive. Therefore, they use famous comparison sites as Blocket and Prisjakt to convince customers that they do not need to purchase the good, instead they can share it when needed.

“When people search at Prisjakt or Blocket to find a hammer, we can interrupt that purchase by offering a lower price and convenience to use it when needed without the risk of being unused” - r2, Marketing Manager

6.4.2 Quality

Something that emerged when discussing the value of quality and how it can help improve the brand image is that many participants did not really elaborate thoroughly about it. Instead, they saw it as embedded in the operations as something that should not be evaluated as important or not, thus be the first and last thing they think of before providing to its customers. However, r3 argued that the expectations associated with a certain service have a direct impact of how they perceive the quality of it.

“I don’t think people have that kind of expectations on my service, but a delivering company of food need to keep it warm, taste good and be on time. It depends on the expectations you build and will probably also reflect how a customer sees you” - r3, CEO & Founder
Respondent r5 described their business model as “reversed” compared to many other sharing economy companies because they are emphasizing their teenagers which are performing the service first, and actual customers getting help as second. Therefore, she thought that people will probably bear in mind that customers do not expect it to be as good as from a professional supplier. Furthermore, they do not run interviews with the youths which might affect the actual quality of the service even though the focal point is not the service, it is getting these youngsters jobs.

“Everyone has the same possibility to a job, and the unserious people will be extracted from working if they not comply with the rules. But yeah, it might affect how customers perceive the quality” - r5, Operations Manager

6.5 Additional component

Answers received from respondents regarding security and privacy mainly concerned the level of trust from customers towards the company and a focal point within these factors is to establish it properly. However, one factor emerged that was not included in the original framework. Respondents repeatedly highlighted the importance of their customers’ trust towards each other on questions concerning factors affecting brand image, thus generating an additional dimension.

E-commerce and sharing economy activities have many similar characteristics in platform features and business structure. Despite this, what is making the sharing economy unique is that the company in most cases do not deliver the services directly to the customers which introduces a hardly evident feature compared to traditional practices. Respondent r3 stated that in e-commerce, customers do not need to interact since they are not dependent of each other. Therefore, generating a stronger incentive to create a relationship between the platform and the customer rather than between the peers. Respondent r1 expressed that difficulties lays in creating an environment where peers trust each other to an extent that makes sharing equally easy compared to purchasing goods or using professional substitutes.

As mentioned, “stranger sharing” is relatively unexplored since people do not have enough experience in sharing, which creates obstacles to convince customers. Respondent r5 claimed that it’s a matter of generation differences, because old people are segments with tremendous potential due to their financial status generally speaking. These groups are especially unfamiliar with this kind of business practices, making it evident that the segments utilizing the sharing economy are younger people. Hence, the industry can gain a lot of new customers if the older hesitating people can be convinced by trusting other peers. The respondents had different views of how to address the issue of peer-trust, something that will be presented in the next section. However, they did not present the facilitating elements to overcome this issue in a concise manner, therefore indicating that companies still have a lot to improve to create a trustful peer-to-peer environment.
6.5.1 Peer trust

In a discussion concerning marketing strategies to convince customer to choose their service, r1 talks about internal goals of building trust between their customers to make them feel a contribution to something more meaningful than themselves, as saving the planet from unnecessary emissions.

“We wanted to take away the fear between customers and build a community where people help each other so we could contribute to something valuable. We looked at some companies that succeeded with that like Airbnb but we didn’t solve that issue as we hoped” -r1, CEO & Founder

He continues with arguing that this could be because of a generally lower trust between people in bigger cities.

“A common question from customers was ‘How do i know who rents my car and how it will be used?’ and that shows that you don’t really have faith toward your peers. Maybe you have less trust towards others in bigger cities.” - r1, CEO & Founder

Furthermore, r8, r2 and r4 express that peer trust is something hardly evident in traditional business practices, making it difficult to measure and evaluate. However, they argue that it is a dimension which needs to be handled carefully because if customers are worried about the performance of others it will directly affect them negative and actively make them not select the provided option by the platform. Therefore, r2 argues that it is important to take proper actions accordingly, and overcome the potential scepticism by actively prevent irresponsible people from participation.

