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BUSINESS MODELS OF SHARING ECONOMY COMPANIES

Exploring features responsible for sharing economy companies' internationalization

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ABSTRACT

This paper is dedicated to the sharing economy business models and their features responsible for internationalization. The study proposes derived definitions for the concepts of "sharing economy" and "business model" and first generic sharing economy business models typology. The typology was created through the qualitative analysis of secondary data on twenty sharing economy companies from nine different industries. The outlined categories of sharing economy business models are Marketplace, Access-based business model and On-demand Service Provider. On-demand Service Providers have the lowest of all three categories propensity to internationalize. Other than that, the presence of physical resources in the value creation activities has inverse relation to internationalization. Financial resources, country of origin and community building as an element of customer relationships are not responsible for sharing economy companies' internationalization.

The contributions of the paper have both theoretical and practical components. The main theoretical contribution of the study is the provided categorization of sharing economy business models, considering that in the existing research there was no generic typology as such. The gathered knowledge on the sharing economy companies is highly valuable with the growing size and importance of sharing economy. The paper provides contributions to the relation between sharing economy, business model framework and internationalization, which have never been studied together before. Furthermore, the categorization of sharing economy business models is an excellent basis for further research with the focus on company life cycle, profitability, and efficiency indicators. Practical implications of the constructed business models and categorization include using them as a strategic tool when deriving own business model, entering international markets or launching new products.

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Scientific research is a stormy sea which can either lead you to the solid ground or make you drown together with all your research questions and propositions sinking as a wrecked ship. Just as any ship needs a captain, master thesis needs a supervisor that will help the topic to be disclosed and contributions to be relevant. Now this is a complicated task, which requires appropriate qualities.

I want to thank my supervisor Tina Saebi for not only being there for me in the minutes of research despair and seeming dead ends, but for showing extraordinary tutoring leadership skills throughout the whole research. From the very beginning until the end of my work, she motivated me by believing in my abilities, pushed the research in the right direction and always allowed me to focus on what I am interested in with valuable advice towards scientific application. She would meet with me so many times during this semester just because she knew I will learn more through personal communication. She would read so many of the drafts that were further from perfect than Pluto from Earth. I believe that it is entirely because of my supervisor that I am ready to present my paper as it is today. So, I give my sincere gratitude to Tina Saebi.

I also believe that the largest mistake of humanity is taking things for granted. We take our planet and life for granted, we take our opportunities and health for granted and many other things. Therefore I am grateful to NHH for being a perfect study facility and university of life.

I want to thank as well the international community that I have been a part of in the last two years for inspiration that lead to this master thesis as representation of my research interests and skills. Especially grateful I am to those of my friends who spent their time on improving my paper.

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Contents

1. Introduction

This paper provides a qualitative research in the area of sharing economy business models with regard to the features responsible for internationalization. The sharing economy has experienced explosive growth in the recent fifteen years (Miller, 2016; Cohen and Kietzmann, 2014; Choi et al, 2015; Owyang, 2015) and attracted corresponding high interest (Schor, 2014; Rahbek et al, 2015; Martin et al, 2015). However, research in that matter is scarce (100 results dedicated to the sharing economy in scientifically recognized journals from January 2005 until March 2016: EBSCO). Spurred by the absence of work in the particular area and urgency of the topic, the aim of this paper is to reveal the types of business models employed by the companies operating within the sharing economy, while controlling for factors responsible for internationalization.

Sharing economy as an economic phenomenon has several features that make the research both necessary and relevant. First, the companies within the sharing economy have received more than $32 billion in overall funding (Collaborative Economy Spreadsheet, 2016), but almost none of them have reported their financial statements and proved their profitability. Second, sharing economy is still at its infant stage of development: it is yet unclear where it will go from here. Third, sharing economy is disrupting traditional markets (Cohen and Kietzmann, 2014; Schor, 2014; Olson and Kemp, 2015). Last, but not least, sharing economy raises a number of legal and ethical issues. All of these factors require for understanding of the way sharing economy companies work.

One of the tools to underpin the logic behind the business and reveal the way a company is operating is business model framework. Business model explains how a company creates, delivers and captures value by depicting the key business elements. What is more, there are traces of connecting sharing economy companies' success with their business model(s) (Weber, 2014; Dyal-Chand, 2015; Cohen and Kietzman, 2014). Nevertheless, no generic typology of sharing economy companies' business models is in place, but only fragmentary works that often recognize sharing economy as one uniform business model (Weber, 2014; Newcombe, 2015).

The scope of the research within the field of sharing economy is narrow and limited to sectorial affiliation. Botsman and Rogers (2011) describe three systems under one of the sectors of the sharing economy. Olson and Kemp (2015) propose business models distinction for the space/accommodation industry alone. Cohen and Kietzmann (2014) discuss business models in the mobility/transportation industry. PWC research for European Commission (2013) studies several cases under a certain type of business model. Therefore there is a need for categorization of business models within sharing economy for the sake of theoretical knowledge and practical application. Theoretical knowledge is vital for closer observation of sharing economy companies and creation of adequate regulation. At the same time practical use of sharing economy business model categorization spreads from business model building (for startups in sharing economy) to business model innovation (for established companies in traditional economy).

Explosive growth of the sharing economy is also evident through its unprecedented speed and scale of internationalization. Take AirBnB, which since its launch in 2008 have spread over more than 190 countries in the world or Uber – to 71 countries since 2009. Current academic studies provide no knowledge of internationalization within sharing economy, while its potential influence on global markets bears many risks and raises just as many questions. How will the sharing economy influence global markets if it successfully disrupts local markets? Why some sharing economy companies operate in one national market for many years having much more resources than those ones that become highly internationalized? For example, local companies Didi Chuxing (founded in 2012) and Lyft (founded in 2012) have raised $4,4 and $2 billion in capital respectively, while Coursera (founded in 2012), present in 28 national markets, has raised only $146 million. This discrepancy spurs interest towards characteristics of sharing economy companies which allow them to enter numerous international markets in relatively short periods of time.

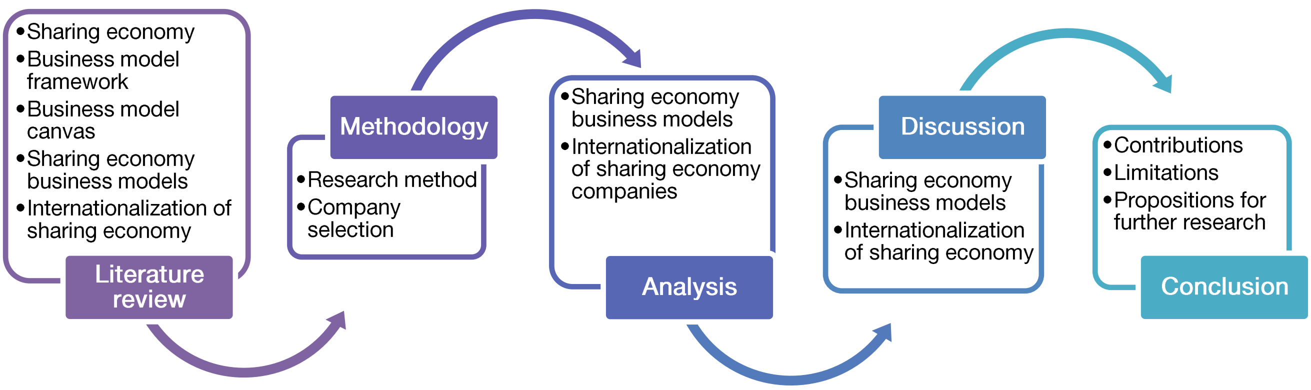
Considering all mentioned above, the purpose of the paper is to provide a categorization of the sharing economy business models, while trying to outline features of the sharing economy companies which are responsible for internationalization. Therefore, the paper aims to answer the following research questions:

1. What are the various business models that sharing economy companies employ and how they can be categorized?
2. What elements of the sharing economy companies are responsible for their international expansion?

We address both research questions through the business model framework, which is described in the parts 2.2. and 2.3. of the paper. The study is to take form of a qualitative research, which answers best the outlined purpose – descriptive analysis of sharing economy business models. The sources of secondary information mainly include online business editorials, company sites, databases of IT companies, social networks and online knowledge depository. The analysis is covering twenty sharing economy companies from nine industries.

The study will have major contributions for further theoretical research and practical application. First, it outlines research gaps in the area of sharing economy and the relation between the concepts of sharing economy, business model and internationalization. Sharing economy business models categorization is the main contribution of the paper, since there is no generic typology in existing research of the sharing economy. As the first categorization of its kind it will provide basis for scientific observation of sharing economy companies with orientation on specific parameters such as company life cycle, profitability and efficiency indicators. Practical implications of the paper include using the constructed business models as a template for sharing economy startup with an option of choosing a type of suitable business model that fits the company's strategic goals. Another use of the proposed categorization will concern business model innovation in traditional economy companies. When a traditional company wishes to move its operations into an online marketplace or launch a new service in the area of sharing economy, the described business models will serve as strategic tips.

The paper will have the following structure (*Graph 1*). First, theoretical background of the main terms in the research will be discussed (chapter 2). This includes primarily “sharing economy”, “business model framework” and “internationalization”. Then the methodology of the study will receive proper elaboration (chapter 3). After that the analysis of the outlined business models and internationalization will be provided (chapter 4) followed by the discussion of the results (chapter 5). The paper will be closed with a conclusion introducing contributions and limitations of the study and propositions for further research.



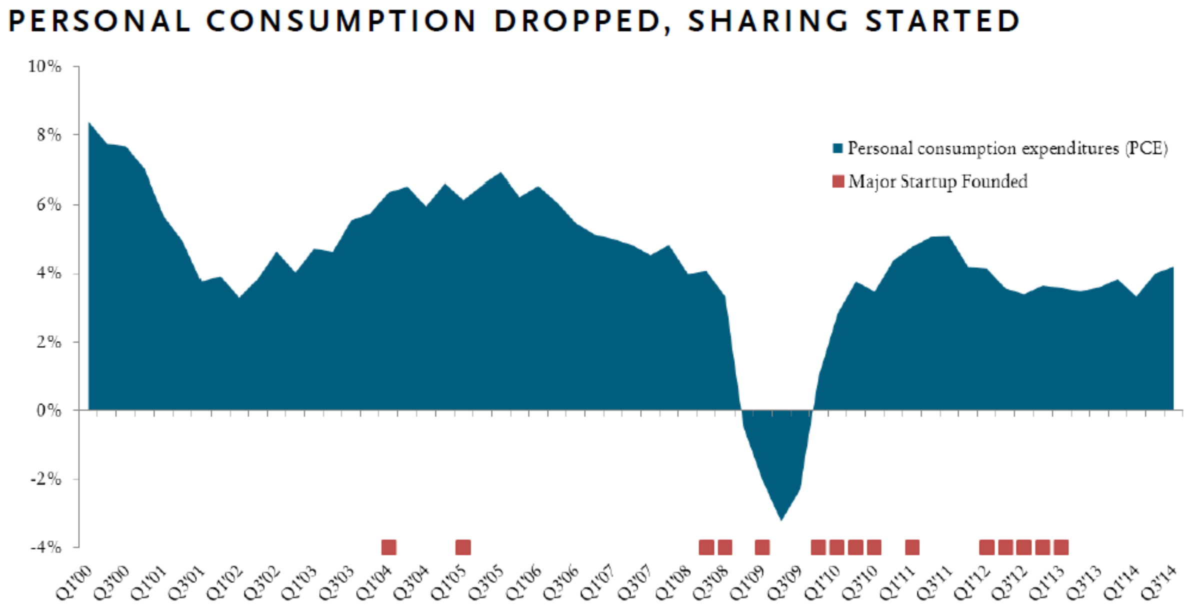
Graph 1. Structure of the paper, own creation

2. Literature review

In this part of the paper the main terms of the research will be introduced and discussed. The area of our interest particularly lies in the sharing economy companies and the business models they use with a side regard towards internationalization. Hence, the crucial concepts for the study are "sharing economy", "business model framework" and "internationalization". These terms have been subjects to scientific inquiry before, but never appeared in research together, which shows the novelty of the topic in question.

2.1. Sharing economy

Sharing economy is a new market model in its infant stage that gained the most attention lately since the explosive growth of such companies as Airbnb and Uber (Schor, 2014). Some introductory words about it can be taken from M.J. Olson and S.J. Kemp in-depth study of the sharing economy (Olson and Kemp, 2015). Many experts argue that the idea is not new, but more an extension of existing market models of the companies that created new marketplaces and fostered trust and collaboration in the web. From that point of view, the predecessors of the sharing economy companies were e-Bay, Wikipedia, PayPal, Facebook and YouTube ("The rise of the sharing economy", 2013). The main enablers of the sharing economy are primarily internet-bound: the availability of cloud storage and big-data analytics, the use of social media and mobile devices. However, it is worth mentioning that internet did not create the sharing economy, but rather increased the pace and range of the activities that people have been practicing for quite some time (such as subleasing, renting, car pulling, public libraries etc.). This explains why the term appeared in the public eye in the mid-2000s. Another reason why the sharing economy gained a mushroom growth in the end of 2000s is the recession of 2008-2009, when people started economizing a lot and many lost their jobs. *Graph 1* shows that major part of sharing economy startups appeared in the post-recession period, which proves the point above. As for other drivers of the sharing economy, growing environmental consciousness can be named, as well as widespread internet and communication technologies (Cohen and Kietzmann, 2014). Technology and innovation are essential to the sharing economy, since they help conducting business quicker and easier (Posen, 2015).



Graph 2. The appearance of the sharing economy startups in 2000-2014 by quarters, source: Olson and Kemp, 2015

How did the sharing economy evolve? It started off with sharing unused resources between individuals, and then extended to consumer to consumer (C2C/P2P) and supplier to consumer (B2C) collaboration. At the same time the shared resources extended from tangibles to intangibles (Choi et al. 2014), and the list of products and services that can be shared is potentially endless (Posen, 2015).

There is no generally accepted definition of the sharing economy. The interest towards the sharing economy is growing as grows the controversy around the term (Martin et al. 2015). The term appears in the printed and online-based media every now and then, but there are only 77 reviewed articles, which mention the term in the title, when it comes to academic research databases (EBSCO, February 2016, retrieved from http://web.a.ebscohost.com). This search has been carried out by the author of this paper in February 2016. The nascent stage of the literature on the sharing economy leads to no commonly accepted definition. Most of the innovators of the sharing economy say that self-definition and definition by the press usually defines which businesses belong to the term and which do not (Schor, 2014).

In order to generate the sharing economy definition to be accepted in the research, it is necessary to gather existing sharing economy definitions. *Table 1* gathers definitions of the sharing economy found in the major sharing economy literature.

Definition	Reference
Sharing economy is potentially an entirely new **socio-economic system** with **sharing** and **collaboration** at its heart enabled through 10 building blocks.	B. Matofska, 2014
Sharing economy is a way for individuals to **succeed** by **sharing privately owned assets** and by sharing **information** about a **market demand** for those assets.	Rashmi Dyal-Chand, 2015
Sharing economy is a market which satisfies the following conditions: 1. **Users** are **individuals**, **businesses**, or machines; 2. There is **excess supply** of an **asset** or **skillset** and sharing creates **economic benefit** for both the **sharer** and the **user**; 3. The **internet** provides means for **communication** and **coordination** of the **sharing.**	Olson and Kemp, 2015
Sharing economy is an **economic model** where people are **creating** and **sharing goods**, **services**, **space** and **money** with each other.	Stephen Miller, 2016
Sharing economy is the product of a **new age** where **underutilized assets** become **peer-to-peer services** for **hire**, enabled by the **internet** and **smartphones**.	Michael Cusumano, 2015
Sharing economy is an **internet mediated economic model** based on **sharing**, **swapping**, **trading**, or **renting products** and **services**, enabling **access over ownership**.	Botsman, 2013
Sharing economy facilitates **community ownership**, **localized production**, **cooperation**, **small-scale enterprise**, and the **regeneration** of economic and natural abundance; and encourages **innovative** forms of **sharing underused facilities.**	H.A. Posen, 2015
The sharing economy is the growing **ecosystem** of **providers** and **consumers** of **temporary access** to **products** and **services**.	Santana and Parigi, 2015
Sharing economy is the **collaborative consumption** made by the activities of **sharing**, **exchanging**, and **rental** of **resources without owning** the **goods**.	Choi et al. 2014

Table 1. Sharing economy definitions, own elaboration

The confusion around the sharing economy is prompted by multiple terms used to express it. The sharing economy and collaborative consumption are often used as synonyms to each other in professional discussion. They are also often used as equivalent to peer-to-peer economy

(Botsman, 2010), access-based consumption, and “the mesh”, which shows the evolving and elusive side of the term “sharing economy” (Miller, 2016).

The problem of definition of sharing economy is intensified by the lack of research on the topic. Scientific databases can be used as litmus test to the sharing economy. As it was mentioned before, only 77 articles in reviewed sources are dedicated to the topic, when only 11 are focusing on collaborative consumption, which shows that the latter term is less popular. The term “collaborative consumption” gained its popularity after Rachel Botsman and Roo Rogers book “What’s Mine is Yours” (2010) (Rahbek and Pedersen, 2015). Another interesting thing about the research on the sharing economy can be noticed through the databases search. 25% (five out of first twenty results) of the top-relevance articles on the subject refer to the legal side of it or regulation of the sharing economy. This shows the skewness of the research towards the regulatory aspect of the sharing economy.

Rashmi Dyal-Chand (2015) argues that problems in regulation arise because the sharing economy is a new term and many people, including participants and regulators do not know what it is. Dyal-Chand also claims that “the conceptual failure to understand the sharing economy as a different kind of market is the primary cause of regulatory failure in this arena”.

H. A. Posen (2015) agrees that governments do not have a strong regulatory framework to regulate the sharing economy. This creates problems to society, government and the sharing economy companies. They face regulatory challenges and have to act according to outdated regulation that was created before the sharing economy existed.

In order to come up with a coherent definition of the sharing economy, it is important to discuss its main characteristics and standing points.

First, many studies agree that the sharing economy certainly has a disruptive element. It poses threat to traditional economy, in particular to companies in many industries, such as travel industry, consumer goods and services, taxi, transport rental, etc. The size of the threat depends on how severely the consumers’ attitude towards ownership will change (“The Sharing Economy: A New Way of Doing Business”, 2015). Even more so, the sharing economy can disrupt the economy of the whole cities. The biggest threat is to the cities where “the legacy lodging and taxi industries are large, well-entrenched and politically active”. Many cities in the US have already spoken up to restrict the sharing economy (Newcombe, 2015).