“In traditional transactions the customer only handle with the company, so it is only the trust towards the company that matters, but we have another dimension to work with. Trust between the peers are very important, but also towards us if we make sure that the peers deliver, otherwise exclude the ‘bad apples’” - r2, Marketing Manager

Respondent r1 argued that sharing behavior have a threshold in terms of trust between the peers and security issues. Respondent r8 believes that the will to share have risk barriers, but also scepticism towards sharing due to newly developed concepts that are unfamiliar.

“I believe that there is a large group in society who unfortunately sees sharing as something that is unsafe and that they don’t have trust towards others”- r1, CEO & Founder

“What we have seen in many customers is that the will to share isn’t there, it could be risk, but also that the concept is new and that you don’t know how it works”- r8, Founder
7. Analysis

This section presents the empirical findings regarding investigated factors gained from the conducted interviews. Quotes and opinions have been included to demonstrate connections in the material. Further, interview respondents have been kept anonymous, each representing a certain acronym. This is done to clarify differences in claims made by respondents.

The sharing economy is a relatively new phenomenon, and the concept of brand image within this industry has not been well-elaborated. However, it became obvious that the participants had a clear view of the purpose of our study but not a thoroughly understanding of what it really meant to imply clear mechanisms which helps establish it. The respondents repeatedly went into aspects not relevant for the study, therefore the authors tried to guide them into elaborating upon the essential aspects of what’s been identified from the literature and framework. It is also important to mention that the framework used, function to facilitate the understanding of an e-commerce context due to lack of suitable models adapted for a sharing economy setting, therefore findings might not differ substantially in comparison because these two settings have similar characteristics.

The purpose of this thesis is to investigate the factors affecting brand image in the sharing economy. Thus, this section will provide the reader with findings in relation to the existing literature discussed in previous sections, with an aim to provide relevant distinctions which confirms the research purpose.

7.1 Revised framework of factors affecting brand equity

Findings of affecting factors of brand image from literature and interviews have increased our knowledge in the research field and resulted in a revised model of Page and Lepkowska-White’s (2002) original framework, illustrated in Figure 3. Marketer/non-marketer communication has been renamed Marketing communications. Vendor characteristics has been renamed vendor reliability and a fifth factor, peer-trust has been added to the revised framework. We will elaborate on the changes of the original framework further in the following sections.
7.2 Marketing communication

Through gained knowledge of marketing communications and after interviews with practitioners in sharing economy companies, the factor marketer/non-marketer communications have been rephrased to Marketing communications. As previously discussed, non-marketer communication implies that the marketer is not involved in the process of achieving WOM and customers’ conversations about the brand which contradicts the reality of today. Most likely, the reason is that WOM through social media platforms is something that has increased after Page and Lepkowska-White’s (2002) framework was developed. Marketing firms’ strategies of how to induce positive WOM among customers is increasing in importance and marketers put efforts into employ social media marketing methods in order to optimally succeed with this (Kozinets et al., 2010). Hence, marketing communications is a more appropriate and updated phrasing of this factor.

As identified by previous literature, marketing communication raise brand awareness which in turn impacts purchase decisions by influencing the formation and strength of brand associations in the brand image (Keller, 1993). Various strategies and tools can be used in order to convey the message effectively. From the findings, digital marketing was, common for all the companies, by far the tool that was used most frequently.
The low usage of physical advertisements from the respondents was explained by limited budgets and the preference of cheaper alternatives such as social media marketing. This is more an indication that the respondents choose more economic options of marketing due to a relatively recent start-up phase rather than it would be a more effective strategy than physical advertising. However, the marketing of the two companies with larger budgets because of the investment partners consisted of digital marketing such as banner ads through larger news and media sites. This indicates a preference of digital media also through paid advertising and a strategy of approaching the target markets online rather than offline. It also follows Calle and Vaquero’s (2013) argument that companies in the sharing economy unnecessarily spend massive investments in advertising and marketing and that these resources instead should be dedicated to word-of-mouth marketing due to the credibility perceived among peers using these platforms.

Through discussions regarding target audience, some of the companies perceived themselves of two different types of target groups. The company needs to induce a need from consuming customers to buy or rent something but also the willingness from supplying customers to sell or rent a product or service. To achieve a positive brand image from more than one target group becomes more complex and respondent r2 express the difficulties with multiple segments and the need to develop unique strategies to reach both effectively. This is a phenomenon that becomes particularly evident for sharing economy. We argue that the firm needs to clearly demonstrate the different characteristics associated with these two sides in their advertising, giving the peers an incentive to participate in sharing activities. Respondent r2 states that the consuming peer can be introduced to the business with convincing strategies explaining advantages of sharing compared to purchasing. However, the supplying peer will most likely not be attracted to this offer since the product is already in their possession, making it necessary to allude other strategies to convince them into renting out their products. From findings, we have identified a pattern among some respondents. Building strategies for the consuming peer seems to be less difficult than for supplying peers since they do not have the incentive to participate due to the invested time in relation to the gained value from it. However, none of the respondents could provide any clear directions of how these strategies should be developed to be efficient.

7.3 Web design features

After collecting, coding and analyzing data, the findings of web design features and its importance are in line with Page and Lepkowska-White’s (2002), namely that it affects a firm’s brand image in an online setting.

Findings shows that quality of information were something that all of the respondents believed to be a factor affecting their brand image. How the respondents offered services function was particularly a type of information that they believed to be important. Observations from the findings argues that since sharing economy are a new phenomenon and that similar services are non-existing, information about services offered is essential. Respondent r8 argued about this fact since their service is new and that there is only one real competitor which could make customers doubtful towards their brand.
Respondent r2 and r7 also believed that giving information about how their offered services function were important because customers could think that the service is complex and difficult to use. The findings agree with several authors who identified that, demonstrating extensive information about offered products and services are important in a peer-to-peer online environment (Schlosser et al., 2006; Jones & Leonard, 2008). Respondents did not connect the importance of quality of information as something that is specific to the characteristics of sharing economy. Therefore, one could argue that the importance of quality of information is something that is not only evident for sharing economy, but for a majority of new business practices. Finally, in accordance to Page and Lepkowska-White (2002) this affects brand image which was strengthened by several of the respondents.

Experiential website features such as a navigation and ease of use was a common denominator among the respondents who all thought about it as something meaningful. Experiential website design features such as making the website fun and entertaining was important for respondent r5, but nothing that was evident for the others. This could be explained by the fact that respondent r5’s segment is children and the other respondents dealt mainly with adults. This contradicts Page and Lepkowska-White’s (2002) arguments that entertainment increases customer duration on website and in turn enhances brand image. However, this could be something that differs between industries and therefore needs to be investigated further to be analyzed properly.

Online reviews showed in the findings to be a meaningful and important tool that affected brand image for the majority of the sharing economy respondents. Reviews about the company itself, but also between peers showed to be an essential tool to overcome scepticism towards the brand, peers and services offered. Respondent r2 and r5 argued that online reviews were essential and fundamental in order for their services to function properly. This is consistent with existing theories that suggests that online reviews affect brand image by showing customers expected standards of product/services offered as well as peer’s performance in transactions (Duan et al., 2008; Yang et al., 2016).

In contrast, respondents r4 and r6 did not use it which could be related to that online reviews plays a bigger part in sharing economy services that require higher involvement by and between the peers.