Second, sharing economy contains a certain moral hazard, which it answers with trust building through various reviews systems. Research shows that moral hazard to consumers affects involvement in the sharing economy. The sharers and the users are supposed to trust each other to conduct business together. Surprisingly, the number of cases when the participants of the sharing economy fail one another is relatively small ("The rise of the sharing economy", 2013). Researchers say that mediation of moral hazard here is conducted by information systems. The coordinating platform gathers information on both sides of the deal increasing the attractiveness of the service (Weber, 2014). The company usually employs a rating or review system, so to build trust among the actors ("AirBnB, Snapgoods, and 12 More Pioneers of the "Share Economy", n.d.). Sharing companies take trust issues very seriously. For example, DogVacay, a company that offers a service of dogs hosting, has a five-step screening process that certifies only 15% of applicants to offer dog sitting services. TaskRabbit, a company that offers a service for skilled task sharing, runs identity and criminal record checks as well as in-person interviews. All sharing companies base on such merits as trust, convenience and low cost, which are significantly important to consumers ("The Sharing Economy: A New Way of Doing Business", 2015). Generally regular usage and high levels of satisfaction decrease risk aversion, which shows that attitude towards risk is not static, but is exposed to change (Santana and Parigi, 2015).

Third, there are several benefits of the sharing economy. The supporters of the sharing economy believe that it will bring utopian outcomes. The benefits they mention are empowerment of ordinary people, efficiency, and lower levels of carbon footprint. Benita Matofska from The People Who Share argues that the sharing economy has a potential of an entirely new socio-economic system with sharing and collaboration at its heart (Matofska, 2014). J. Schor (2014) believes that the sharing economy has a potential of fairer value allocation, more democratically organized businesses and environmental consciousness as well as bringing people together in new ways.

Next, sharing economy is here to stay. Some experts believe in a long-term viability of the sharing economy. M. Olson and S. Kemp (2015) give several reasons for that to happen. First, they believe that the sharing economy is a strong brand. Second, sharing economy seems to be more flexible in adapting to the consumers' needs, because the companies on the market are highly decentralized. Third, the assets offered through shared services are sometimes very unique. Last, the sharing economy companies are better at offering lower prices. Botsman and Rogers (2011) argue that the sharing economy has the potential to liberate society from the practices of hyper-consumption. Heinrichs (2013) believes that the sharing economy can create "a potential new pathway to sustainability". Other arguments in favor of the sharing economy include more efficient utilization of resources, environmental benefits through decrease of economic activity, build-up of social capital and more equitable distribution of goods and services (Martin et al. 2015). According to the survey of the city leaders in the US on the main benefits of the sharing economy, the answers included improved services, increased economic and entrepreneurial activity (Newcombe, 2015).

Having discussed the positive outcomes of the sharing economy, it is worth to discuss its negative side. The ones against the sharing economy argue for economic self-interest of the sharing economy companies as well as them being predatory and exploitative (Schor, 2014). Other arguments against the sharing economy include its problematic regulatory side (Miller, 2016; Dyal-Chand, 2015) and potential disruptive element to traditional economy (Cohen and Kietzmann, 2014; Schor, 2014; Olson and Kemp, 2015).

Among other features of sharing economy this one is crucial to the very sense of the business. Sharing economy has flourished through monetizing excess capacity of tangible and intangible items. The access to resources and assets that are otherwise inaccessible is central to the sharing economy (Posen, 2015). The swapping or lending mostly takes place when the asset is costly or underused, but not necessarily ("Sharing Economy", n.d.) This mainly refers to those "lumpy" goods or assets with excess capacity. Lumpy goods are such that exceed the buyer's immediate needs when purchased and are only bought when their lifetime value is bigger than their price. The examples of lumpy goods are houses, apartments, offices, bikes, computers, clothes, books, toys ("The Sharing Economy: A New Way of Doing Business", 2015). Those goods and assets have very little intrinsic value to the owner when they are unused or underused (Olson and Kemp, 2015). The concept of sharing has created markets out of things that would not be monetized otherwise ("AirBnB and the unstoppable rise of the share economy", n.d.).

Taking into account all of the sharing economy definitions and critical features, the definition to be used in this paper is the following:

Sharing economy is a socio-economic model, where the access to goods and services with excess capacity is provided to users through internet-based platforms.

Having defined the sharing economy, it is time to look at the business model as the main framework of the paper.

2.2. Business model framework

Business model has been chosen as a framework for the study, because it is a useful tool to understand how a company is operating (Zarei et al.) and because sharing economy companies are using new business models that are disrupting traditional economy (Weber, 2014; Cohen and Kietzmann, 2014; Dyal-Chand, 2015; Olson and Kemp, 2015). Similarly to the concept of

Definition	Reference
Business model is an architecture for the product, service and information flows, including a description of the various business actors and their roles; and a description of the potential benefits for the various business actors; and description of the sources of revenues.	Timmers, 1998
Business model is an abstract conceptual model that represents the business and money earning logic of a company, which acts a sort of glue between business strategy and processes.	Osterwalder, 2004
Business model is a combination of who, what, where, when, why and how much an organization uses to provide its goods and services and develop resources to continue its efforts.	Mitchell and Coles, 2004
Business model describes a rationale of how an organization creates, delivers and captures value.	Osterwalder and Pigneur, 2010
Business model is an outcome of management actions – planned, emergent or realized – in defining a firm's offerings to other economic actors, the boundaries of its activities and the logic for making a profit from the offerings and activities.	Shi and Manning, 2009
Business model reflects the operational and output system of a company, and as such captures the way the firm functions and creates value.	Witz et al. 2010
Business model is a conceptual tool containing a set of elements and their relationships that allows the expression of a company's logic of earning money.	Zarei et al. 2011
Business model is a way a company structures its own activities in determining the focus, locus and modus of its business.	Onetti et al. 2010

Table 2. Business model definitions, own elaboration

sharing economy, no established definition of business model exists. Hence, there is a need to define business model as it will be understood in the current research. For that purpose a table of definitions of business model is provided and discussion on some of its main elements (*Table 2*).

The interest towards business models has risen first in the area of e-business and then started to be applied more universally.

Another approach towards defining business model is based on breaking it into components. Hereby some of the definitions will be mentioned.

Hamel (2000) gives a definition of a business model through four components, which are customer logic, strategy, resources and network. Mahadevan (2000) defines a business model through the value stream, the revenue stream and the logistic stream.

Osterwalder (2004) has introduced business model ontology, which consists of nine building blocks inspired by the Balanced Scorecard approach (Kaplan and Norton, 1992) and other management literature (Markides, 1999). This framework bases on four business model pillars, which are product, customer interface, infrastructure management and financial aspects, which answer four questions respectively: “What?”, “Who?”, “How?” and “How much?”.

Further on, in 2010, Osterwalder issued a book in collaboration with Pigneur, “Business Model Generation”, which is targeted at practitioners and is supposed to be used when unraveling the business models of the firms.

Johnson et al. (2008) defined a business model through four interlocking elements that create and provide value when taken together: customer value proposition, profit formula, key resources and key processes.

Onetti et al. (2010) proposes the definition that encompasses location decisions and internationalization. This means that the business model can explain how resources of a firm are allocated (focus) geographically (locus) and how they are managed (modus) in order to support the value proposition.

Taking into consideration the given elaborations on the term “business model”, in the further text the following definition of a business model will be used:

Business model is a conceptual tool that explains how a company creates, captures and delivers value by depicting the main elements of the business.

Having defined business model, there is a need to describe particular business model framework that will be used hereby to analyze the sharing economy companies.

2.3. Business model canvas

As discussed above, business model framework may include various elements or parts. In the current study the chosen framework is the one of Osterwalder and Pigneur (2010). The framework is called “business model canvas” and includes nine building blocks, which describe the way the company creates, captures and delivers value. The tool was originally oriented at practitioners managing companies on the way of business model innovation. Business model canvas suits the purpose of the study for several reasons.

First, it is a detailed tool, that includes more building blocks than most of the other frameworks and describes separately all the important elements of the company’s activities. This will help to better understand the roots of the sharing economy companies’ success and the nature of their business.

Second, it is a tool created for the use of practitioners, which will make the categorization based on it more applicable in the business world.

Being originally written as a guideline for newly established companies, business model canvas will enhance the practical applicability and the real business contribution of the paper. The study will only use the carcass of the framework (“the canvas”) in order to avoid any bias in the construction of the business models.

Here are the components of the business model, according to Osterwalder and Pigneur.

Customer segments

This element encompasses the description of the different target groups, which the company is reaching. The understanding of the exact target audience is relevant, because the aim of the company is to create revenue by satisfying specific needs of the consumers. It is important to note that the term “customer” in this research will be equivalent to “consumer” and will denote the final recipient of a good or a service.

Value propositions

The value proposition includes the representation of all of the products and services that the company offers for the particular customer group. Naturally it has to describe the benefits of the company offer, which has to somehow outstand from the offers on the market.

Channels

This building block depicts the company's ways to reach its customers and deliver its value propositions. Typically it includes communication, distribution, and sales channels and plays an important role in creating a particular consumer experience.

Customer relationships

Customer relationship might seem to be a part of the previous element, however here the stress is on the type of relationship the company builds with its customers. In the previous block it is more about the means by which those relationships are built. The range of the relationships varies from personal to automated.

Revenue streams

This element represents exact operations that bring money, and which customer segments, products and services bring more to it. Revenue streams can be categorized into one-time and recurring.

Key resources

Key resources are supposed to describe the most important assets that the company disposes of and that make the whole business model possible. The resources can be different: physical, financial, intellectual, or human. The status of ownership of the key resources is also not necessary. Those can be leased or acquired from partners.

Key activities

This component describes the key activities that keep the business going. The core activities are meant to create revenues by delivering the value propositions through the channels and establishing specific customer relationships with the respective customer segments.

Key partnerships

Key partnerships include all the business actors involved into the business model, such as suppliers and partnerships. Cooperation with other actors is relevant because it provides optimization to the business model, reduces risk and helps acquiring the resources.

Cost structure

This element of the business model clearly responds to the costs that the company incurs and is important in order to compute revenues, and thus see how profitable the business is. In the particular case of the sharing economy companies most of the financial information is hidden, hence this element as well as revenue streams are not to contain any specific numbers.

The nine building blocks will be used as a carcass to describe operations of the sharing economy companies participating in the study. Results of the framework application can be found in part 4.1. and 5.1. of the paper.

2.4. Sharing economy business models

In this part of the paper existing categorization of the sharing economy business models will be presented.

One of the most commonly referred categorization belongs to the authors of the book on collaborative consumption Rachel Botsman and Roo Rogers (Botsman and Rogers, 2011). This categorization describes three systems under collaborative consumption. The systems are product service systems (PSS), redistribution markets and collaborative lifestyles. According to Rachel Botsman (Botsman, 2013) collaborative consumption is a part of sharing economy together with collaborative production. The same source leaves collaborative finance and collaborative education outside the sharing economy. This happens because of the terminology confusion. What is accepted as a sharing economy in this study, Rachel Botsman calls a collaborative economy. However, according to the definition of the sharing economy generated above, collaborative finance and collaborative education companies also belong to it. Those companies also provide access to goods and services with excess capacity to users through internet-based platforms.

Even though this categorization is not describing business models, but systems it is often used to categorize sharing economy companies and encompasses the main sense of the businesses under each system. Product service systems (PSS) enable corporate or privately owned products to be shared or rented peer-to-peer. Redistribution markets enable pre-owned goods to be redistributed from where they are not needed to where they are needed. Collaborative lifestyles enable people with similar interests to come together and share and exchange less tangible assets such as time, space, skills and money. According to this categorization AirBnB for example falls into collaborative lifestyles category, Uber under PSS and Beepi (the US-based used car sales platform) under redistribution market.

Another categorization that was found in the dedicated literature belongs to Olson and Kemp (2015). They provide a description of business models under accommodations and lodging industry. Olson and Kemp use the term “business model” to describe the revenue model alone or the way companies are making money in their business. This is not a generic understanding of business model taken in this particular research, but it is still worth mentioning. The authors name three business models: Merchant Commission Fee (Take Rate), Guest Booking Fee and Subscription. Merchant Commission Fee companies charge hosts a percentage fee depending on the scale of their use. Companies that use a Guest Booking Fee business model charge guests a percentage from booking fee with a scaling size as well. Subscription business model charges hosts a flat annual or monthly fee. AirBnB would fall into Guest Booking Fee business model according to this categorization, and some of the WeWork (workspace leasing company from the US) services would fall under Subscription model. Olson and Kemp recognize that different services of the same company in the same industry may belong to different business models.

Cohen and Kietzmann (2014) discuss business models in different mobility markets, such as carsharing, ridesharing and bikesharing. They distinguish different business models according to different actors and profit/non-profit orientation. This categorization is very business-specific and cannot be applied generically. It includes such business models as Sponsorship-Based Bikesharing, Flexible Carpooling and B2C Carsharing. Under this categorization Uber and Lyft would fall into P2P (C2C) Ridesharing.

PWC research for European Commission has described several cases of accessibility based business models. The research argues that all sharing economy companies employ accessibility based business models for peer-to-peer markets by directly connecting the sharing economy definition with this type of business model. Therefore Uber, AirBnB and Beepi would have the same business model according to this definition.

As it is clear from the review above, no generic categorization of sharing economy companies exists. Driven by the purpose of the study, the analysis chapter (part 4.1.) is going to provide such categorization.

2.5. Internationalization of sharing economy`

In this part of the paper existing knowledge of internationalization in the sharing economy will be presented together with reasons for exploring features of sharing economy business models responsible for internationalization.

Internationalization as a concept is a well-established matter, unlike the previous notions of sharing economy and business model. Naturally the look at internationalization depends on the purpose of the study. This being said, this work will not provide elaboration on the internationalization definitions, but instead will accept the one already existing, which fits the purpose of the study the most.

The purpose of the study is to find features in the sharing economy companies' business models responsible for internationalization. Rask (2014) looks at internationalization in the light of business model innovation, which is why his definition of internationalization is the one to be adopted in this paper as an understanding of internationalization concept:

Internationalization is the process of adaptation, change, and development of a firm's fundamental functions, systems, and structures through successive transformations, as a consequence of interaction with its multinational and transnational environment (Rask, 2014).

Some of the companies within sharing economy have internationalized with unprecedented pace and scale. As examples the two most popular sharing economy companies can be named: Uber and AirBnB. Uber has enlarged its area of operations into 71 national markets since 2009. AirBnB since its launch in 2008 have spread its activities into more than 190 countries in the world. Those examples are not unique. In less than ten years the sharing economy has grown from a net of friends and families to a number of global companies with cumulative revenues of more than $15 billion for the available data in August 2014 ("UK's 'sharing economy' could be worth £9 billion a year by 2025", 2014).

Nevertheless, there is no research in the area of internationalization within sharing economy. Conducting a search in the academic and scientific databases for "sharing economy" and "internationalization" has resulted in zero articles or papers (EBSCO: March 2016). Experts support this argument. For example, Stephen Miller speaks for the lack of research on internationalization in sharing economy. "Despite this rapid growth in the sharing economy, there has been little discussion within the academic literature of the sharing economy's import" (Miller, 2016).

At the same time we believe that the question of internationalization in sharing economy is extremely relevant for two main reasons: global risks and different internationalization patterns. First, scale represents risks for global markets. The majority of the largest sharing economy companies started in the US, but now the sharing economy is fairly global (present in US, Europe, Middle East, Asia and Australia) both because of the expansion of existing platforms and creation of new local ones (Schor, 2014). Being a disruptive force in many local markets (Cohen and Kietzmann, 2014; Schor, 2014; Olson and Kemp, 2015), sharing economy might as well disrupt markets on the international level.

Second, the cases of sharing economy companies show that some internationalize quickly and largely, while others operate in their home market even having greater financial resources. For example, local companies Didi Chuxing (founded in 2012) and Lyft (founded in 2012) have raised $4,4 and $2 billion in capital respectively, while Coursera (founded in 2012), present in 28 national markets, has raised only $146 million. This naturally creates interest for the characteristics of sharing economy companies responsible for internationalization.

The mentioned paradox is enhanced by implied easy access to national and international markets. Gathering from what is known about sharing economy companies, this is due to the fact that they are based on online platforms that maintain the entire network of operations intrinsically. Big data analytics[1] allows the sharing economy companies to go international without carrying out any market research , because the application or platform does the required market research for them (R. Dyal-Chand, 2015). What is more, they do not have to own any physical assets abroad – all operations can be done through the same platform, which decreases risks of internationalization a lot. PWC in their research notice that modern technology enabling the sharing economy allows sharing economy companies to have a "global village" of consumers and providers ("UK's 'sharing economy' could be worth £9 billion a year by 2025", 2014).

[1] Big data analytics here means the analysis of massive databases for better and faster business decisions.

However, international legislation might present a menace to the dissemination of the sharing economy companies. It has been said before that sharing economy companies face regulatory challenges and have to act according to outdated regulation that was created before sharing economy existed (Posen, 2015). On an international level, it seems logical to assume that new foreign forms of businesses would be met with more hostility than traditional businesses. This again is another reason to study internationalization of sharing economy: to understand their internationalization pattern and create appropriate regulation.

In the following study the focus will be on the business models, while controlling for international presence, which will allow highlighting those features responsible for internationalization, if such can be found.

3. Methodology

3.1. Research method

In the current paper the study is conducted through the means of qualitative research, in particular secondary information gathering and analysis. The gathered information is structured according to the business model canvas framework, described in part 2.3. of the paper. The underlying methodology has been chosen for several reasons. First, the early stage of the sharing economy development and the absence of academic research call for descriptive analysis, because it is unclear how sharing economy companies function and what is the future of sharing economy. Second, there is lack of quantitative data on the sharing economy, because the companies in the sharing economy do not provide reports of their business activities. Third, the method was driven by the research question.

Research questions determine the nature of the study method. What are the various business models that sharing economy companies employ and how can they be categorized? The question shows need for analysis of the business models through a particular framework, which is again a descriptive task. What elements of the sharing economy companies are responsible for their international expansion? The question calls for comparison between international and local sharing economy companies that imply qualitative analysis.

The sample in qualitative research is usually small. The current study is covering 20 sharing economy companies for showing various business models in various industries with sufficient precision. Secondary data is mainly gathered from online business editorials, company sites, databases of IT companies, social networks and online knowledge depository.

3.2. Company selection

The issue of company selection is particularly important in this research because of some specificity of the sharing economy companies. Driven by the goal of the research, it is obvious that both international and local sharing economy companies are to participate in the study. Thus it is vital to decide which sharing economy companies can be considered international and which are not, because as it was mentioned in the first chapter, they do not need to be physically present abroad to have business abroad. This applies to many traditional companies as well, but in case of the sharing economy companies this is the most common rule, since their operations are usually based on an online platform. According to the definition of internationalization accepted earlier, it is “the process of creation and transmission of a company’s structures, systems and activities in the foreign environment”. In case of the sharing economy companies a platform often encompasses the main structures and systems and drives the activities. Hereby a sharing economy company will be considered international if it offers its services in a foreign market, not necessarily has a subsidiary on a foreign land.