7.4 Vendor reliability

The following section will coincide with Page and Lepkowska-White (2002) and the influencing factor vendor characteristics effect on brand image, which has been adjusted and re-named vendor reliability to fit the purpose of this study. This is done due to the reason that the original heading might be perceived as corresponding to some aspects of web design features. Therefore, vendor characteristics can be linked to features on a website, thus the aim is to clarify the model and ease the understanding for readers. In addition, it is believed components such as privacy and security and customer service are more associated to a matter of reliability than a characteristic.
Findings show that customer service plays an important role when sharing economy companies establish a good relation with its customers because they want to have the possibility to contact the vendor irrespectively of when that need exists. Findings also revealed that this service tool has received feedback positively influencing a customer’s decision to return to the platform. This is consistent with Möhlmann (2015) who found that when the customer had a positive experience with customer service the likelihood that they will return to the vendor is substantially higher. Despite this, respondent r3 expressed that this alternative requires financial resources not available for that business, making it difficult to implement effectively.

Furthermore, the perceived privacy might be an obstacle for sharing economy firms since customers feel that their information is publically available, making the level of control lower (Ha, 2004). Respondent r5 said it was not an issue for them since people in general have confidence in these kind of services and believe they will work out as one think. However, the company knew that some customers want them to delete their account when they stop using the service because they don’t want to have personal information at places not used. The findings partially agree with Ha (2004) who argue that one obstacle for customers willing to purchase online is the lack of control of your own information. In addition, the respondents did not believe that people are worried that the platform will use the information for other purposes. This contradicts with Clay & Strauss (2000) who believes that a problem online platforms might be the privacy issue that your information will be expropriated and sold to third parties due to new technologies. We argue that one reason for the contradiction is the difference in time between publication of article and responses, which have generated more comprehensive regulations regarding data collection such as general data protection regulation which makes you safer as a customer.

Furthermore, respondent r2 argue that security concerns were evident in the start-up phase when the business was unknown, making it an issue since people avoided putting their credit card information into the website. This is consistent with Karweni (1999) and Srinivasan (2004) who believes that many customers shy away from using online platforms due to the perceived effects of possible data transaction attacks. Wu and Wang (2005) believes many customers are concerned with transaction security and the risk of paying online through various payment systems, but the platforms too often ignore this fact because they do not believe it is an important element for how customers perceives them. Therefore, respondent r5 argues that customers tend to not look extensively in the actual security of payment systems, instead a well-known name can overcome this issue which is in line with Wu and Wang (2005). However, r7 contradicts to it because he believed that the payment system will not convince the customers to proceed with a service or not because if you want to utilize a service they will no matter what.

This study has identified a possible reason for this contradiction, since small firms do not have a large customer base, making them less vulnerable because people tend to establish a stronger personal relationship with the platform quicker. This makes the payment alternatives and system less important for the brand image because people have a higher level of trust towards the vendor. This is also strengthened
by respondent r3 who believed the customers have a stronger relationship with the company now than if they would expand substantially due to the more personal feeling of using a small vendor.

7.5 Product/Service characteristics

This section covers a subcategory of the used framework from Page and Lepkowska-White (2002) from existing literature to what affects brand image online in terms of price and quality.

Many of the respondents saw price as an important factor to their business, threatening to ruin the operations if they are measured inaccurate according to market demand. Respondent r4 and r5 expressed it as crucial to position themselves accurate in terms of price because the platform will not maintain the customer base if they perceive that the price is too high. In addition, r2 saw lack of knowledge of these services as an issue, making peers unaware of how to set their prices for different services. Therefore, they tried to implement recommendations on their website of how to set prices properly. This is consistent with (Gibbs et al., 2017) who argue that many sharing economy companies struggle because the peers set their own prices according to their interpretation, possibly generating an invalid price for that service, threatening to affect the brand image in a negative manner.

The authors argue that the actual market value of a service or good is essential when setting a price. Because even though a sharing economy firm as Airbnb where apartments are rented needs to be priced accurate it becomes increasingly more important when the financial value is lower. Thus, people seeking to find a hammer become more price sensitive compared to someone looking for accommodation and their perception of the platform will be affected more extensively, making them somewhat indifferent of buying instead of sharing against a fee.