The selection of the companies has been carried out through the collaborative economy funding spreadsheet (Collaborative Economy Spreadsheet, 2016), which is a creation of a research team of Rachel Botsman and Lauren Anderson (“Our Team”, n.d.). Other resources for selection were used as well such as global online databases on IT companies, such as Crunchbase website.

In order to create a more general overview of the sharing economy, the goal was to present companies from various industries, both international and local. The spreadsheet gives a division of all sharing economy companies among industries according to their funding, valuation and other features. When counting down the number of companies under each industry and transforming it to percentage, the results appear as shown in *Table 3.*

This step has been done in order to compute the quota for each industry: how many companies have to represent it if the overall number of companies participating in the study is 20. When turning the percentage quota into number quota out of 20 it turned out that some of the industries will not be presented (not highlighted in the *Table 4* below).

Industry	N of companies	Pecentage
Corporate	5	1,82%
Food	12	4,36%
Goods	27	9,82%
Health	8	2,91%
Learning	13	4,73%
Logistics	14	5,09%
Money	34	12,36%
Municipal	2	0,73%
Reputation	6	2,18%
Services	65	23,64%
Space	28	10,18%
Transportation	52	18,91%
Utilities	9	3,27%
Total	**275**	**100,00%**

Table 3. Distribution of sharing economy companies by industry

Industry	N of companies	Percentage	Number quota	Integer quota
Corporate	5	1,82%	0,4	0
Food	12	4,36%	0,9	1
Goods	27	9,82%	2,0	2
Health	8	2,91%	0,6	0
Learning	13	4,73%	0,9	1
Logistics	14	5,09%	1,0	1
Money	34	12,36%	2,5	3
Municipal	2	0,73%	0,1	0
Reputation	6	2,18%	0,4	0
Services	65	23,64%	4,7	5
Space	28	10,18%	2,0	2
Transportation	52	18,91%	3,8	4
Utilities	9	3,27%	0,7	1
Total	**275**	**100,00%**	**20**	**20**

Table 4. Integer quota of each industry in the study

Then companies under each industry were lined up according to the funds raised. The largest companies according to monetization were chosen first and then fulfilled with next largest local or international companies according to the approximate balance of local and international companies in the industry and overall. The study has looked at the business models of nine international sharing economy companies and eleven local. The resulting list of companies is presented hereby (*Table 5*).

Industry	Quota	Company	Status
Food	1	**Munchery**	local
Goods	2	**Beepi**	local
		Rent the runway	local
Learning	1	**Coursera**	international
Logistics	1	**Instacart**	local
Money	3	**AngelList**	local
		Funding circle	international
		Prosper	local
Services	5	**Thumbtack**	local
		Fiverr	international
		Upwork	international
		Doctor on demand	local
		Shyp	local
Space	2	**AirBnB**	international
		WeWork	international
Transportation	4	**Uber**	international
		Didi Chuxing	local
		Grab	international
		Lyft	local
Utilities	1	**Fon**	international

Table 5. Companies participating in the study

4. Analysis

The purpose of this paper is to provide a categorization of the sharing economy business models and outline features of the sharing economy companies that are responsible for entering foreign markets. This purpose has driven two main research questions that are to be addressed separately.

1. What are the various business models that sharing economy companies employ and how can they be categorized?
2. What elements of the sharing economy companies' business models are responsible for their international expansion?

First, based on the detailed description of the sharing economy companies' business models (*Appendix 2*) three main types of business models are going to be outlined and discussed. Then based on the created business model canvas some of the distinctive features of international companies in sharing economy are to be named.

4.1. Sharing economy business models

After thoroughly studying 20 businesses in various industries of the sharing economy three main types of business models can be clearly distinguished. Those types have been outlined according to the companies' value proposition or the main logic of the underlying business. The categories have received the names accordingly**:** **Marketplace**, **Access-based** and **On-demand Service Provider** business models. *Table 6* shows the distribution of the business models across industries.

4.1.1. Marketplace business model

Marketplace business model is based around the match of supply and demand side on an online platform that fulfills a role of a marketplace.

The sharing economy company in that case acts as a middleman between the two sides of customers: those who have an excess capacity good or service (supply side) and those who consume this excess capacity for a certain pay (demand side). Therefore **customer segments** of marketplace business model usually consist of two groups of recipients. The key element of the

Marketplace business model is its **channels** or platform in particular. **Customer relationships** are typically automated or semi-automated. The Marketplace-type company is making **money** by charging usually one side of the exchange, but sometimes two by setting a fee on the overall transaction cost. For example, Beepi, a US company that provides a platform for selling used cars, sets a 3% to 9% margin on the car to be sold, which is paid by customers. Platform is the main channel and the most valuable **resource** in such business model. At the same time usually business database is extremely important for those companies with the Marketplace business model. **Key activities** of Marketplace companies vary according to business specifics as well as **key partnerships**. At the same time, one key group of partners for Marketplace business model is investors. The **cost structure** is mainly composed of the software development and platform operating costs. However, in case of Funding Circle, British financial sharing economy company, the analytical costs are very significant, since business investment assessment is the most important mechanism of the platform.

Industry	Company	Business model
Food	Munchery	On-demand service provider
Goods	Beepi	Service Marketplace
	Rent the runway	Access-based
Learning	Coursera	Access-based
Logistics	Instacart	On-demand service provider
Money	AngelList	Access-based
	Funding circle	Service Marketplace
	Prosper	Service Marketplace
Services	Thumbtack	Pure Marketplace
	Fiverr	Pure Marketplace
	Upwork	Service Marketplace
	Doctor on demand	On-demand service provider
	Shyp	On-demand service provider
Space	AirBnB	Community Marketplace
	WeWork	Access-based
Transportation	Uber	Pure Marketplace
	Didi Chuxing	On-demand service provider
	Grab	On-demand service provider
	Lyft	Community Marketplace
Utilities	Fon	Access-based

Table 6. Business models of sharing economy companies

Uber has a marketplace business model, because it primarily matches supply and demand – drivers with passengers, which meet on the platform and conduct business in accordance with

Uber terms. There are different subtypes under this business model category which vary according to the involvement of the company in the exchange process.

Pure Marketplace is a business model where a sharing economy company only regulates exchange between the customers, but the main operations are carried out through the platform without external involvement required. Of course, minor services or additional services are usually still offered by such companies to broaden the business portfolio and earn extra revenues. The key element of a Pure Marketplace business model is the company **channels**. Thumbtack, a company that offers an online notice board for local professionals in a number of US cities, is a Pure Marketplace, because its main activity is connecting the clients to the bid. The software matches the work to be done with a number of professionals able to do this work and all the rest is a responsibility of customers. Therefore the software provides the lead and customers of Thumbtack are charged per lead.

Service Marketplace is a business model where a sharing economy company provides additional services to one or both sides of the customer segment, which are essential to the business, meaning that without these services the value cannot be delivered to the customer. This increases importance of **key activities** and personnel as the **key resource** in the business model. An example of a Service Marketplace is a Beepi. Beepi value proposition is enhanced with services that it conducts: car checkup, documentation fill-up, cleaning, pickup and delivery. The car sale would be impossible without those operations, but it is mainly a marketplace, where people can find used cars online.

Community Marketplace is a business model where apart from providing a platform a company offers to its consumers various benefits from being in a community. It is considered that sharing economy is built around community of customers, but in reality not all sharing economy companies invest into communities around their businesses. Benefits from participating in a community are usually intangible, but they increase overall customer satisfaction. This business model type enhances importance of **customer relationship** element of the business model canvas. A perfect example of a Community Marketplace is AirBnB. Apart from a personal place to stay customers often get complimentary breakfast, sightseeing advice and friendly welcome. However, it is still a subject for future research how scale of operations influence community, because it is generally known that today there are many people who use AirBnB as a promotion platform for their small businesses. In that case the main goal of hosts is monetization of their property, not meeting new people.

Sometimes, the adoption of the community element is not a deliberate choice of the company but a responsive strategy. For example, Lyft is a ride sharing company that is building community around its business to differentiate from Uber. Having initially very similar business model to the one Uber has, Lyft invests a lot into community and customer engagement. The company is working on trust building, which is a crucial issue in the sharing economy, through creation of personal relationship both between different groups of customers and inside them. Lyft particularly encourages drivers and passengers to communicate more and entails experienced drivers to coach new ones.

4.1.2. Access-based business model

Access-based business model is built around access to some goods or services through an online platform. In access-based business model a sharing economy company offers access to tangible and intangible resources which can be created, leased or owned by it or its partners. Sometimes customers might be asked to share their resources in return, such as in case of Fon. Fon is a worldwide Wi-Fi provider that offers free network connection to its customers in exchange for sharing their Wi-Fi router bandwidth. In this case **Customer segments** are not two-sided as in the Marketplace business model, but rather one-sided or multiple-sided. The role of platform as the main **channel** is still very important, but it is not as crucial as for Marketplace type of companies. **Customer relationships** as well as revenue streams acquire different traits in different businesses. **Key resource** is the service or object to which access is granted. **Key activities** and **costs** of this business model vary greatly across businesses.

The key element of the Access-based business model is **partnerships**. For all sharing economy companies partners play a crucial role, as far as research shows, but for Access-based companies partnerships are intertwined in their daily business operations. Another perfect example of the Access-based business model is Coursera – an online education platform that offers free access to courses in top world universities. The content on Coursera platform is generated by those universities and their staff in close cooperation with Coursera. Without expertise of those partners Coursera's business would be impossible. Previously mentioned Fon expands only through partnerships and customer base enlargement. The company does not own any physical wires or towers to spread the signal, but uses already established lines of its partners. However, WeWork would be an exception from this rule, because it leases space and thus does not need partnering contractors within the main activity of the business.

Fashion sharing company “Rent the Runway” offers access to high-end designer clothes and also belongs to the Access-based type of business model. It is however a rare example of a sharing economy company with a lot of physical resources, such as warehouses and stores.

Community element is important not only for Marketplace type of companies. WeWork is offering office space for rent or subscription-based access to office facilities to individuals, startups and established companies. Very many companies sublease office space and take care of office provision just as WeWork. Thus this is not the main competitive advantage that the company offers. What it offers additionally is common areas and events where people from one area of business meet people from other areas, build up a very useful network and a chance to get professional advice, problem solution or simply inspiration. WeWork invests a lot of money and effort in increasing communication among their customers and building community around their business: from putting great thought into space interior to arranging large informal events for their customers.

Sometimes the border between Marketplace and Access-based business model is vague. After all, the companies with Marketplaces business models offer access, but the crucial difference is whether matching supply and demand is central to business or access to database or resource is. In case of AngelList, a US platform that matches startups, talents, investors and venture capital, the customers’ side is what defines its business model. AngelList has always positioned itself primarily as a network of professionals for startup purposes, whether it is recruitment, financing or advice. In other words, if they would have been simply matching startups with capital they would be under the Marketplace category as all the other financial sharing economy companies. However, the crucial element of AngelList is access to network of talents, startups and investors which is reciprocally beneficial for all of the customer segments.

4.1.3. On-demand Service Provider business model

On-demand Service Provider is the last category of the sharing economy business models. The name of the category speaks for itself. On-demand Service Provider business models are centered on a service which is conducted towards a customer or a group of customers through an online platform. The **customer segments** under this business model are conditionally two-sided. This means that On-demand Service Provider has one clear group of consumers and one group of “so-called” consumers for the sake of sharing economy, which in traditional business would be outsourced employees, independent contractors or partners. For example, Doctor On Demand provides online medical consultation services. Doctors in this case render the service and patients are being treated. Sharing economy flips the traditional understanding of a customer, providing a platform for those who require a certain service and those who can provide it. The key element of the business model of On-demand Service Providers is their **channels**. The main channel varies from platform for ride-hailing companies (Grab, Didi Chuxing) and Doctor On Demand to distribution channels for delivery companies (Munchery, Instacart, Shyp). Typically in an On-demand Service Provider business model the level of personalization of **customer relationship** is higher, because of the regular contact between the customers and the delivery personnel. This is especially true for Munchery, Instacart and Shyp. For those companies customer support plays a crucial role. Doctor On Demand, Grab and Didi Chuxing is a different story. In case of Doctor On Demand the very sense of the business assumes personal communication between doctors and patients. This feature of the business model proposes significant investments into recruiting and training of the right people (regardless of their status: employees or independent contractors) and thus additional costs for such companies. Didi and Grab as taxi hailing platforms have automated customer relationship.

Revenue streams vary across different businesses. **Key resources** apart from the platform include human resources. Hence, **key activities** of the On-demand Service Providers often propose recruitment and training. **Key partners** are varied according to the main business activity of the company and **cost structure** is greatly composed of salaries and training costs.

On-demand Service Provider business model is often a mere copy of a traditional business with a slight technological upgrade. Such as for example Grab (SEA region) or Didi Chuxing (China) ride-hailing services are based on the network of taxi drivers connected with the passengers through the platform. This business model is particularly different from business model of Uber or Lyft, because drivers are professional and they often lease a taxi car, so the only change from a call-center operated taxi service is brought by the introduction of platform. At the same time, Grab and Didi have a wide portfolio of ride-hailing services in some of which they are copying Uber’s Marketplace business model with an emphasis on local origin.

“On-demand” element is crucial here. In any traditional production or service delivery business large risks are represented by demand uncertainty, because of the amount of physical resources dedicated to the business. For a production company lack of demand would mean equipment downtime. For a service company that would mean expertise and personnel underuse. Within the sharing economy companies commit much less in terms of physical resources and thus can be flexible in business operations capacity depending on demand fluctuations.

Following argumentation above, On-demand Service Providers should in theory minimize their dependence of any physical resources. Surprisingly, the On-demand Service Providers commit to more resources than companies with other types of business models. For example, Munchery, an on-demand cooked meals delivery service from the US, leases space for kitchens and professional equipment operating at large scale. Shyp, and on-demand package delivery middleman, has a warehouse and employs its delivery personnel, unlike cooperating with them as with independent contractors, which most of the sharing economy companies do.

4.2. Internationalization of sharing economy companies

The second question of the research was proposed as such: “What elements of the sharing economy companies’ business models are responsible for their international expansion?” First, the degrees of internationalization of sharing economy companies are going to be named. Then the main findings in terms of business model features responsible for internationalization are going to be presented.

The analysis of 20 sharing economy companies has made possible outlining of three levels or degrees of internationalization within the sharing economy: low/none, medium and high. This categorization has been carried out according to a very simple criterion – number of national markets, in which a company operates. Companies with low or none internationalization are presented in less than five countries (from one to four). Medium internationalization degree starts with five markets and finishes at nine. Sharing economy companies that are operating in more than ten markets (starting from ten) are considered to have high internationalization degree. For some of the companies in the study exact number of operating national markets is unknown, but is estimated according to secondary data sources. *Table 7* shows the distribution of degrees of internationalization across industries.

Industry	Company	N/o markets	Internationalization degree
Food	Munchery	1	none/low
Goods	Beepi	1	none/low
	Rent the runway	1	none/low
Learning	Coursera	28	high
Logistics	Instacart	1	none/low
Money	AngelList	1	none/low
	Funding circle	5	medium
	Prosper	1	none/low
Services	Thumbtack	1	none/low
	Fiverr	-	high
	Upwork	-	high
	Doctor on demand	1	none/low
	Shyp	1	none/low
Space	AirBnB	192	high
	WeWork	9	medium
Transportation	Uber	71	high
	Didi Chuxing	1	none/low
	Grab	6	medium
	Lyft	1	none/low
Utilities	Fon	>10	high

Table 7. Internationalization of sharing economy companies

The analysis clearly shows two outliers that have outstanding number of markets in which they operate: Uber and AirBnB. The companies for which the number of markets is unknown, Fiverr and Upwork, are freelance platforms that are supposedly offering their services in all countries of the world with open internet policy, because they provide database of jobs that are to be done remotely. Another peculiar company is Fon, which offers free Wi-Fi service not attached to the national borders, but to local partners. Therefore Fon does not provide the map of the markets it operates in, but instead offers the map of cities and specific locations, which are numerous (Fon official website).

Studying the sharing economy companies' business models, it has been outlined that certain features tend to be connected with internationalization. *Table 8* ties up internationalization degree with business model category for all 20 companies in the study.

First, in terms of business model categories, none of the On-demand Service Providers has high degree of internationalization and only Grab has a medium degree. Hence, there is a stronger propensity for a company to internationalize if it employs a Marketplace or an Access-based business model than when being an On-demand Service Provider.

Company	Internationalization degree	Business model
Coursera	high	Access-based
Fiverr	high	Pure Marketplace
Upwork	high	Service Marketplace
AirBnB	high	Community Marketplace
Uber	high	Pure Marketplace
Fon	high	Access-based
Funding circle	medium	Service Marketplace
WeWork	medium	Access-based
Grab	medium	On-demand service provider
Munchery	none/low	On-demand service provider
Beepi	none/low	Service Marketplace
Rent the runway	none/low	Access-based
Instacart	none/low	On-demand service provider
AngelList	none/low	Access-based
Prosper	none/low	Service Marketplace
Thumbtack	none/low	Pure Marketplace
Doctor on demand	none/low	On-demand service provider
Shyp	none/low	On-demand service provider
Didi Chuxing	none/low	On-demand service provider
Lyft	none/low	Community Marketplace

Table 8. Internationalization and business models of sharing economy companies

Most of the companies with high degree of internationalization have various types of Marketplace business model. All three types of Marketplace business models are present among the highly internationalized companies. *Table 9* shows the need for leased or owned physical resources to maintain the business apart from corporate offices (which are in place for all companies), such as equipment, warehouses, space, transportation etc. across internationalization degree.

According to the *Table 9* below, no companies with high internationalization degree have any resources in lease or ownership. WeWork is the only international company which leases offices for their main business – renting out working spaces. WeWork can be considered an exception, because it operates in a space leasing business. WeWork uses leased space as an underlying business resource, and other companies use them as instruments to create value throughout their business processes. *Table 10* shows internationalization of the sharing economy companies together with the funds raised (in million dollars) by these companies.

Company	Internationalization degree	Physical resources
Uber	high	no
AirBnB	high	no
Coursera	high	no
Fiverr	high	no
Upwork	high	no
Fon	high	no
WeWork	medium	yes
Grab	medium	no
Funding circle	medium	no
Didi Chuxing	none/low	no
Lyft	none/low	no
AngelList	none/low	no
Prosper	none/low	no
Instacart	none/low	no
Thumbtack	none/low	no
Beepi	none/low	yes
Munchery	none/low	yes
Rent the runway	none/low	yes
Doctor on demand	none/low	no
Shyp	none/low	yes

Table 9. Physical resources and internationalization

Scaling according to size of received investments allows for arguing that there is no rule or connection between the raised funds and internationalization of the sharing economy companies.

Such element of the sharing economy business models as customer relationships, specifically, the community, also deserves attention within internationalization area. Out of four companies that are deliberately investing into community building around their business (AirBnB, Lyft, WeWork and AngelList) two are only present at local markets (Lyft, AngelList), one is highly internationalized (AirBnB) and one has medium degree of internationalization (WeWork).

The country of origin factor is easy to misread, because 16 out of 20 companies in the study are based in the US. However, there is clearly no rule that only US companies are internationalizing. Non-American companies are presented both in the medium (Grab, Funding Circle) and high (Fon) degree of internationalization group.

Answering the second research question the only features of the sharing economy companies and their business models responsible for internationalization are NON-On-demand Service provider business model and NO physical resources in lease or ownership.

Company	Internationalization degree	Funds raised, $M
Uber	high	9010
Didi Chuxing	none/low	4420
AirBnB	high	2390
Lyft	none/low	2010
WeWork	medium	1430
Grab	medium	680
AngelList	none/low	400
Prosper	none/low	355
Instacart	none/low	274
Funding circle	medium	273
Thumbtack	none/low	273
Beepi	none/low	150
Coursera	high	146
Munchery	none/low	120
Rent the runway	none/low	114
Fiverr	high	111
Doctor on demand	none/low	87
Upwork	high	74
Fon	high	72
Shyp	none/low	62

Table 10. Investments received and internationalization

5. Discussion

In the following part the main findings of the research will be discussed and critically considered. Driven by the rise of the sharing economy, lack of academic research in the area of sharing economy companies and their business models, and the need to understand how sharing economy companies operate the study was aimed to provide categorization of sharing economy companies' business models while controlling for internationalization of those companies. Here first the categorization of sharing economy business models will be addressed.

5.1. Sharing economy business models

In order to answer the first research question (What are the various business models that sharing economy companies employ and how they can be categorized?") 20 sharing economy companies were described and schematically presented through business model canvas framework (*Appendix 2*). *Table 11* shows the summary of the business model analysis and categorization with company examples. (Star in the table marks the key element.)

Additionally, three subcategories were highlighted in the Marketplace business model. *Table 12* shortly summarizes the features of those categories.

The proposed categorization of sharing economy business models is based on the companies' value proposition. When formulating precise value propositions on the basis of gathered information and firms' own positioning, three business models have clearly denoted itself with several exemplar companies. Some companies were harder to categorize because of vagueness of their value proposition, specificity of the business or several business models within the business portfolio. Here it is relevant to mention again that Olson and Kemp (2015) recognize that different businesses of the same company may belong to different business models. In this paper Olson and Kemp's view on this matter is supported. For example, Grab, a South-East Asian ride hailing platform, has several business dimensions. The original business implied introduction of an online platform into cumbersome taxi service business of Malaysia and neighboring countries. This business, however, is rather traditional than based on sharing excess resources. Later on Grab started to offer privately shared rides through the same platform and several similar services. The original business alone would be representing the Marketplace business model, while together with other services available through the platform it provides an on-demand transportation service, thus employs an On-demand Service Provider business model.

Business model elements and types	Marketplace	Access-based	On-demand Service Provider
Value proposition	***Matches supply and demand sides on an online platform***	***Offers access to tangible and intangible resources through an online platform***	***Provides an on-demand service through an online platform***
Customer segments	*Clearly two-sided*	*One-sided or multiple-sided*	*Conditionally two-sided*
Channels	*★ Platform*	*Less important as in Marketplace*	*★ Platform and distribution channels*
Customer relationships	*Automated or semi-automated*	*Vary across businesses*	*More personalized than others through delivery personnel*
Revenue streams	*Charging fee on one or both sides*	*Vary across businesses*	*Vary across businesses*
Key resources	*Platform*	*Resources to which access is granted*	*Human resources*
Key activities	*Vary across businesses*	*Vary across businesses*	*Recruitment and training*
Key partnerships	*Vary across businesses*	*★ Intertwined in their daily business operations*	*Vary across businesses*
Cost structure	*Software development and platform operating costs*	*Vary across businesses*	*Salaries and training costs*
Examples of companies	*Beepi, Funding circle, Prosper, Thumbtack, Fiverr, Upwork, AirBnB, Uber, Lyft*	*Rent the Runway, Coursera, AngelList, WeWork, Fon*	*Munchery, Instacart, Doctor On Demand, Shyp, Grab, Didi Chuxing*

Table 11. Sharing economy business models categorization

Business model types	Pure Marketplace	Service Marketplace	Community Marketplace
Value proposition specifications	***A company regulates exchange between the customers, but the main operations are carried out through the platform without external involvement required***	***A company provides additional services to one or both sides of the customer segment, which are essential to the business***	***A company offers to its consumers various benefits from being in a community***
★ Key element	*Channels*	*Key activities and key resources*	*Customer relationships*
Examples of companies	*Thumbtack, Fiverr, Uber*	*Beepi, Funding circle, Prosper, Upwork,*	*AirBnB, Lyft*

Table 12. Subcategories of Marketplace business model of sharing economy companies

The outlined business models have other distinctive differences apart from the value proposition. Customer segments of Marketplace companies are clearly two-sided, meaning that there are two groups of customers that meet on the platform and conduct reciprocally beneficial business. However, even considering this interpretation, the side that pays for the service can be considered the only true consumer of the service. For example, Uber drivers offer their time and car excess capacity, but they do not consume any resource. Access-based business model companies do show the case of multiple or sole groups of consumers. However, this can be a question of how detailed the customer segments are. At the same time, customer segments for the constructed business models were gathered from companies' own positioning, which also says a lot about the way they strategically orient themselves. On-demand Service Providers have conditionally two-sided customer segments. Just as with the Marketplace business model, there is one group of customers that is rather inclined towards partners or independent contractors, and the other group that is clearly consuming the service. For example, Munchery employs chefs on a contract basis to deliver professionally cooked meals to customers. Therefore, delivery personnel and chefs are participating in the value creation, while families and individual customers are simply consuming.

Channels are extremely important across all three of the business models. While for Marketplace companies platform is utterly important, for On-demand Service Providers crucial channels are also distribution channels (often delivery or pick-up). This stems from the essence of their business. For Marketplace platform is the ultimate marketplace that makes matching supply and demand possible and all the transactions happening. On-demand Service Providers companies that focus on delivery services are set in very tight time conditions with the bottleneck at delivery point. As it is clear from the table, channels are important for Access-based business model companies, but less crucial than for Marketplace or On-demand Service Providers. The role of partnerships is far more critical for Access-based business models.

Very little communication between the corporate side and the customers' side is in place for all three business model types, which is why their customer relationship tends to automated. Nevertheless, customer relationship character and importance vary across the business models. For the Marketplace companies communication in between customer groups is a central business matter due to trust issues. On-demand Service Providers tend to have less automated customer relationships than other two business models, because of the contact of delivery personnel (whether or not it is considered a customer group) and because of the larger dependence of the business on the demand side.

Revenue streams vary a lot among different business models. The most popular ways of charging the customers are service fees included in price (Munchery, Beepi, Instacart, Funding Circle, Prosper, Fiverr, AirBnB, WeWork, Uber, Lyft), subscription fees (Rent the Runway, WeWork , additional service sales (Coursera, Fon), marked up prices (Instacart), profit percent (AngelList), one-time fees per lead (connection between service render and a client) (Thumbtack), sliding scale fees (Upwork), set fees (Shyp, Doctor on Demand, Grab), data usage commission (Didi Chuxing). Service fees included in price can be charged from one side of customers (Uber, Lyft) or both (AirBnB). Service fees can be set or have sliding scale character. All measurements of revenue streams of sharing economy companies that are currently available in the internet are only approximations.

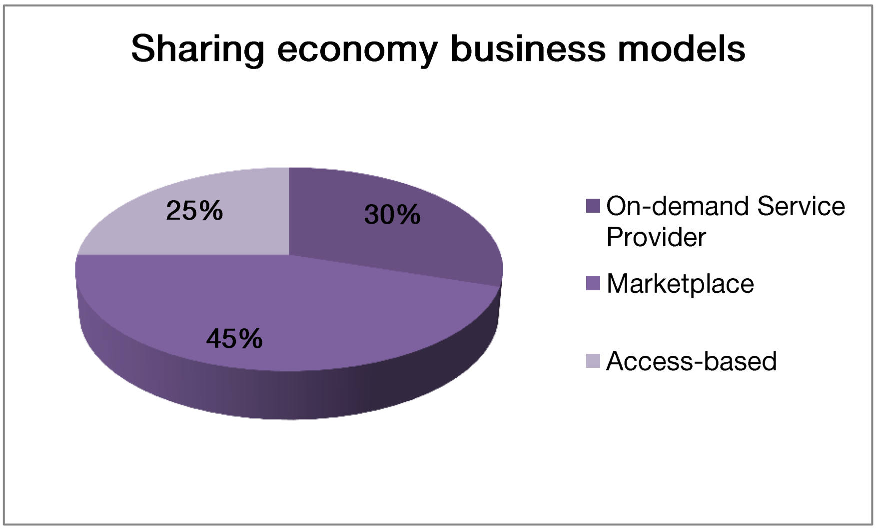
Even knowing the revenues, we should mostly be interested in profits, because those companies spend a lot of money on marketing and platform development, which are the main groups of costs across the business models. On-demand Service Providers tend to spend more on salaries and training costs, since their delivery services are of high importance. In general very many companies offer promotion coupons and other advertisement activities to attract more customers and enlarge the customer base. It is especially popular in transportation industry of sharing economy, because it represents higher competition. For example, Lyft organized opening parties when launching in 24 new cities in the US and offered free rides to those events. We know that Didi Chuxing offered promotion discount rides. Grab beats them all: it offers a great deal of discount codes and free ride coupons across all of its markets both for tourists and local passengers.

Key activities obviously vary across different businesses. For many companies platform development is one of the major business processes (Coursera, Instacart, Thumbtack, Fiverr, Shyp, Doctor On Demand, AirBnB, Uber, Grab, Didi Chuxing, Lyft). Most of these companies have Marketplace business models. Another popular activity would be customer or partner base enlargement (Beepi, Coursera, Funding Circle, Fiverr, Doctor On Demand, Fon). We assume this high growth priority has something to do with operating in a low-margin business, where volumes often define if the business is break-even. For many of On-demand Service Providers (Shyp, Instacart and Munchery) hiring and training are among the main activities, but not only for them. Companies such as Uber (Marketplace), WeWork (Access-based) and Beepi (Marketplace) also stress on it in their business models.

Key resources vary accordingly. For Marketplace business model companies platform is the main resource. For Access-Based business model companies the resource to which access is granted is key. For example, Coursera's main resource would be educational programs, courses and other materials. For WeWork space is the main resource. For AngelList their network of startups, companies, employees and investors is the most important resource.

To say a couple of words about partnerships, they are extremely popular among sharing economy companies. However, their importance varies across different business models. For Access-based business model companies it lies in the core of their business (Coursera, Rent the Runway, Fon). If not for the partnerships, Access-based companies would have nothing to supply to their customers. Some sharing economy companies need to partner with local authorities (Coursera, Funding Circle, Doctor On Demand, AirBnB, Didi Chuxing, Lyft). This has most to do with the nature of the business. Irrespective of the industry all sharing economy companies have one major partner – the investors. Without the acquired financial resources the growth shown by the sharing economy would be impossible. Some companies need financial resources for expansion more than others. Many sharing economy companies partner with various service providers, such as payment providers, map data providers, shipping providers etc. (Lyft, Didi Chuxing, Uber, Shyp, Upwork, Fiverr, Prosper, Instacart, Rent the Runway, Beepi).

The distribution of the business models across the pool of companies participating in the study shows the dominant presence of the Marketplace business model (*Graph 3*). The least popular business model appears to be Access-based.



Graph 3. Distribution of business model types across the study pool

Driven by the aim of the research (to provide understanding of how sharing economies operate through the business model framework) three business model categories have been proposed and discussed. We believe that both theoretical and practical contributions of the paper may be largely increased by a series of general findings about sharing economy companies. The provided categorization shows how sharing economy companies differ from each other, which is very important, since modern research does not always recognize the multiplicity of business models within sharing economy. However, it is also significant to know how they are similar for deeper understanding and further categorizations.

There are several features that bound sharing economy companies together. For example, all of the sharing economy companies are relatively recent startup companies that have raised enormous amount of funding in forms of private, corporate and venture investment. This characteristic of the sharing economy companies is considered to be an enormous risk in connection with their reporting policies and possibility of “investment bubble” arising around the sharing economy. There is no valid information on the profitability of sharing economy companies. At the very least it is hard to say whether some of them are break-even, since they are not reporting their revenues or going public. This shady side of the sharing economy is what worries most of the experts.

Second, all of the sharing economy companies are based on online platforms, which is the main sales channel and source of revenue. Those platforms are based both on computer technology and mobile device technology with the latest being crucial for the availability of the shared service or product. The opportunities of online business platforms are unlimited, but they can hardly be transmitted to all of existing industries.

Third, all of the sharing economy companies do not offer a conceptually new product or business, but instead use the market failures and online technology to make money. Market failure is the critical element here. For example, Grab has based its business on the poorly unregulated taxi business in SEA region. The service was not fulfilling its basic requirements: taxi drivers drove slow and sometimes never arrived, pricing policy was unclear and safety of passengers was often endangered. The solution was found through an online platform and those mentioned issues were approached with corporate culture.

Next, all of the sharing economy companies transform the meaning of the customer and the role of the customer: customer becomes active in the business operations and shares a part of financial impact of the business. It was many times mentioned in the paper that the active role of the customer is conditional up to a certain point and depends on the understanding of the term "customer".

Most of the sharing economy companies are involved into partnerships and alliances (Timeline of Large Brands in the Collaborative Economy, retrieved May 2016 from https://docs.google.com/spreadsheets/), which they use for business operations improvement, marketing and research and development. This is a critical feature of sharing economy companies that might represent the trend for economic collaboration in all industries, traditional ones included. Sharing economy companies certainly understand that cooperation and joint efforts lead to costs reduction and larger consumer audience. Maybe in future a complete transformation to collaborative production rather than collaborative consumption will take place.

Many of the sharing economy companies are stressing on the community element of the business or have a socially beneficial idea in the basis of their business model. They build communities to enhance the trust in the value chain. If they do not stress on the network and community building, they are highlighting another socially beneficial element of their business, such as sustainability, responsibility, "greenness" or else, because it is what is expected of business today.

Most of the business models in the sharing economy business are easily copied which created dozens of clones and spurred "murderous" war for funding and market. For example, transportation within sharing economy looks like a market with high concentration and brutal price wars. Nevertheless, pioneering in a foreign market certainly gives outstanding results, which is proved by the cases of Uber and AirBnB.

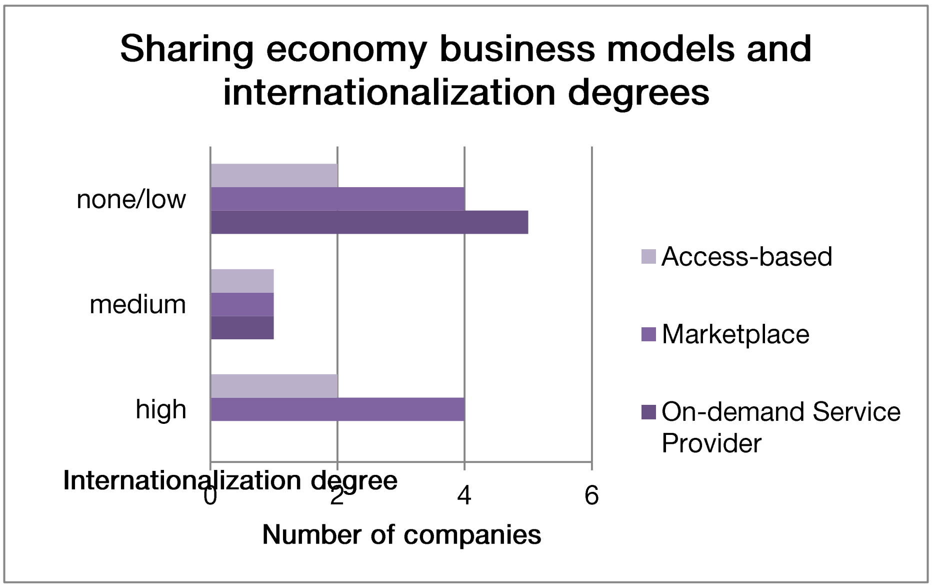
Having discussed the various business models in the sharing economy, their difference and similarities, we come to addressing the second research question.

5.2. Internationalization of the sharing economy

The second research question was aimed to find some features in the business models of sharing economy companies that are responsible for internationalization.

First of all, one business model type – On-demand Service Provider was not presented among highly international companies at all. This speaks for a higher propensity of companies with other types of business models to internationalize in comparison to On-demand Service Providers.

The distribution of business models across the degrees of internationalization is depicted on the *Graph 4*. Apart from evidence for the previous argument, *Graph 4* shows equal distribution of business models in the medium internationalization group, which is very small (3 companies) to be representative. Other two types of business models are present in all of the internationalization degree groups, which do not allow speaking for the dominance of either business model in terms of internationalization propensity.

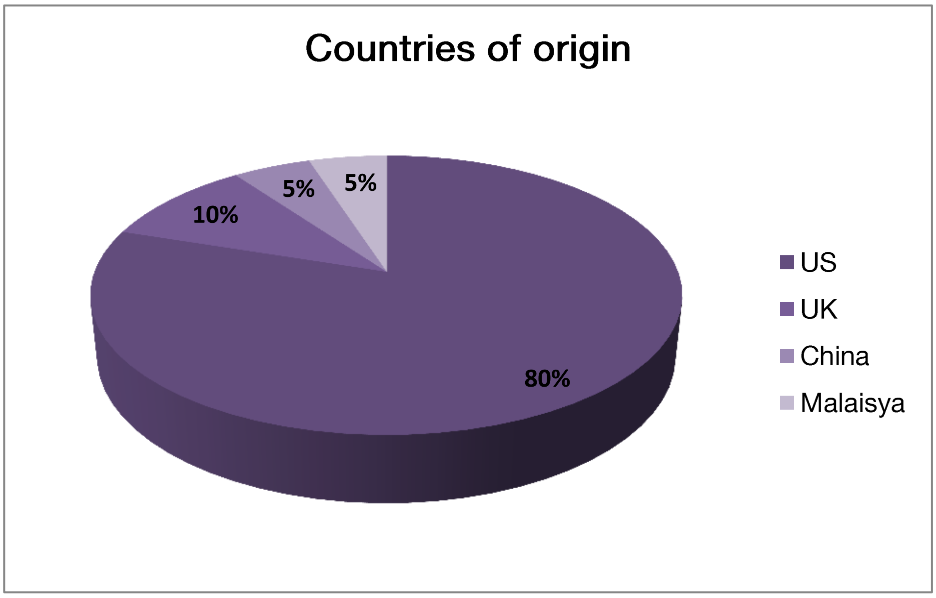


Graph 4. Sharing economy business models distribution across internationalization degrees

The second feature of the sharing economy business models that proved related to internationalization degree was the presence of physical resources in the value chain of a company. None of the companies that required physical resources for value creation in their operations had high degree of internationalization. We mentioned before in the part 4.1. the connection between On-demand Service Providers and physical resources. Physical resources are also required in the operations of Access-based companies and one Service Marketplace company. None of those is highly international. Respectively two of the Access-based companies that do not require physical resources for value creation (Coursera and Fon) belong to the high degree on internationalization.