Respondent r3 argued that the perceived quality of a service relates to pre-assumed expectations of what the customers will receive, since there are general perceptions integrated within people's mind-set what different services should give them. He argued that a company delivering food faces challenges not evident in some other industries because people expect it to be on time, warm and taste good. However, his business did not struggle in the same manner because people renting his tools expect them to function properly, without major additional expectations. This is consistent with (Zhang et al., 2011) who believes that the relationship between the company and customer are heavily affected by the expected quality and how it differs from the perceived quality, threatening to push people away from using the platform if they are not in a positive relation. As stated by Keller (1993), product and service attributes and benefits influence consumers' evaluation of a brand which in turn affects brand image. Many companies in the sharing economy face a challenge to assure that the quality are being maintained at expected standards since the peers provide and utilize the service among each other (Priporas et al., 2017). Therefore, respondent r2 and r7 clearly stated that it was necessary to take actions towards misbehavior by excluding people which are not fulfilling the requirements established by the platform. This was done through
frequent controls of their users and assurance of service quality provided by making spot checks to establish trustworthiness towards the customers.

We argue that expectations are an essential element in perceived quality because if these two not correspond, the platform’s brand image will automatically be negatively impacted. A report presented by Gururaj, Biswas and Pahwa (2015) suggest that people are more tolerant to failure in the sharing economy, which is strengthened by several respondents claiming that people have other expectations when sharing products and services with private people compared to companies. However, industries in the sharing economy face this challenge differently, because people seem to have higher expectations to certain services as car-sharing compared to tool-sharing. Therefore, it is essential to communicate a clear brand message in order to plant a seed in customers’ mind of what to expect from a service. Otherwise the platform will be unable to meet these expectations and the customer perceptions will be deteriorated.

7.6 Peer trust

Peer trust is one component that was not included in the original framework by Page and Lepkowska-White (2002). Several researchers determined peer trust as one central driver for the sharing economy platform (Botsman & Rogers, 2010; Lamberton & Rose, 2012) because peers are the people who directly transact services, without substantial involvement from the platform (Botsman, 2015). Furthermore, Botsman (2012) stated in a TED talk lecture that “The real magic and secret sauce behind collaborative consumption marketplaces like Airbnb isn’t the inventory or the money. It’s using the power of technology to build trust between strangers”.

From interviews, it became evident that respondents saw concerns in how to convey a trustworthy impression towards customers and establish trust between the peers. Respondent r1 argued that the phenomenon sharing economy is unexplored, generally speaking, which makes people insecure whether to trust these service options or not. One factor impacting peer trust was online reviews because people can evaluate each other through this mechanism. Respondent r2 saw the review system as a way to strengthen the brand image because peers will then increase the level of trust among each other, automatically resulting in a better perception of the platform. This is consistent with Leenes and Kosta (2013) who suggests that the provider of a platform only functions as an ambassador who provides tools and an environment where communities can utilize one another mutually, thus review systems are important to maintain trust among peers. r4 believed that peers need to have trust in one another because they are utilizing the same product, thereby depending upon each other to some extent. However, some respondents did not emphasize review systems because interaction between peers were limited, thus not generating any substantial value to either peers or the platform by implementing a sophisticated system. Therefore, we argue that intensity of interaction between peers during the process is a key determinant when evaluating the importance of review systems.
Respondent r2 argued that background checks of the peers are an effective tool to increase trust because peers will then perceive each other as reliable and trustworthy, thereby improving the image of the platform. Following, respondent r5 expressed that the company does not conduct interviews with their applicants, instead that responsibility is given to the peer who can make their own evaluation. This connects to (Kang, Gao, Wang & Zheng, 2016; Ha & Liu, 2010) who state that background checks are a valuable tool because it gives the peers a proper verification of their counterpart, therefore increasing the level of trust between each other.