One of the surprising findings of the research was the unrelatedness of financial resources of a company to its internationalization degree. In fact, there are both companies with extremely high amount of funds raised that are not international (Didi Chuxing) and companies with extremely low amount of funds raised that are highly international (Coursera, Fon, Fiverr, Upwork). The latter are the companies that do not use other channels except for the platform and do not need many changes in the operations to be present in foreign markets (apart from linguistic adaptation of the platform). Didi Chuxing as a company is a very specific one for the reason of its country of origin (China) and main orientation on the local market, where it has quite high market share.

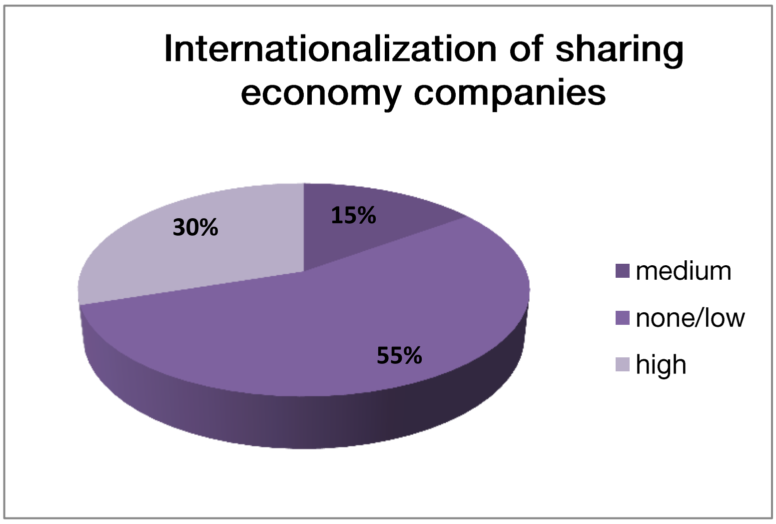
There was also no relation found between community building and the country of origin and internationalization. This means that building community does not help a company to internationalize. As for the country of origin, 80% of companies in the study were based in US (*Graph 5*), which makes hard to measure the connection between this characteristic and degree of internationalization. Research shows that this distribution between countries of origin might be relevant for all sharing economy companies in general: the dominant majority of all sharing economy companies appear in the United States.



Graph 5. Distribution of sharing economy companies across the countries of origin

The findings mentioned above make us propose one more reason behind the sharing economy companies' internationalization – the desire to internationalize. There might be a strong relation between the companies desire to go on international markets and its level of internationalization. The desire to internationalize in turn is related to the overall corporate strategy and is unique for each company.

Some of the company cases in the study propose market conditions as the reason behind sharing economy companies' internationalization. For example, Grab was founded in a small market of Malaysia and internationalized quickly into similar markets of South-East Asia. This proposes both the size of the original market as the reason behind internationalization and the relative similarity of the market of entry. This is in line with International Strategy theories for traditional companies: propensity to internationalize depends on domestic market size and perceived cultural distance.



Graph 6. Internationalization of sharing economy companies

Overall distribution of internationalization degrees can be shown though *Graph 6*. The graph clearly shows that the majority of the companies in the pool have none/low degree of internationalization. In fact, none of the companies in the study have low degree of internationalization. This group is entirely composed of local companies. This finding shows that once a sharing economy company enters a foreign market it does not stop at just one and goes further within consecutive years.

This part has given elaborations on the features that had proved responsible for internationalization of sharing economy companies, has proposed some new reasons behind sharing economy internationalization based on the research and has shown overall distribution of internationalization degrees across the pool of the companies in the study.

6. Conclusion

This paper has been dedicated to the business models of sharing economy companies and their features responsible for internationalization. Sharing economy as a topic of economic research represents both urgency and relevance. Sharing economy has grown explosively for the last fifteen years, it brings major uncertainties and challenges to the table of international economy, which calls for an understanding of the way sharing economy companies operate and internationalize.

Throughout the research twenty sharing economy companies from nine industries have been thoroughly analyzed. On the basis of this analysis three types of business models were outlined: Marketplace, Access-based business model and On-demand Service Provider. What is more, Marketplace business model was divided into three distinct subcategories: Pure Marketplace, Service Marketplace and Community Marketplace.

All companies participating in the study were divided into three groups according to their degree of internationalization: none\low (0-4 countries), medium (5-9 countries) and high (>10 countries). The degree of internationalization was defined according to the amount of national markets where a country was present at the moment of the study. As a result of business model analysis several features were found responsible for internationalization. Access-based and Marketplace business model companies have higher propensity to internationalize, while On-demand Service Providers have high propensity to stay in the home market. Additionally, the need for physical resources in the value creation inclines towards local operations or low/medium internationalization. Financial resources have proved unrelated with internationalization, together with the country of origin and community element in the customer relationships.

The contributions of the research are both theoretical and practical. This work has identified the gaps in research of sharing economy and relations between sharing economy, business model and internationalizations. Those concepts have never been under research focus jointly. The paper has developed definitions for the concepts of sharing economy and business model through the analysis of existing definitions. The study has contributed largely to the knowledge of sharing economy companies and the way they are operating and has proposed a structural approach towards generated knowledge through business model categorization. Earlier it has been mentioned that current research on sharing economy companies is scarce and knowledge of sharing economy business models is highly fragmental, while the topic is urgent and extremely relevant. Hence, this paper offers a generic categorization of sharing economy business models, which represents a great basis for further research of sharing economy companies with focus on other characteristics, such as company life cycle, profitability and efficiency indicators.

Practical implications of the research allow new sharing economy startups to align their business models according to the derived categorization and their strategic goals. The constructed business models can be used by traditional established businesses through business model innovation, internationalization or new product/service launch. This means that the described business model types can be chosen as a template while reinventing won business model during the process of business model innovation. The type of sharing economy business model can be chosen as a template according to the internationalization goals and existing business model features. May traditional companies wish to launch one of their products under the sharing economy; they may do so by choosing the most appropriate business model type from the typology, according to their strategic goals and internal characteristics.

There are several limitations to the conducted research. First, a larger pool of companies could have provided more representative results. The companies were chosen according to industry quotas, which have proved very useful in the end, because it has shown various business models It seems as if under one industry, companies tend to have very similar business models, either copying the first comer or adapting to industry standards. However, a greater pool of companies and greater variety of industries would have produced more interesting results from the business models point of view. Therefore further research of business models on a larger pool of sharing economy companies is necessary to control for sustainability of proposed business model categories and features responsible for internationalization.

Another issue is that the secondary information gathered from the companies' sites might contain some amount of bias. The fact that sharing economy companies do not report their activities as many traditional companies do inhibits the research in the area. Particularly it complicates the analysis of profitability and efficiency indicators or internal management of the companies. The study of such characteristics is important to understand the profitability of different business models in the sharing economy, to create adequate regulation and to provide managerial advice to sharing economy companies. Hence, further research of the sharing economy has to be based on relevant financial data and focus on company life cycle, profitability and efficiency indicators.

Last, but not least, larger number of factors should be considered when controlling for internationalization. It has been argued that some sharing economy companies have demonstrated unprecedented speed and scale of internationalization. This raises a question of their internationalization pattern and features responsible for successful internationalization. Within the current study, only few of the business model features responsible for internationalization have been identified, while there is potential to learn more about sharing economy internationalization. With more data gathered on internationalization of sharing economy companies it will be possible to study particular internationalization strategies and compare it with theories existing in traditional economy. This area of research is extremely important in order to address the sharing economy influence on global markets and find its internationalization patterns and strategies.

We believe that the sharing economy should stay in the focus of scientific research for it has disruptive influence on local and global markets, unregulated legal side, many ethical and moral issues and unclear profitability status. Hence, future research of sharing economy business models and internationalization patterns is utterly necessary.

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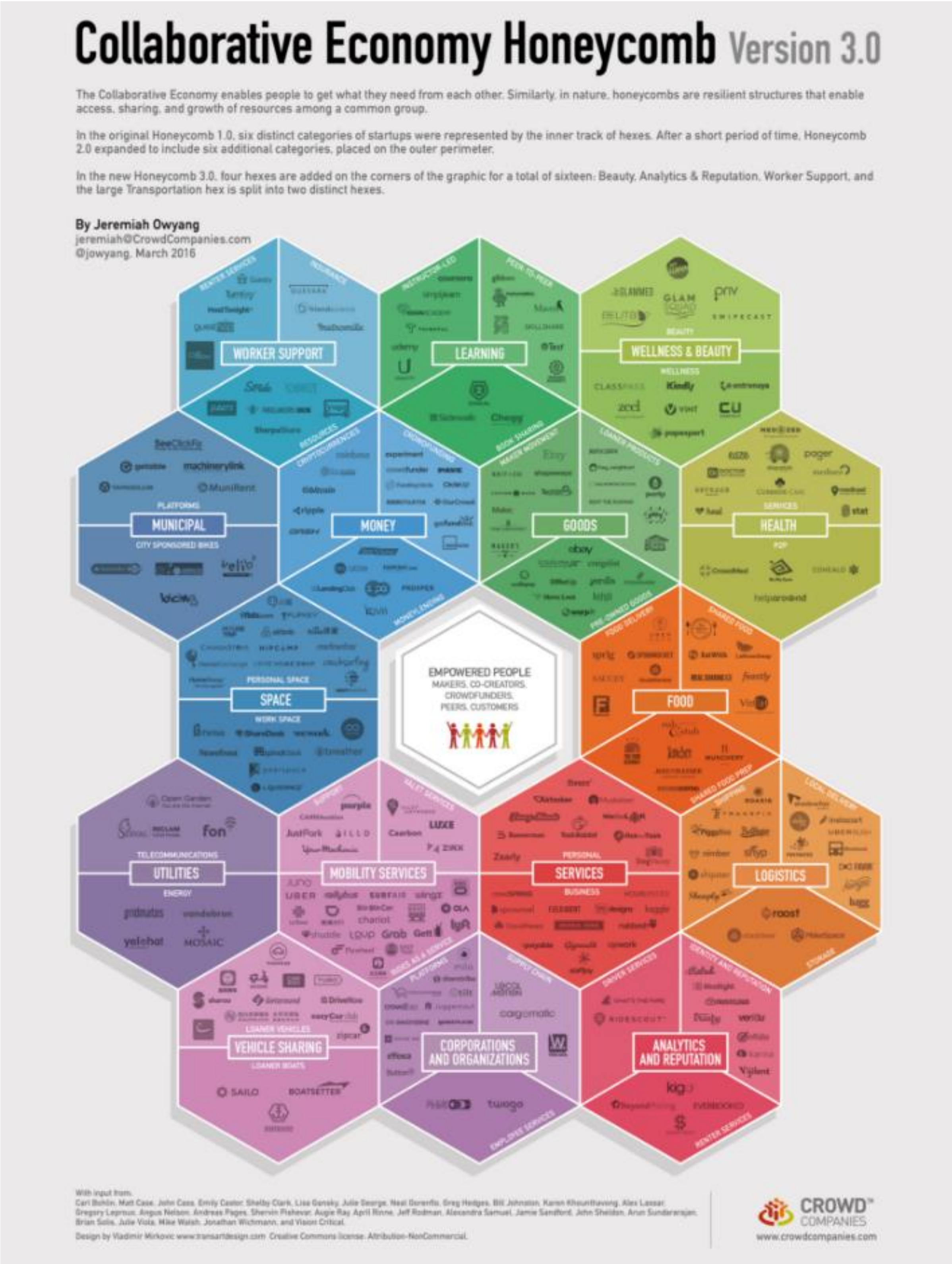
Appendices

Appendix 1. Collaborative economy honeycomb



Appendix 2. Sharing economy companies' business models

Appendix 2 contains business models descriptions and visualization for the companies participating in the study. Some of the business models are only presented in the form of a table for the lack of information to describe it in a text form. All references are properly cited in the "References" section.

Munchery

Munchery is an American on-demand cooked meals delivery platform operating in four US cities: San Francisco Bay Area, New York, Seattle and Los Angeles (https://munchery.com/).

From a sharing economy point of view **customer segments** of Munchery are both chefs and users. Chefs are sharing their time and skill; they can work on-demand, as free-lancers and earn extra money and reputation. They also have flexibility with regards to the menu. Users are providing the demand and fulfilling their need of getting a healthy professionally cooked meal delivered to their doorstep.

However, from a traditional economy view, chefs are freelance employees. Usually Munchery offers services of experienced chefs with over 10 years of fancy restaurant experience (http://uk.businessinsider.com/munchery-2015-3?r=US&IR=T). A typical user portrait is young family with one or two working parents or a working couple. They have an average income and care about their health and eating patterns.

Munchery's **value proposition** is built around an on-demand professionally cooked meals delivery platform. To chefs Munchery offers flexibility in working hours and menu, extra income and recognition. To users Munchery offers professionally cooked healthy meals at their convenience.

The main sales **channels** of Munchery are the site and the application based on an online platform. Apart from that word of mouth has pushed Munchery in its first steps. Of course, Munchery invests a lot of input in marketing. It is actively using social media, digital marketing, internet advertisements and various promotional offers (http://nextjuggernaut.com/blog/how-munchery-works-business-model-revenue-make-money/) and brand alliances, such as one with Google Play Music (http://venturebeat.com/2015/08/17/munchery-pairs-its-meals-with-google-play-music-radio-stations-to-help-create-great-moments/). As part of its strategy Munchery donates some part of its proceeds to a food bank, which communicates to customers with a certain mindset (https://munchery.com/about/us/). Distribution works through on demand delivery people, which are usually assigned to a certain area.

Customer relationships that Munchery is trying to build are based on care, trust and responsibility. Every meal is credited, which creates a personal chef-to-user communication experience. Delivery people assigned to the district get acquainted with users in the area and also create a personal connection. The idea of family and kids' meals is also very intimate and should be built on trust.

Revenue streams of Munchery are based on the meal price. Experts say they earn around 15%-20% from each meal (http://nextjuggernaut.com/blog/how-munchery-works-business-model-revenue-make-money/). The average cost of one dish is around $10-$15 (http://uk.businessinsider.com/munchery-2015-3?r=US&IR=T), and the volume is around 5000 meals per day in one city (http://techcrunch.com/2014/04/10/munchery-28m-sherpa-seattle/).

Key resources of Munchery include the platform, leased space for kitchens and equipment, human resources that maintain the business, work in delivery and market the brand.

Munchery's **key activities** are finding new chefs, enlarging the user base to increase the volume of business and lower the costs. Of course it includes recruiting and training delivery people, handling marketing and promotion activities and improving the platform.

Key partnerships for Munchery are gained from contracting well-known chefs, which attract more users with their name. Another key partner for Munchery is local charity organization, because they carry out donations from each meal. Here again investors play a large role as partners, such as Greycroft investment, for instance (http://greycroft.com/companies/munchery/). Next, Munchery has many corporate partners, such as kitchenware companies (http://www.geomarketing.com/munchery-partners-with-pottery-barn-for-contest-tests-waters-of-on-demand-economy), entertainment companies (http://venturebeat.com/2015/08/17/munchery-pairs-its-meals-with-google-play-music-radio-stations-to-help-create-great-moments/) and even restaurants (http://fortune.com/2015/10/27/munchery-meal-kits/). All sorts of joint activities increase brand awareness for both companies and enlarge Munchery's offer and customer base.

Munchery has some material resources in lease and they constitute a great part of its **cost structure**. Noticeably kitchens and equipment rent is a big part of the company costs. Next, chefs' salaries, delivery personnel salaries, dish photographers' salaries are the next big elements. Last, but not least recruitment and office support costs, software development costs and marketing costs are not to be neglected.

<table>
<tr><td colspan="3">Munchery</td><td>On-demand Service Provider</td></tr>
<tr><td rowspan="2">Cost structure
· Kitchens and equipment lease
· Salaries of chefs, delivery and photographers
· Hiring & training costs
· Software development
· Marketing</td><td>Customer Relationship
· Trust, care, responsibility
· Chefs-to-users
· Delivery
· Personalized</td><td>Key Resources
· Platform
· Kitchens and equipment
· Human resources</td><td>Key Partnerships
· Chefs
· Charity organizations
· Investors
· Corporate partners</td></tr>
<tr><td>Channels
· Platform
· Delivery
· Marketing</td><td>Revenue Streams
Portion of a meal price</td><td>Key Activities
· New chefs
· Hiring
· Training
· Marketing</td></tr>
<tr><td colspan="3">Value Proposition
Munchery's value proposition is built around an on-demand professionally cooked meals delivery platform</td><td>Customer Segments
· Chefs
· Users</td></tr>
</table>

Beepi

Beepi is a US online marketplace for used cars operating in 16 states (https://www.beepi.com/).

Customer segments of Beepi can be divided into buyers and sellers. Sellers are owners of a used car that is not older than six years which they wish to sell without using dealer services. Buyers are people who wish to buy a used car (which is very typical for American market; http://www.cnbc.com/2015/05/15/beepi-aims-to-change-the-way-you-shop-for-used-cars.html). Beepi target customers are said to be in their 20s and 30s (http://dastornews.com/2014/10/mbas-please-startup-beepi-com/).

Beepi **value proposition** is built around used car market failure (http://fusion.net/story/48069/i-bought-a-car-from-a-start-up-and-i-dont-completely-hate-myself-for-it/). The procedure of selling/buying the used car is long, expensive and cumbersome. Beepi offers a platform where buyers and sellers match and provides all related services for both sides for a cheaper price than local dealers. Buyers get a wide variety of used cars for reasonable prices with all documents taken care of, a check carried out and a car delivered at their threshold. Sellers get a fixed price, 30-days guarantee, all documents taken care of, broad audience and their car picked up from home.

Beepi sales **channel** is the platform (site and application). Logistics is carried out by the company itself. Marketing of Beepi certainly contains a lot of word of mouth hassle, but it is hard to name any specific activities. Some say that Beepi is very transparent in communicating its business model (http://dastornews.com/2014/10/mbas-please-startup-beepi-com/). There is one example of a strategic brand alliance in a promotion campaign for Beepi. It offered its customers (car sellers) a coupon for $350 for Uber ride under certain conditions (http://aztechbeat.com/2015/12/beepi-partners-with-uber-for-a-ride-home/). This activity both raises awareness and links Beepi with the sharing economy image, because both companies are disrupting existing markets, doing business “out of the box”.