Some of the respondents argued that the willingness to share are blocked by obstacles and thresholds. Respondent r1 argued that the trust between peers are a hindering factor for sharing behavior and the use of sharing platforms. r8 argued that the perceived risk when dealing with other peers could be a barrier for utilization of their services. Schor (2016) suggests that sharing economy have brought something new to society since sharing between strangers have not been evident before. Even if this is true, one can argue that firms operating in the sharing economy needs to develop tools to overcome this trust issue between peers.

To conclude the analysis more in-depth, the following section will outline their interpretation of the recurring and crucial components of building brand image in the sharing economy to clearly answer the research question.
8. Conclusion

In this section the reader will be provided with the conclusion from findings and analysis.

With Page and Lepkowska-White’s (2002) ‘Web Equity framework’ as a foundation we have been able to identify five main factors affecting brand image to different extent in the sharing economy. Four of them existent in the original framework and one additional factor, Peer trust, that has resulted in a revised model applicable to the sharing economy.

Distinctive for marketing communication is that digital marketing is widely used instead of physical advertising among respondents. A sharing economy company’s operations take place online which makes it natural to place marketing activities online as well. Due to limited budgets for many recently established businesses, WOM is the most frequently used marketing strategy which also works effectively with possibilities for consumers of rating other consumers and the brand. The structure for many companies of being faced with two types of customers; consuming and supplying peers, has resulted in the need of multiple segment marketing. This is something that is found to be significant for the sharing economy compared to traditional business. However, no conclusions can be drawn of how brands optimally should cope with this situation other than that it is required of them to meet the needs of different segments and develop unique marketing strategies for both segments.

Since the sharing economy business is new the majority of consumers, it is crucial for brands to use information of how it works to decrease uncertainties when it comes to Web design features. Online reviews is another tool to decrease uncertainties from customers and increase trust between peers. Peer trust is the factor that is found to be significant for those sharing economy brands that are faced with consuming and supplying peers since services and goods are delivered between them. Therefore, it is important that companies implement tools that can increase the trust between their consumers in order induce a positive brand image from customers.

A prerequisite for the consumers’ trust between each other is the trust towards the brand. Companies should enhance their vendor reliability by making consumers feel safe when using their service to achieve a positive brand image. Customer service was found to be important so the customer has the possibility to contact the company, together with security and privacy in the sense that the customer feels safe with sharing personal and credit card information with the company.

For product/service characteristics we found we found customer expectations to be an essential element. Since the customers are responsible for the delivery of services for many companies in the sharing economy, the quality of service risks of being lower than if the company controls it. Hence, consumers
tend to have lower expectations on the quality beforehand and companies should therefore not exaggerate
the expectations from consumers in their communications. That would only increase the risk of
consumers being dissatisfied and thereby affect the brand image negatively.
9. Discussion

In this section, further findings, contributions as well as limitations and suggestions for further research are discussed.

9.1 Further findings

During the research and from discussions with practitioners in the sharing economy, findings not specifically in line with the purpose of this thesis but of relevance for the field of sharing economy have been observed. Due to the relatively recent rise of the sharing economy, thoughts of its future are divided among practitioners. Something that is often discussed concerning the sharing economy is the environmental and sustainable aspects of it. A common standpoint is the importance of aiming towards a collaborative consumption society where we share products and services and recycle rather than keep producing without thoughts of its consequences. However, only two of the respondents that we interviewed mentioned anything about these aspects when we asked them about their general thoughts of the sharing economy.

One of the interviewees was convinced that the sharing economy soon will be dead and that only the largest companies such as Airbnb and Uber will stay competitive. Because people do not see the economic value enough in sharing at this point of time, thereby not giving them an incentive to participate in sharing activities. Only the largest firms with continuously injected capital have the possibility to survive and will outcompete start-ups. Therefore, he had shifted towards a more traditional way of doing business. Contrastingly, some of the respondents believed that this is only the beginning, that people will become more adapted to a sharing behaviour and that sharing economy is the future way of doing business. These different opinions indicate that the knowledge of sharing economy is limited and a reasonable interpretation is that most practitioners see it as a way of making money rather than helping the society.