When carrying out **customer relationship** the main stress is on “everything is taken care of”. Hence, buyers and sellers do not even have to meet. Beepi is the middle man that is doing its job smoothly and cheaply.

Considering much interaction between company representatives and the seller side, it is hard to call customer relationship of Beepi automated. They can rather be called semi-automated (http://uk.businessinsider.com/what-is-beepi-vroom-shift-buying-a-used-car-online-2016-1?r=US&IR=T).

Beepi has guarantees for both sides of the process, 24/7 customer support service and a crystal-clear description of the process on their site.

Revenue streams of Beepi are built from the car sales. They take 3%-9% in margin of the car price, which are supposed to cover the costs. Normally dealers in the US take 20%-50% (https://www.quora.com/Whats-the-business-model-of-Beepi). Most experts agree that the market potential for Beepi is huge, because of the volume of the market of used cars in the US (more than 40 million units in turnover; http://www.cnbc.com/2015/05/15/beepi-aims-to-change-the-way-you-shop-for-used-cars.html). According to MarketLine (http://advantage.marketline.com/Product?pid=MLIP0199-0009), the prognosis market volume in dollars was $255 billion in 2015.

Key resources of Beepi include the platform, human resources and reputation. Site and application are of high importance for all online-based companies. However, this is not the most vital resource of Beepi. Beepi carries out car inspections, so it has to have a large team of high-skill mechanics and delivery personnel. Considering its work with documents it also has to have well trained legal personnel. Reputation is crucial for such kind of business, because it is highly built on trust for Beepi as the middle man.

Beepi **key activities** thus include enlarging the customer base to increase the turnover. Accurate car checks, efficient car wash and on-time car delivery are among the main activities, too. Last, maintaining the platform, hiring personnel and handling the sale documentation are all vital functions of Beepi today. Beepi needs professional management to make all these operations run smoothly and accurately.

Most essential **partners** of Beepi are its investors, such as Ally Finance Inc. or Chinese biggest car manufacturer (http://www.bloomberg.com/news/articles/2015-12-16/ally-to-finance-used-cars-bought-online-with-beepi-partnership; http://fortune.com/2016/01/21/saic-beepi/). The company has raised almost $150 million in funds (https://www.crunchbase.com/organization/beepi#/entity). Other than that, payment service providers are important partners of Beepi, such as Bitcoin (http://www.businesswire.com/news/home/20140708005584/en/Beepi-Peer-to-Peer-Marketplace-Accept-Bitcoin-Payments-Cars). Among noticeable is its partnership with Uber in 14 US cities and offering a promo ride with Uber for registering on Beepi platform (http://aztechbeat.com/2015/12/beepi-partners-with-uber-for-a-ride-home/).

Cost structure of Beepi includes primarily mechanics and other personnel salaries. Then it comprises logistics, legal and car preparations costs as well as platform set up costs.

Beepi — **Marketplace**

Key Activities
- Enlarging customer base
- Car checks
- Car wash
- Car delivery
- Documentation
- Platform
- Recruitment
- Management

Channels
- Platform
- Word of mouth
- Insource logistics

Cost structure
- Salaries
- Logistics
- Platform development

Key Partnerships
- Investors
- Service providers
- Corporate partners

Key Resources
- Platform
- Human
- Reputation

Revenue Streams
Margin from car sales

Customer Relationship
- Semi-automated
- Guarantees for both sides

Value Proposition
Beepi offers a platform where buyers and sellers match and provides all related services for both sides for a cheaper price than local dealers

Customer Segments
- Buyers
- Sellers

Rent the Runway

Rent the Runway — **Access-based business model**

Key activities
- Data analytics
- Promotes new designers
- Cleaning & shipping
- Replenishment
- Marketing
- Additional services (Stylist option)

Revenue Streams
- Fashion items rent
- Unlimited option for $140
- Insurance of $5

Key Resources
- Inventory
- Warehouses
- Fashion data
- Stores
- Platform

Key Partnerships
- Designers
- Shipping providers
- Investors

Customer Relationship
- Feedback
- Personal image
- Accurate pictures of dresses
- Customer care

Channels
- Platform
- Shipping
- Marketing

Customer segments
- Women (in their mid-20s)

Cost structure
- Dresses prices (wholesale)
- Inventory
- Rent
- Marketing
- Salaries
- Additional services
- Cleaning & shipping

Value Proposition
Rent the Runway offers its customers access to high-end fashion for a relatively small fee through an online-based platform

Coursera

Coursera is an international online education platform partnering with 142 universities in 28 countries (https://www.coursera.org/about/partners). The industry Coursera is operating in has received a name MOOC, which stands for Massive Open Online Courses.

The **customer segments** of Coursera mainly include students. It can be considered that universities also use the platform to reach out to the wide audience and match their supply with respective demand, but here they will be more considered as partners or service providers.

Research shows that 42% of students come from developing countries. There are several groups of students that we can highlight. Internal students are the ones that are already studying in the same university, which MOOC they are using. Here the goal is usually to improve the results. External students are the ones from other universities or non-scholars. Their goal is get access to free education or enlarge their theoretical skills. Research shows that 41% of Coursera customers are those who did not get easy access to high education (http://donaldclarkplanb.blogspot.no/2013/04/moocs-whos-using-moocs-10-different.html). Lifelong learners are people who just want to learn more. This group is very diverse in terms of age, nationality and social status. Potential learners (being high school students), parents of students and alumni are also among the target audience of Coursera (http://donaldclarkplanb.blogspot.no/2013/04/moocs-whos-using-moocs-10-different.html). Assuming that the courses offered by the company are free, the recipients of this service must be among people with average or below average income.

All of these customer groups have different needs in terms of approach, commitment, synchronization, time, length, technical settings and other features of courses, and hence, different marketing strategy (http://donaldclarkplanb.blogspot.no/2013/04/moocs-whos-using-moocs-10-different.html).

Value proposition of Coursera is based on an online education platform. Coursera is offering free or cheap high-quality wide-range knowledge to everyone who is using the platform.

The main **channels** of Coursera are the platform (site and application) and various marketing channels. Platform is responsible for the distribution and sale of knowledge. The main marketing success of Coursera is said to be its early partnership with top universities and thus associating with high quality and co-branding (http://www.forbes.com/sites/michaelhorn/2013/12/19/the-intrigue-of-coursera/#4fdedc4e1b52). Universities themselves are promotion channels for Coursera.

Customer relationships of Coursera are automated, because the main operations are carried out through the platform and application, and it does not yet completely represent a collaborative ecosystem that it strives to be (http://www.forbes.com/sites/michaelhorn/2013/12/19/the-intrigue-of-coursera/#4fdedc4e1b52). Coursera's movement towards network is established through its cooperation with business social networks, such as Linkedin.

The main **revenue stream** for Coursera is the Verified Certificates. Verified certificate is a link between coursework and real identity, which costs between $30 and $100. Only nine month after launching verified certificates brought Coursera $1 million, and still brings more than $1 million per month. Also the Specializations (blocks of related courses) promote revenue growth, because they encourage students to sign up for more courses to deepen their knowledge. Another source of revenue comes from fee-based courses, where students get access to graded assignments (https://onlinelearninginsights.wordpress.com/tag/coursera-business-model/). All revenues, however, are shared with partnering universities. For short period of time Coursera used to take flat fees from employers to give them access to students' network, working as a career service (https://www.edsurge.com/news/2014-10-15-how-does-coursera-make-money). A small portion of revenues come from cooperation with Amazon through referral linking to course materials (https://openforum.hbs.org/challenge/understand-digital-transformation-of-business/business-model/coursera-flipped-the-classroom-but-can-it-turn-a-profit).

Key resources of Coursera include course materials, platform and personnel that is supporting the platform and handling marketing and communication.

Among the **main activities** of Coursera it is important to mention partnerships establishment, marketing and branding activities, as well as platform development.

Partnerships are crucial for Coursera's business. Among the main partners of Coursera are top universities, global community of students and top companies. Universities are the main service providers, student organizations help reach to the main customers and top companies provide real business cases for students to solve at the end of the course. One of such companies is Swiftkey, a software company working on a keyboard replacement application for Android (https://www.edsurge.com/news/2014-10-15-how-does-coursera-make-money). Other corporate partners include Google, Instagram and Shazam (http://fortune.com/2015/02/11/coursera-google-instagram/). Another potential benefit for companies to ally with Coursera is in using the offered programs in corporate education and development programs. Top companies are also sponsoring some particular courses and thus tie their brand with a particular university and area of knowledge. The next vital group of partners is investors; Coursera has raised around $85 million from Venture Capital (http://www.forbes.com/sites/michaelhorn/2013/12/19/the-intrigue-of-coursera/#4fdedc4e1b52). Government is also an important stakeholder for Coursera.

Cost structure of courser includes several elements. Employee salaries are also among the key costs of Coursera. Coursera shares 6%-15% of the total revenues and 20% of gross profits with the ally universities (https://www.edsurge.com/news/2014-10-15-how-does-coursera-make-money).

Coursera			Access-based
Customer segments · Students Internal students External students Lifelong learners Potential students · Students' parents · Alumni	**Revenue Streams** · Verified certificates · Specialization · Fee-based courses · Career service · Referral linking	**Key Resources** · Courses · Platform · Human · Reputation · Financial	**Key Partnerships** · Top universities · Global student community · Top companies · Investors · Corporations · Government
Customer Relationship · Automated · Towards network	**Key activities** · Partnerships · Marketing · Platform development	**Cost structure** · Salaries · Shared revenues · Marketing	**Channels** · Platform · Marketing · Universities
Value Proposition Coursera is offering free or cheap high-quality wide-range knowledge to everyone through an online education platform			

Instacart

Instacart is an on-demand grocery delivery platform based in the US and operating in 19 states (https://www.instacart.com/locations).

Customer segments of Instacart are constructed of buyer and shoppers. Not all shoppers can be considered customers, but only those who are independent contractors (the ones that drive and the ones that drive and shop). Buyers are usually people who do not have time for grocery shopping and are willing to pay extra money for products delivered at their doorstep. Buyers are usually of average and above average income, considering the delivery fee.

The **value proposition** of Instacart is based on a platform that matches buyers' needs with shoppers' needs. Instacart offers buyers a quick groceries delivery from a variety of stores for an affordable price. To shoppers it offers a freelance option with a high per hour salary that they can exercise in their free time.

Main **channels** of Instacart are the platform (site and application), marketing and freelance delivery service. The sale is handled through the platform in such a way that shoppers can pay from buyers' pre-paid bill through the app in the supermarket. A great deal of promotion has been made for Instacart through the word of mouth, but also internet marketing and promotional activities, such as free deliveries and special offers (http://nextjuggernaut.com/blog/how-instacart-works-makes-money-revenue-business-model/). As a part of marketing campaign, Instacart is partnering with major FMCG companies, providing ads on the platform and discounts for products in exchange for delivery fees sponsorship (https://www.internetretailer.com/2016/03/14/instacart-uses-red-bull-help-users-digest-delivery). Distribution is handled through freelance delivery personnel, which is core to the business. Hence it takes a lot of resources to recruit, train and retain those employees.

Customer relationships are mostly conducted through the support service and through customer communication between themselves. Support service helps out shoppers and delivery personnel to spot the right product. They also handle communication with buyers on the question of service satisfaction. At the same time shoppers can communicate with buyers on their own when proposing changes to the list or informing some items being out of stock. Support service is said to be efficient and accurate, however it is unclear how much Instacart invests into trust and community building (http://uk.businessinsider.com/what-its-like-to-use-instacart-2015-1?r=US&IR=T#). Other than that customer relationships are rather automated.

Revenue streams of Instacart are combined of 4 main sources: delivery fees, marked up prices, membership fees and sponsorships. Delivery fees are held from $6 to $12 (http://qz.com/627605/inside-instacarts-fraught-and-misguided-quest-to-become-the-uber-of-groceries/) and more according to busy pricing (http://nextjuggernaut.com/blog/how-instacart-works-makes-money-revenue-business-model/). Marked up prices are up to 20% higher, when they are set by Instacart (http://www.nytimes.com/2014/05/22/technology/personaltech/online-grocery-start-up-takes-page-from-sharing-services.html?_r=0). Sometimes prices are set by the partnering store chain and can be both higher and lower than in the store (http://www.thekitchn.com/i-had-my-groceries-delivered-by-instacart-and-heres-how-it-went-214795). Membership fees cost $150 per year and offer free delivery under certain conditions (http://www.geekwire.com/2015/instacart-raises-prices-50-lays-off-12-employees/). Some FMCG companies pay Instacart to promote its products, which makes up to 15% of its revenue for half a year since September 2015 (https://www.internetretailer.com/2016/03/14/instacart-uses-red-bull-help-users-digest-delivery). Instacart has reported profitable in half of its markets (http://uk.businessinsider.com/instacart-is-profitable-but-only-under-these-circumstances-2016-3?r=US&IR=T). The company is currently valued at $2 billion (https://www.internetretailer.com/2016/03/14/instacart-uses-red-bull-help-users-digest-delivery).

Instacart's **key resources** include the platform, human resources and the brand value. Instacart's recruitment team and delivery team as well as customer support and software engineers are the main human resources of the company. Financial resources are also crucial, since Instacart invests a lot into customer base enlargement and service improvement. The company has raised around $275 million in investment (https://www.internetretailer.com/2016/03/14/instacart-uses-red-bull-help-users-digest-delivery). Instacart does not own any warehouses or delivery cars unlike its major competitors such as AmazonFresh (http://www.nytimes.com/2014/05/22/technology/personaltech/online-grocery-start-up-takes-page-from-sharing-services.html?_r=0).

Key activities that Instacart has to handle are delivery personnel recruitment and training, partnerships portfolio enlargement, software development, customer support and delivery personnel coordination.

Key partnerships of Instacart are mainly local food chains, payment service providers and FMCG companies. Local grocery stores are willing to partner with Instacart to increase its sales volumes and work together against other delivery solutions, such as one from Amazon (http://www.nytimes.com/2014/05/22/technology/personaltech/online-grocery-start-up-takes-page-from-sharing-services.html?_r=0). Investors are among the key partners of Instacart dues to its large dependence on funds raised.

Instacart’s **costs** mainly arise from recruitment, training and salary for shoppers and delivery personnel, platform development, marketing and expansion activities. Instacart’s shoppers and delivery men hourly salary originally ranged from $15 to $30 (http://www.nytimes.com/2014/05/22/technology/personaltech/online-grocery-start-up-takes-page-from-sharing-services.html?_r=0). Then it got reduced to $10 minimum due to cost reduction strategy (http://qz.com/627605/inside-instacarts-fraught-and-misguided-quest-to-become-the-uber-of-groceries/). They have also significantly cut down on recruitment personnel during the same program.

Instacart			**On-demand Service Provider**
Cost structure · Salaries & training · Pltform development · Marketing · Expansion	**Revenue Streams** · Delivery fees · Marked-up prices · Membership fees · Promotion fees	**Key Resources** · Platform · Human · Brand value · Financial	**Key Partnerships** · Grocery chains & local stores · FMCG companies · Investors · Service providers
Customer Relationship · Customer support · Automated	**Channels** · Platform · Marketing · Delivery people	**Customer segments** · Buyers · Shoppers	**Key activities** · Recruitment & training · Platform development · Delivery management · Customer support · Partnerships
Value Proposition Instacart offers a platform where buyers’ needs match with shoppers’ needs. Buyers receive quick groceries delivery from a variety of stores for an affordable price and shoppers get a freelance option with a high per hour salary that they can exercise in their free time			

AngelList

AngelList			Access-based
Customer segments · Startups · Job seekers · Investors (only in Syndicates) · VCs (only in syndicates)	**Revenue Streams** · 5% of profit above investment of syndicate · 10% of carry when startup is sold or goes public	**Key Resources** · Network · Financial · Expertise · Database	**Key Partnerships** · Investors · VCs
Customer Relationship · Network · Profit-driven	**Key activities** · Facilitates hiring · Raises funds · Provides investment advice	**Cost structure** · Syndicate costs · Platform development	**Channels** · Platform · Social media · Network
Value Proposition AngelList offers a platform that matches startups, talents, investors and venture capital			

Funding Circle

Funding Circle			Marketplace
Customer segments · Small businesses · Investors Private investors Local councils Government Financial organizations	**Cost structure** · Analytics · Salaries · Platform · Intermediaries	**Key Resources** · Analytical · Reputation · Network	**Key Partnerships** · Government · Financial organizations · Intermediaries
Customer Relationship · Transparency · Network	**Key activities** · Analysis · Network enlargement · Expansion	**Channels** · Network · Marketing · Platform	**Revenue Streams** · Finance arrangements · 1% annual service fee from borrowers + borrowing fee from 2% to 5% · 0,25% fee in case of loan sale
Value Proposition Funding circle offers a platform through which various types of investors can fund small business in exchange for attractive returns			

Prosper

Prosper			Marketplace
Customer segments · Investors · Individual borrowers · Small businesses	**Key activities** · Documentation · Provides information to organizations · Does not issue loan notes	**Cost structure** · Salaries · Deal arrangements · Platform development	**Key Partnerships** · Legal and financial institutions · WebBank & FDIC · Banks
Customer Relationship · Automated	**Revenue Streams** Service fees from borrowers and lenders	**Key Resources** · Large network of investors · Reputation · Database	**Channels** · Platform · Third party · Marketing
Value Proposition Prosper offers an online marketplace where lenders and individual borrowers can match for small-size financial loans			

Thumbtack

Thumbtack			Marketplace
Key Partnerships · Investors · Local businesses	**Revenue Streams** Fees/credits from pros per lead	**Customer Relationship** · Automated · Customer support	**Customer segments** · Clients · Local professionals
Key Resources · Database of pros · Network · Platform · Human · Financial	**Key activities** · Connecting customers · Project analysis · Marketing · Platform development	**Cost structure** · Salaries · Software development · Marketing	**Channels** · Platform (app and site) · Target internet marketing · Cold calls · Word of mouth · Social nets
Value Proposition Thumbtack is an online platform that matches demand in professional skilled work with supply on a local basis			

Fiverr

Fiverr			Marketplace
Customer Relationship · Proficiency levels · User friendly interface · Community · Forum · Automated	**Key activities** · Network creation · Platform development · Promotion of freelancers	**Revenue Streams** 20% fee from successful transactions	**Channels** · Platform (site and app) · Word of mouth · Marketing
Key Resources · Platform · Network · Financial	**Customer segments** · Freelancers · Clients · Businesses	**Cost structure** · Platform development · Customer support	**Key Partnerships** · Payment providers · Investors
Value Proposition Fiverr is an online platform where freelance workers can meet demand for the job they are offering			

Upwork

Upwork			Marketplace
Customer Relationship · Community · Forum · Average customer protection and support	**Key activities** · Connecting customers · Additional services · Platform support	**Revenue Streams** Sliding scale fees 20%-5% for finished work	**Channels** · Platform · Network · Word of mouth · Marketing
Key Resources · Network · Platform · Expertise · Financial	**Customer segments** · Freelancers · Clients · Businesses	**Cost structure** · Platform development · Administrative · Marketing	**Key Partnerships** · Investors · Payment providers
Value Proposition Upwork offers an online workspace and marketplace for freelance teams and individual workers around the world			

Shyp

<table>
<tr><td colspan="2">Shyp</td><td colspan="2">On-demand Service Provider</td></tr>
<tr><td>Cost structure
· Warehouse & trucks
· Salaries, social security & training
· Platform development</td><td>Key activities
· Outsourced pickup
· Weighting, measuring & packaging
· Platform development
· Hiring and training</td><td>Revenue Streams
5$ from each pickup + difference between retail cost and real cost</td><td>Channels
· Platform (site and app)
· Marketing</td></tr>
<tr><td>Key Resources
· Platform
· Freelance couriers and drivers</td><td>Customer segments
· Individuals
· Businesses</td><td>Key Partnerships
· Shipment companies
· USPS</td><td>Customer Relationship
· Tracking
· Automated</td></tr>
<tr><td colspan="4">Value Proposition
Shyp is offering an on-demand package pickup through the platform in mere moments and delivery to the shipment provider</td></tr>
</table>

Doctor On Demand

<table>
<tr><td colspan="2">Doctor On Demand</td><td colspan="2">On-demand Service Provider</td></tr>
<tr><td rowspan="2">Key activities
· Connecting doctors and patients through platform
· Platform support and development
· Expansion of services and network of partners</td><td>Customer Relationship
· Automated
· Trust
· Reputation</td><td>Revenue Streams
· 25% from each visit
· Software provision</td><td>Channels
· Platform
· Word of mouth
· Marketing</td></tr>
<tr><td>Key Resources
· Platform (site and app)
· Wide customer base
· Wide doctor network</td><td>Cost structure
· Platform development and coordination
· Marketing</td><td>Key Partnerships
· Insurance institutions
· Employers
· Healthcare systems and plans
· Pharmacies</td></tr>
<tr><td colspan="3">Value Proposition
Doctor On Demand provides an online doctor visit through the platform and video chat. Doctors can be flexible, earn extra money and enlarge their patient base, while patients can save time, money and have extra convenience.</td><td>Customer segments
· Patients
· Doctors</td></tr>
</table>

AirBnB

AirBnB is an international space sharing platform based in the US.

Customer segments of AirBnB include two main groups: hosts and travelers (https://www.airbnb.com).

The hosts are people who own a property, with a mean age of 35 and an average or low income (since as the study shows almost half of the AirBnB hosts audience – 42%, uses the rent earning to cover everyday life expenses (https://gotentrepreneurs.com/airbnb/). Apart from property ownership there are other characteristics that the hosts have. The property has to have some excess capacity and they have to be willing to rent it out. Among the psychological portrait of the target host it is easy to find the word "independent". This belongs to the lifestyle element of a typical AirBnB host. They would like to stay independent from estate brokers and maybe even fixed working hours. The goal of money-making does not necessarily has to be the first; some say they enjoy meeting new people (https://airbnb2015review.wordpress.com/2015/07/07/airbnbs-target-audience/). Under this category a particular group consists of hostels or small Bed & Breakfast hotels who can list on AirBnB according to the site rules. Bigger hotels are also using AirBnB as marketing tool and list their rooms (http://www.fastcompany.com/3054570/behind-the-brand/to-fill-rooms-hotels-are-turning-to-airbnb; http://www.citylab.com/housing/2015/12/boutique-hotels-are-now-listing-rooms-on-airbnb/420255/).

"Travelers" consumer segment is mainly represented by young people (but not necessarily) with average or below average income with certain view to life and particular lifestyle. The main goal of such travelers is not necessarily comfort, but the involvement into local culture and surroundings. They also have to be technologically up-to-date and flexible up to a certain point in their travel arrangements. Same as in the "hosts" category, AirBnB also offers a business solution for travelers. This includes unconventional stay spots for business trips and direct charging for companies that are part of the program.

Value proposition of AirBnB can be described in general and also specifically for different customer groups.

AirBnB offers a platform that connects the hosts and the travelers and enables both to satisfy their need in a convenient, efficient and trustworthy manner. Additionally, to hosts AirBnB offers a lower fee than other rental sources, an extremely broad audience and a chance to meet and greet people from all over the world. To travelers AirBnB gives an opportunity to stay in an individual space for a relatively cheap price and experience the local life of the place they wish to visit. Apart from that, AirBnB lists some unconventional places of stay that are hard to find otherwise (examples could be a castle, a tree house or a houseboat).

AirBnB main sales and distribution **channels** are AirBnB site and applications for mobile devices. The payment methods are various from a card payment to Apple Pay through the application. They also include local payment systems such as Alipay in China, Boleto Bancário in Brazil and iDEAL for Netherlands. As for communication channels, the main mode of promotion for AirBnB is content marketing. Content marketing is a marketing technique of creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood target audience – with the objective of driving profitable customer action (Content Marketing Institute, 2013, http://contentmarketinginstitute.com/2012/06/content-marketing-definition/). In particular content marketing activities of AirBnB include a print magazine, an online neighborhood guide, economic impact studies, AirBnB stories, video marketing campaign, an interactive logo design game, a blog and social media activities (https://contently.com/strategist/2014/12/05/how-airbnb-is-using-content-marketing-to-stay-on-top/). Some emphasize on a word of mouth in creating awareness for AirBnB.

Customer relationships are carried out through the main channels and include host guarantee and safety insurance and guest safety advice as well as customer support (https://www.airbnb.com). Another important aspect of customer relations is storytelling carried out through AirBnB branding content mentioned in the previous section. The review system is also a part of storytelling, which is handled by the customers. AirBnB is creating idea of personal relationship and building trust, while conducting impersonal communication.

Revenue streams of AirBnB are represented by service fees: 3% for hosts and 6-12% for guests depending on the reservation details (https://www.airbnb.com). However, official financial reports have not been issued by the company, which raises many attempts of estimations in the internet. According to those unofficial estimations as average fee that AirBnB receives from a price paid for a stay is around 15,5%, which is approximately $900 million in 2015 (https://www.quora.com/How-much-revenue-is-Airbnb-making#dWbhK).

The most important **resource** of AirBnB is its technological property – online platform. Apart from that AirBnB managed to attract significant funding several times, so it owns a big deal of financial resources in investment. Additionally, the reputation of a trustworthy community is really important. Since no official financial data is available on the company, most of its estimated price of $25,5 billion (http://money.cnn.com/2015/06/27/technology/airbnb-funding-valuation-update/) consists of goodwill. Another key resource of AirBnB is its broad audience, which is made possible through the platform. Last, but not least the human resources are argued to be important, since key activities of AirBnB require high-skilled technological, managerial and artistic personnel (http://www.kenontek.com/2014/02/09/dissecting-airbnbs-business-model-canvas/; http://nextjuggernaut.com/blog/airbnb-business-model-canvas-how-airbnb-works-revenue-insights/).

The **key activities** of AirBnB include platform development and maintenance, community building and marketing. Its main central activity is to keep the platform (the site) running, which requires much technological and human resources. The creation of community of hosts and travelers by building a network and promoting the idea of trust is crucial to business. Furthermore, marketing and branding activities create awareness and sell the services of the company.

AirBnB have engaged into many partnerships since it was established, but the **key partnerships** are private and business investors, local authorities and legal institutions and sustainability oriented corporate partners (http://blog.airbnb.com/tag/partnerships/). I have highlighted those partners for some reasons. Private and business investors gave AirBnB its kick-off, without it the company would not be able to reach the capacity to make the platform profitable. Local authorities and legal institutions are able to create obstacles in the company growth worldwide, and the regulations vary across countries. With the growth of the sharing economy the critics of it rise as well, part of which will inevitably shadow AirBnB. This is why its “green” partnerships such as one with Tesla (http://s.airbnb.com/tesla/#tesla/home) are particularly important to communicate what was always behind the idea of home sharing – sustainability (https://www.guesty.com/blog/history-airbnb-partnerships-timeline/).

Cost structure of AirBnB is created by platform operating costs, employee salaries, marketing and legal costs. AirBnB cost structure is fairly clear and traditional; however I would specifically highlight legal costs and taxes that AirBnB was exposed to (http://www.theguardian.com/travel/2014/jul/08/airbnb-legal-troubles-what-are-the-issues).

AirBnB			Marketplace
Customer Relationship · Host guarantee · Safety insurance · Guest safety advice · Customer support · Review system · Storytelling	**Customer Segments** · Hosts · Travelers · Business	**Cost structure** · Operating costs · Marketing · Legal costs	**Key Partnerships** · Investors · Authorities · Corporate “green” partners
	Channels · Site · Apps · Content marketing	**Revenue Streams** Service fees from hosts and travelers	**Key Resources** · Platform · Reputation · Audience · Human · Financial
Value Proposition AirBnB offers a platform that connects the hosts and the travelers and enables both to satisfy their needs in a convenient, efficient and trustworthy manner			**Key Activities** · Platform development and maintenance · Community building · Marketing

WeWork

WeWork is an international company from the US that subleases working space to startups in 9 countries. It offers co-working space to companies with above-average per square meter price, all provision taken care of and a couple of perks such as office design, common areas, video games and free drinks (https://www.wework.com/).

Among **customer segments** of WeWork at least 3 can be distinguished. First, it is a large group of start-ups and small businesses with a few employees. Second it’s a group of mature companies from various industries that appreciate the benefits WeWork is offering. Last, but not least there are individual freelancers who need an equipped place to work. There is a common opinion that the majority of WeWork members are venture capital tech startups, which is not entirely true (http://uk.businessinsider.com/wework-business-model-2015-7). Among the characteristic features of WeWork members desire to work with what they love is essential. This generation of workers lives off interaction and sense of belonging, they do not want to work in old-fashioned cubicle offices.

WeWork offers its customers a fully equipped neatly designed co-working space to rent and a chance to be a part of community, interact with other dedicated people and enjoy life while being at work. The main benefits of the WeWork **value proposition** which make it outstand from other leased offices are office provisions taken care of, community of co-workers and creative leisure perks such as foosball, free drinks, screening rooms and network events. WeWork value proposition is supplemented with deals offered by business partners of the company such as gym or insurance bargains.

The main **channel** through which WeWork reaches its customers and delivers its value proposition is the community. WeWork dedicates a lot of effort to create space which enhances interaction and builds up the community through network events. Its communication strategy remains unclear. The owners claim that they do not need marketing, because the word of mouth works so well, but initially they must have used some advertisement to attract their first clients (http://www.theguardian.com/global/2016/jan/11/wework-transforming-office-life-and-home-life-carole-cadwalladr).

Customer relationships of WeWork are built around the co-working community. The community team on each location builds personal relationship with members. Automated problem reporting is available through the customer support service. The network events, such as weekly bagel-and-mimosa parties as well as bigger events for members of more than just one space are held to enhance the community sense among members. This community element is so important not just for fun, it spurs the idea-sharing and exchange as well as exchange of talents. In those common areas and party lounges people meet and find how they can help each other.

An important feature of WeWork customer relationships is the application where members communicate and report problems, and also a members' satisfaction survey with metrics such as Net Promoter Score (http://www.inc.com/adam-neumann/adam-neumann-founders-forum.html?utm_campaign=Submission&utm_medium=Community&utm_source=GrowthHackers.com). The application is also used to promote their corporate partners' services.

WeWork **revenue streams** are composed of short-term rents that they receive and membership payments. WeWork offers 4 different types of rental services: we membership, hot dest, dedicated desk and private office (https://www.wework.com/pricing). The price varies accordingly from $45 per month to an unlimited amount depending on location and size of the rented area. Per-unit premium is said to be justified due to little space, and short rent time. Large corporate members save money on included services, such as security, reception, broadband, printing etc. (http://www.forbes.com/sites/alexkonrad/2014/11/05/the-rise-of-wework/#5d86742828c1). The overall revenues of WeWork for the 2015 is said to be $400 million (https://medium.com/@neilswmurray/analysis-is-wework-at-10b-the-most-unjustified-valuation-since-the-dot-com-bubble-5f49055a5d1f#.oq7hgi4kb).

The **key resources** of WeWork are long-term leased spaces in 9 countries (3 more to come soon), several cities in the US and more than one facility in each of the geographic locations (https://www.wework.com/). Another key element of the WeWork business model is the community managers (http://www.inc.com/adam-neumann/adam-neumann-founders-forum.html?utm_campaign=Submission&utm_medium=Community&utm_source=GrowthHackers.com), who take care of office provisions and community activities in a particular location. Each one has its own community team. Last but not least, designers and creative decorators are playing a great role in creating space that stimulates both interaction and focus on work.

All that being said the **key activities** of WeWork include space lease, space transformation, community management hiring and community building. WeWork rents a cheap office space for long term and then subleases it monthly or hourly to members. Of course, before subleasing the company designers and community managers transform the location into a hip co-working space with groovy furnishings, a mixture of communal and glassed-in office spaces, a cozy common area and unconventional office perks (http://www.theguardian.com/global/2016/jan/11/wework-transforming-office-life-and-home-life-carole-cadwalladr). The hiring process is taken very seriously because community managers operate the location, build the network and arrange local community events.

WeWork **key partnerships** consist of investors and business partners. WeWork have raised almost a billion dollars in funding, which contributed a lot to company $16 billion appreciation (http://thehustle.co/why-wework-is-worth-so-much; http://uk.businessinsider.com/the-founding-story-of-wework-2015-10?r=US&IR=T). As for their daily operations, WeWork create partnerships with many business and related service providers such as insurance companies, gyms, recruiting companies and office provision companies. Those partnerships propose deals for WeWork members.

WeWork **cost structure** is represented by the office maintenance and rent costs, decoration costs, hiring costs, application development and community costs for events and parties.

<table>
<tr><td colspan="3">WeWork</td><td>Access-based</td></tr>
<tr><td rowspan="2">Cost structure
· Rents
· Maintenance
· Hiring costs
· App software
· Community
· Decoration</td><td>Customer Segments
· Startups
· Large firms
· Freelancers</td><td>Customer Relationship
· Community
· Members' survey
· Application</td><td>Key Activities
· Space rent
· Community building
· Hiring
· Space decoration</td></tr>
<tr><td>Channels
· Community
· Word of mouth</td><td>Revenue Streams
Rents and membership fees</td><td>Key Resources
· Space
· Community managers
· Designers</td></tr>
<tr><td colspan="3">Value Proposition
WeWork offers its customers a fully equipped neatly designed co-working space to rent and a chance to be a part of community, interact with other dedicated people and enjoy life while being at work</td><td>Key Partnerships
· Investors
· Corporate partners</td></tr>
</table>

Uber

Uber is an international largest ride-hailing platform based in the US and offering a wide variety of ride options in 71 countries around the world (http://uberestimator.com/cities).

Customer segments of Uber can be divided into two main groups: drivers and passengers (https://www.uber.com/; http://businessmodel.guru/the-uber-business-model-canvas/).

Drivers have their own car and can be amateur or professional (prior taxi drivers). The division of Uber drivers between those groups is approximately equal (50%). They typically enjoy driving, have some spare time or prefer to work as a free-lancer. They might even have a main job and earn extra money by using their car excess capacity. Those conditions make the customer segment very diverse. Uber drivers are of various age, gender and social status. The majority of Uber drivers is above 30 (81%) and male (86%). There is a quite high percentage of drivers above 50 – 25% (http://expandedramblings.com/index.php/uber-statistics/3/). Considering that they earn money this way, they probably have an average or below average income, but this attribute would certainly vary across countries.

Uber passengers are very different as well. Anyone can be a passenger at Uber as long as they have a smart phone and a bank card. Situations when people use Uber vary greatly as well: drive from a party or ride to a business meeting. Hence there is no homogeneity in situations of use, but the only important thing here is that supply meets demand. Inside this customer group we can mention corporate clients of Uber business.

Uber's **value proposition** is both clear and innovative. Uber offers its customers a platform where drivers and passengers can match and satisfy their needs at particular conditions (price, time, and situation). For passengers Uber always provides a car at their convenience, at a variety of price and comfort levels. For drivers Uber offers flexibility and extra income.

The main **channel** is the Uber platform which connects to customers through the smartphone application. Marketing certainly represents an important channel for reaching to customers. Uber marketing strategy includes local advertising channels, alliances (such as one with restaurant search platform Zomato), social media and new unconventional businesses (ice-cream trucks, rides with motorcycles, boats and helicopters) that draw attention to the brand (http://nextjuggernaut.com/blog/uber-business-model-canvas-what-led-to-uber-success/). Word of mouth has played a great role in Uber's growth.

Customer relationships are managed in an automated way, but as soon as driver and passenger meet it is up to them to build relationship and create an image of Uber service. Here the cultural and element is the most important. In different countries people would be expected to have different behavior when having a ride. Personality of both also plays a great role, so those images are very heterogeneous. Some people enjoy getting an Uber taxi because they feel it is more personal than a regular taxi service. Some on the contrary enjoy that everything is extremely automated and you do not even have to deal with cash. The most crucial issue in the customer relations of Uber is, of course, safety or trust. Uber offers a review system that is supposed to eliminate unsuitable candidates (those who have bad ratings) and therefore enhance safety in the network (http://firstround.com/review/How-Modern-Marketplaces-Like-Uber-Airbnb-Build-Trust-to-Hit-Liquidity/). However, some argue that Uber does not do enough to build a community (http://www.evanhamilton.com/uber-community-management/).

Uber's **revenue streams** come from payments for the ride – approximately 20% fee, which is common for the taxi industry (https://www.quora.com/What-percentage-cut-does-Uber-take-from-the-total-fare-cost-of-a-ride). According to the statistics, Uber is making a large profit because of the volume of the business (2 million rides per day according to August 2015 statistics; http://www.fastcompany.com/3050784/elasticity/uber-is-even-bigger-than-you-realize). Here it is also relevant to mention Uber pricing surge technology, which determines price of a ride according to supply and demand relation (http://nextjuggernaut.com/blog/how-uber-works-business-model-revenue-uber-insights/).

Among Uber's **key resources** the platform is the core one. Hence, technological resources are crucial, including site, application and pricing and routing algorithms. Human resources and the network of drivers and passengers are important to maintain the business. Uber does not own core physical resources – cars (https://www.quora.com/Does-Uber-give-you-a-car-if-you-dont-have-one-as-a-driver).

The **key activities** of Uber are platform maintenance, hiring drivers and promotion for further expansion. Platform development and management is important together with further optimization of employed algorithms. Proficient hiring procedures and ensuring sufficient supply for the local demand is also vital. Last, marketing of the brand is crucial for further expansion especially when considering heterogeneous cultural environment of the markets Uber is in.

As the previous company in question, Uber as well had to gather significant amount of money to get running, being a startup. Uber has managed to raise the largest fund among the sharing economy companies (more than $9 billion; https://www.crunchbase.com/). Hence, Uber's investors are **key partners** on its way to success. Some experts mention drivers among Uber's partnerships. Even though the cooperation between Uber and drivers is important they cannot be fully considered either employees, or partners. They are customers of the platform just as the passengers are.

Local authorities are important partners for Uber since legal environment differs a lot across states and cities. Uber is banned in several states of the US and some other countries, such as Nevada or Thailand (http://www.businessinsider.com/heres-everywhere-uber-is-banned-around-the-world-2015-4?IR=T). Payment processors and map data providers are also important for Uber operations as well as corporate partners which enhance Uber promotion, such as Zomato. Uber has acquired one of the map technology startup deCarta to continue improving its mapping services (http://mashable.com/2015/03/03/uber-acquires-mapping-decarta/#GNn6dGkZiGqN).

Uber's **costs** are mainly represented by the platform development costs, salaries to employees and payments to drivers (some argue this is above average per hour, some disagree (http://www.idrivewithuber.com/how-much-do-uber-drivers-make/; http://uberdriverdiaries.com/how-much-do-uber-drivers-really-make/) , and large upfront investments into recruitment of drivers and marketing before launching in a new location.

UBER			Marketplace
Key Resources · Platform · Apps · Routing algorithm · Pricing algorithm	**Customer Segments** · Drivers · Passengers · Business	**Cost structure** · Platform development · Salaries and payments · Marketing	**Key Partnerships** · Investors · Payments processors · Map data providers · Promotion partners
Key Activities · Platform · Hiring · Promotion	**Channels** · Platform · Apps · Marketing	**Revenue Streams** Service fees from drivers	**Customer Relationship** · Automated · Review system
Value Proposition Uber offers its customers a platform where drivers and passengers can match and satisfy their needs at particular conditions (price, time, and situation)			

Grab

Grab is a South-East Asian international ride booking platform. Grab initially started as a taxi booking service, but then further diversified horizontally into private cars, bikes, parcels delivery and carpooling.

Customer segments of Grab can be roughly divided into passengers and drivers.

Passengers include tourists and locals. Tourists are visitors of South-East Asia, who want to have a safe cheap ride to their destination. Locals have the same needs, even enhanced by the fact that they are sometimes rejected by freelance taxi drivers in favor of tourist passengers. These customer groups are separate because they have different market awareness, need different type of marketing and incentives to take a ride.

Drivers segment is heterogeneous as well. First and foremost, it includes freelance taxi drivers which are numerous in South-East Asia. Why taxi drivers are customers of Grab and not employees? They offer a platform where passengers meet drivers; they attract drivers to download the app, not to work for them, but to keep freelancing. However, they do offer drivers non-monetary incentives, which a company would have for its employees, such as family financial aid in form of scholarship (http://www.slideshare.net/ppnd/grab-taxi-46368147). Next, there are private car owners that want to earn extra money while driving. Last, there are private car owners who want to share a ride. Naturally all of these groups are also competitors for passengers taking into account the high concentration of the market. In other words, Grab businesses are cannibalizing on each other. And many drivers use several platforms: Grab, Uber and taxi call center.

Last, but not least Grab offers corporate transportation solutions.

Value proposition of Grab is based on such values as safety, accessibility and sustainability. Grab offers a platform where passengers and drivers match their needs in various types of services. To its passengers Grab offers a safe easy accessible ride with a tracking possibility. To drivers Grab offers wide passenger base, improvement in standards of living and perks of being a part of Grab drivers' community. When naming competitive advantages of Grab over Uber, Easy Taxi and Go-Jek, it is arguably a wide drivers base, cheaper ride price (http://thenextweb.com/asia/2014/04/08/grabtaxi-is-growing-a-taxi-booking-service-in-southeast-asia-using-a-unique-model/#gref), more flexible payment options, faster money transfer to drivers and passenger route awareness (https://www.techinasia.com/talk/uber-grabtaxi-singapore-cabbys-view); hence, higher availability (https://www.techinasia.com/uber-vs-grabcar-who-is-leading-in-southeast-asia-infographic).

The key **channels** of Grab are the site, the application, and their massive advertisement campaign aimed at gaining a wide customer base and weakening the competitors' position (https://www.quora.com/How-does-Grab-Taxi-make-money-when-they-always-give-discount-promos-to-passengers-and-incentives-for-drivers). For example, Grab is using a diverse pool of discount codes and free rides for tourists and local passengers, which is being paid back to drivers in a matter of two weeks (http://www.slideshare.net/ppnd/grab-taxi-46368147). Brand alliances are also strategically important for Grab, especially on the local level (http://500.co/grabtaxi-marketplace-growth-hacks/). Arguably the Grab brand extensions, such as GrabBike, GrabExpress, etc. can attract new customers and enlarge the customer base (https://e27.co/4-strategies-grabtaxi-using-make-grabcar-competitive-se-asia-20150612/).

According to Grab site they are trying to build a community around their business. Even though it is more so when it comes to carpooling and GrabCar options, GrabTaxi is also part of the community with its large network of drivers (http://www.channelnewsasia.com/news/singapore/new-entrants-turn-the/2214680.html). However, from what is known of taxi culture in South-East Asia, taxi drivers prefer to stay independent rather than loyal to one platform and use every possibility to get a passenger (https://www.techinasia.com/talk/uber-grabtaxi-singapore-cabbys-view). The app-service is new to the region and thus only attracts technologically savvy young customers, but this customer group is very broad. Grab offers a feedback system, customer support services and wide range of promotion activities. The type of **customer relationship** is definitely more automated than a call center.

Grab **revenue streams** are coming from ride fees and aside businesses. Driver fees extracted from each ride in Singapore for instance is only 20 cents ($0,20), which sums to around $15 million revenue across the region. Unlike Uber, which has a surging pricing algorithm, Grab has fixed fares, which it combines with additional time and distance fares (https://www.grab.com/). Experts say that grab's profitability is highly questionable considering its aggressive promotion strategy of free and discounted rides (https://www.techinasia.com/grabtaxi-make-money).

Grab's **key resources** include its site, application, human and financial resources. The platform represents the most important technological asset together with its visualization in form of an application. Financial resources are utterly important for Grab, since it lags behind its main competitor – Uber in funding, and thus every cent spent matters. It is enhanced by Grab's large marketing expenditures in the war over the market. Key human resources include software engineers, marketing managers and employees of back-office and aside businesses (http://www.juanmanilaexpress.com/grabexpress-grabtaxi-courier-service/).

Grab's **key activities** appear logically from its business core. It has to invest a lot into platform development and set up, while there are still several serious drawbacks that worsen the service quality. Enormous marketing efforts that have been already mentioned several times are among the main activities without a doubt. Last, Grab's actions towards community creation are worth mentioning, because this is one of the elements that bring the business outside traditional taxi industry.

As in most of other startups in question investors are always among the **key partners**. Grab has raised $680 million in funds (https://www.crunchbase.com/organization/grabtaxi#/entity), including those directly targeted against such competitors as Uber (i.e. SoftBank; http://www.ft.com/cms/s/0/684270ca-8846-11e5-90de-f44762bf9896.html#axzz47rst0WYn).

Other partners of Grab include corporate partners, both international and local. The goal of those partnerships is to enhance brand value, ensure regional-focused growth and increase the research and development investment base against the main competitor – Uber. One of the most interesting partnerships is the partnership (alliance against Uber) of Grab (SEA), Lyft (US), Didi (China) and Ola (India) (http://techcrunch.com/2015/12/03/lyft-didi-ola-and-grabtaxi-partner-in-global-tech-service-alliance-to-rival-uber/; http://uk.businessinsider.com/lyft-didi-ola-grab-anti-uber-alliance-launches-2016-4?r=US&IR=T). Local partnerships are more part of a marketing strategy that include discount options for partners such as one with Sony Experia (http://www.hardwarezone.com.sg/tech-news-grabtaxi-partners-sony-mobile-xperia-users-enjoy-discounts-taxi-rides) or brand alliances that strengthen the brand among the savvy customers such as one with Lippo Group (https://www.grab.com/sg/grab-and-lippo-group-announce-strategic-partnership-in-indonesia/).

Cost structure

Most of Grab's costs for today are represented by research and development and marketing and promotion. This information is gathered from their technological backwardness against Uber (https://www.techinasia.com/uber-vs-grabcar-who-is-leading-in-southeast-asia-infographic) and aggressive efforts to win over the market. Arguably Grab's costs exceed its revenues.

Grab			On-demand Service Provider
Customer Relationship · Community · Feedback · Promotions · Automated	**Customer Segments** · Drivers · Passengers · Business	**Channels** · Site · Application · Marketing & promotion · Brand extensions	**Key Partnerships** · Investors · Strategic alliances · Local partnerships
Cost structure · R&D · Marketing	**Key Activities** · Platform · Marketing · Community	**Revenue Streams** · Ride fees · Aside businesses · Fixed fares	**Key Resources** · Platform · Human · Financial
Value Proposition Grab offers a platform where passengers and drivers match their needs in various types of services based on such values as safety, accessibility and sustainability			

Didi Chuxing

Didi Chuxing (former Didi Kuaidi) is a ride-hailing company based in China merged of two taxi-hailing competitors in response to Uber's entrance to Chinese market.

When speaking of Didi's **customer segments**, drivers and passengers is the most common typology.

It is a matter of view whether to consider taxi drivers customers or partners. From the idea that the platform is granting drivers access to the passenger base and vice versa that both can be considered customers. However, when looking from a taxi hailing service point of view, platform fulfills the functions of a call center matching drivers and passengers. And here passengers are customers of a taxi service and drivers are service providers or co-providers or at least freelance employees. Considering that Didi has entered a private car ride and carpooling markets as well, those drivers are customers of Didi, because they cannot match their passengers without a platform.

Among passengers tourist, urban and rural groups can be outlined. Didi provide business transportation solutions as well.

Didi Chuxing offers a wide variety of ride-hailing services that meet the unique demands of Chinese people through the web-based platform. Its **value proposition** is based on the knowledge of the market and consumer needs.

The main **channels** of Didi include its site, application and allied web-based platforms, such as WeChat. Didi's marketing channels are remained unclear, except for initial personal approach to drivers of the main locations such as airports and train stations (http://www.forbes.com/sites/liyanchen/2015/09/23/meet-ubers-mortal-enemy-how-didi-kuaidi-defends-chinas-home-turf/#670f40a0fec9). There is also some information of promotion discount rides and celebrity endorsements (http://chinainnovation.campaignasia.com/home/articles/innovation-about-a-nation/).

Customer relationships strategy also remains opaque, but as a web-based platform is should be more automated than personal. The main element of their customer relationship is the local origin of the company. They really try to push through the idea that only Chinese company can know what Chinese consumers want.

Revenue streams of Didi are generated through the commission on mobile data from using the application and many businesses that it is involved in, such as designated drivers, busses and test drives. Exact figures are also unknown, but the company claims to have at least 3 million rides per day in either one or each of the main business categories: taxies and private car rides (https://www.techinasia.com/infographic-didi-kuaidi-uber).

Key resources of Didi include the technological ones (site and application) and financial ones – more than $4 billion in venture capital funding and knowledge of the Chinese market (http://www.forbes.com/sites/briansolomon/2015/12/01/didi-kuaidi-claims-its-kicking-ubers-butt-in-china/#290f3846d916).

Didi's **key activities** are platform development, new services set up and strategic expansions and partnerships, since its main competitive advantage over key competitor Uber is its higher presence in China (larger market share and customer base and more locations) and local origin.

Key partnerships of Didi Chuxing include investors, governmental authorities and corporate partners. First, investors represent an important force in Didi's external environment, since it raised more than $4 billion in funds (one of the early investors being Alibaba). Next, governmental authorities represent both threat and potential. From one point of view, government is trying to regulate ride-hailing industry by hindering both foreign and local companies. However, it seems like Uber is more under threat as an outsider (http://www.forbes.com/sites/ellenhuet/2015/09/07/world-war-uber-why-the-ride-hailing-company-cant-conquer-the-planet-yet/#70a9ae366b81). What is more, Didi has partnered with companies providing same services in other regions to attain mutual advantages over Uber (http://www.geektime.com/2016/04/12/war-against-uber-lyft-and-didi-kuaidi-begin-testing-cross-platform-use-for-visitors-to-u-s-and-china/). Last, Didi arranged partnerships with local technology-based companies for the same reason. Those partners include map data providers and local communication and booking platforms, such as WeChat (property of Tencent) (https://rctom.hbs.org/submission/didi-kuaidi-chinas-car-hailing-market/).

Cost structure of Didi remains vague, but it can be assumed, that its main costs are composed of the software development, marketing and expansion activities.

Didi Chuxing			On-demand Service Provider
Customer Relationship · Automated · Local origin	**Customer Segments** · Drivers · Passengers · Business	**Channels** · Site · Application · Partner applications · Marketing	**Key Partnerships** · Investors · Government authorities · Map providers · Foreign ride-hailing
Cost structure · Software development · Marketing · Expansion	**Key Activities** · Platform · Marketing · Community	**Revenue Streams** · Commission · Aside businesses	**Key Resources** · Platform · Financial · Market experience
Value Proposition Didi Chuxing offers a wide variety of ride-hailing services that meet the unique demands of Chinese people through the web-based platform			

Lyft

Lyft is an American company providing ride sharing services through the web-based platform.

Lyft's **customer segments** include drivers and passengers.

Drivers are people who own a car with extra capacity and are willing to give ride to others for money. Passengers are people who do not own a car, but enjoy private transportation mean and meeting new people. The majority of Lyft's passengers are millennials (age 18-34) (http://mashable.com/2015/07/07/lyft-president-milliennials-cars/#xdklNxnboOq8), but the company is trying to disrupt the idea that ride sharing is only for young people by offering a third person ride hailing services for elderly people (http://mashable.com/2016/01/14/lyft-seniors/#Rv0buRclLiqX).

Lyft also offers corporate solutions which include rides for business, healthcare and education – late-night rides for students and faculty on campuses (https://www.lyft.com/work).

Lyft's **value proposition** is about ride sharing and matching drivers with passengers through online-based platform. To drivers Lyft offers company on the way, extra earnings and flexibility. To passengers Lyft offers an easy and cheap transportation solution with an opportunity to meet new people. Lyft's value proposition also includes more orientation towards rural and suburban areas.

Lyft's main **channels** are its platform (site and application), marketing activities and self-promoting community. The platform is everything for those kinds of businesses: the product, the marketplace and the main channel. Lyft has been doing a great deal of marketing in terms of both branding and promotion activities. This is mainly done to diversify from the biggest competitor Uber and create a large consumer base. Marketing of Lyft includes branding activities, promotion videos, offline events various socially beneficial services and a word of mouth buzz that it generates. When launching in 24 new cities Lyft offered free rides to its parties in those cities during the day (http://cmxhub.com/etsy-lyft-udemy-marketplaces/). Its main distinctive feature is the sense of community that it builds rigorously. Lyft is trying to create trust and interaction among drivers and passengers, for example, by requiring Facebook connections from their customers (http://business.time.com/2013/05/23/lyft-off-car-sharing-startup-raises-60-million-led-by-andreessen-horowitz/). Another example of community building and saving on recruitment costs is handling a mentorship program for new drivers (http://cmxhub.com/7-lessons-on-building-community-in-the-sharing-economy-from-lyft-storefront-yerdle-and-boatbound/).

Here again **customer relationships** are built through such activities as healthcare patients transportation and community building. Lyft is encouraging people to trust each other while riding and thus trust Lyft as a match provider. Experience show that people are communicating more in Lyft rides than in Uber ones (https://www.quora.com/What-is-the-difference-between-Ubers-business-model-and-Lyft). In the beginning Lyft was personally meeting every new driver and gave them the brand symbol to put on their car. Now this is done by experience drivers through the mentorship program (http://cmxhub.com/etsy-lyft-udemy-marketplaces/).

Lyft is **earning money** by charging 20% of the ride's price, which is exactly the same as the Uber's. Except for Lyft's monthly volume is 15 times smaller (http://fortune.com/2016/01/29/waze-lyft-deal/).

Lyft's **key resources** include the platform, the brand and the money that it is raising to invest into gaining the customer base. Lyft did not raise as much funds as Uber did ($2 billion against $9 billion; https://www.crunchbase.com/) which entails it to more strategic partnerships.

Key activities of Lyft include platform development and maintenance, community building and marketing its platform. Again, to highlight the efforts Lyft is putting into marketing and brand awareness, its common rebranding and redesigning of the application can be mentioned (http://mashable.com/2015/01/27/lyft-marketing-plan/#Xzgr7Xe4oaqy).

As for **key partnerships**, investors and legal authorities are one of the main ones as well as corporate partners, mapping providers and international ride-hailing companies. Investors are of key importance to startup companies. Legal authorities are important because of the in-between position of the sharing economy without proper legislation. The good news is that Lyft's competitors suffer from legal fines just as much (http://uk.businessinsider.com/uber-lyft-business-models-and-lawsuits-2015-3?r=US&IR=T). Being a follower in the market, not the first comer, Lyft is taking as much advantage from partnerships as possible. Partnering with local (http://fortune.com/2016/01/29/waze-lyft-deal/) and foreign companies to combine investments into R&D, improve its service and enlarge its customer base, introducing tourist passengers to partner platforms (http://www.geektime.com/2016/04/12/war-against-uber-lyft-and-didi-kuaidi-begin-testing-cross-platform-use-for-visitors-to-u-s-and-china/).

Cost structure of Lyft is comprised of the software development costs and investments into market share enlargement and win over customers. Marketing and promotion constitute a great deal of Lyft costs.

Lyft			**Marketplace**
Customer Relationship · Community · Personal approach	**Customer Segments** · Drivers · Passengers · Business	**Channels** · Site · Application · Marketing · Community	**Key Partnerships** · Investors · Legal authorities · Map providers · Corporate partners
Cost structure · Software development · Marketing	**Key Activities** · Platform · Marketing · Community	**Revenue Streams** Service fees from drivers	**Key Resources** · Platform · Brand value · Financial
Value Proposition Lyft's value proposition is about ride sharing and matching drivers with passengers through online-based platform			

Fon

Fon			Access-based
Cost structure · Software and hardware development	**Key activities** · Software and hardware development · Expansion	**Revenue Streams** Sales of hardware, software and passes	**Channels** · Network of hotspots · Partnering ISPs
Key Resources · Software (technology) · Hardware (routers)	**Customer segments** · Individuals · Businesses	**Key Partnerships** · Telecom companies · ISPs	**Customer Relationship** · Information security
Value Proposition Fon is offering free network connection to users and businesses in exchange for sharing their Wi-Fi bandwidth			