9.2 Contributions

Studies of brand image in the sharing economy have previously not been conducted and therefore this study contributes to the field of research. With the foundation of Page and Lepkowska-White’s ‘Web Equity framework’ (2002) factors that affect brand image in an online environment could be identified and the development of a revised model more applicable to the sharing economy was possible.

Peer trust is one of the main factor that separated the sharing economy from a traditional online business in terms of impact on brand image. Consumers interaction with other consumers is more apparent and the extent to which these parties trust each other becomes a deciding factor for how they perceive their
experience. Consequently, peer trust is a factor that companies need to take into consideration when building a strong brand image. However, there are no consistency among the respondents on how this should be dealt with in the best way possible. We believe that companies in the sharing economy can strengthen trust between their customers in various ways. If companies have implemented functions in their platforms for consumers to rate each other, consumers will in turn know that their peers’ reputation risks of being negatively affected if their service is not delivered as promised.

Additionally, consumers’ perception of privacy could be enhanced by implementing rules of the peer-to-peer delivery of services which, if violated, will lead to legal consequences. Thereby an enhanced perception of security will increase peer trust and in turn build a stronger brand image.

Since the sharing economy means new way of doing business for consumers, it is important for companies to inform people of how it works in reality. It should be done to decrease consumers’ potential uncertainties that could be obstacles for them to involve with sharing economy companies. Through marketing communication channels, the process of sharing services with peers can be demonstrated to minimize potential doubts of consumers. As a result, the company’s brand image will be stronger by increased trustworthiness and consumers will be more motivated to trust their peers.

Research regarding factors affecting brand image in the sharing economy is a topic that is interesting, relevant and something that practitioners in the field of marketing could benefit from. Through the revised model we hope to provide insights for practitioners of what factors to focus on in order to achieve positive perceptions of the brand from customers. Furthermore, since sharing economy is a relatively new phenomenon our research could benefit companies in the start-up phase by directing them towards the factors affecting brand image.

9.3 Limitations

To put the relevance of this study into perspective it is of importance to acknowledge the limitations and weaknesses. Firstly, the majority of the respondents’ companies still operates in the start-up phase and tools affecting some of the factors were not yet implemented in their practices. Continuously, respondents’ knowledge of sharing economy in general was somewhat limited due to a relatively short experience from the field. Another difficulty we encountered in our process was the limited amount of established sharing economy companies operating in Sweden. As a results the sample size is smaller than we would have preferred and a larger sample size would have given the results a higher credibility. Hence, time is one of the limitations of this paper and an extended timeframe would have resulted in a greater number of respondents.
9.4 Suggestions for future research

Empirical findings together with gained knowledge in the field of research have resulted in additional areas of the sharing economy which deserve to be further researched. Firstly, the time frame of this paper have limited us to investigate the sharing economy as a whole. Since we have not taken into consideration which type of industry within the sharing economy in which our respondents operate, we cannot rule out the possibility that our result may differ between different areas of business. Hence, this is something that deserves to be further investigated. Secondly, although our findings and revised model is a result of how practitioners perceive different aspects of affecting factors of brand image, it leaves out the customers’ view. Therefore, an investigation of customers’ perceptions of sharing economy brands is of importance in order to challenge and strengthen the validity of the results from this study.
10. Reference list


https://doi.org/10.1108/07363769510095270

https://doi.org/10.1109/cse.2009.345


Levin, S. (2017, July 28). Airbnb sued by woman who says she was sexually assaulted by 'superhost'. Retrieved April 14, 2018 from  

https://doi.org/10.1093/oxfordhb/9780199811755.013.001

https://doi.org/10.1054/cein.2000.0106

https://doi.org/10.1177/0093650206287076

https://doi.org/10.2307/1174243


