LIQUID CONSUMPTION IN THE PLATFORM ECONOMY: A COMPARATIVE CASE STUDY OF THREE PLATFORMS AND SIX USER GROUPS

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Introduction and Conceptual Background

In our daily lives, we increasingly rely on digital platforms for many activities, from socializing, to transportation, and work (Van Dijck et al., 2018). Digital platforms enable new forms of consumption that can be more “liquid” than traditional alternatives. The notion of “liquid consumption” (Bardhi & Eckhardt, 2017) draws on Bauman's theory of liquid modernity to describe shifts in consumer behavior in recent years. Liquid consumption is contrasted to more traditional “solid” consumption and is characterized by ephemerality (rather than endurance), access (rather than ownership), and dematerialization (rather than material possessions).

Given the recency of the liquid consumption concept, the increasing diversity of the platform economy, and the rapid pace at which it is evolving, our understanding of liquid consumption within and across platforms is immature. Despite the popularity of liquid consumption theory and the prominent role of digital platforms in shaping liquid consumption (e.g., sharing economy discourses often focus on access; analyses of social media platforms, such as Snapchat, or specific functions, such as Instagram Stories, spotlight ephemerality), a thorough and comprehensive analysis how digital platforms enable or constrain liquid consumption is missing.

In our research, we address this gap. We comprehensively study the role of liquidity on different digital platforms. In doing so, we focus on examining platform use, consumption, and production. This is for two reasons. First, we want to capture the

differences and interactions between distinct but interrelated market sides. Second, new types of platform-mediated organizing and work merit attention. In this context, consumption and production intersect, and the consumption may include services provided by humans (i.e., labor). On two-sided or multi-sided platforms, the liquidity of the experience likely differs considerably depending on whether someone uses the platform as a provider (e.g., Airbnb host), consumer (e.g., Airbnb guest), or in an intermediary and hybrid role (e.g., a Deliveroo rider connecting consumers in the form of restaurant patrons to providers in the form of restaurants).

The research is based on an in-depth comparative case study of three leading platforms and six roles, analyzing how strongly each platform and role can be situated at the liquid pole of the solid-liquid spectrum. Our comparative case study aims to provide novel insights into the operational characteristics of the different platforms, exploring the (potentially significant) role of liquid consumption. It answers the following research questions:

1. How inherent is liquidity in a certain product/service category in the first place (pre-platform)?
2. Where do different platforms fall on the dimensions of the liquid-solid consumption spectrum?
3. How does the solidity/liquidity of the consumption/use/experience differ between providers and consumers?

Methods

This paper focuses on three distinct and prominent platforms of the platform economy: Airbnb, Uber, Fiverr. Each of the three types of gig work in Duggan et al.'s (2020) typology of capital-platform work, app-work, and crowdwork is represented by one key platform. Within each platform, we analyze the consumption experience, broadly speaking, from two sides: the consumer side (Airbnb guest, Uber passenger, Fiverr client) and the provider side (Airbnb host, Uber driver, Fiverr freelancer). Our comparative case study approach allows to systematically analyze how the different platforms enable or constrain liquid consumption (Yin, 2018). The case studies on individual platforms combine academic work, secondary sources published by the relevant platforms (e.g., press releases and annual reports), and additional sources, for example, from the trade press, newspapers, or analysts. Moreover, we critically analyze the platforms using the walkthrough approach (Light et al., 2018). We use graphical maps – spider web diagrams – as analytical support tool to (i) visualize the results of the three individual case studies based on a structured scoring approach along key dimensions, and (ii) conduct multi-dimensional comparisons between different platforms to identify differences and trade-offs (Ahmed & Rafiq, 1998).

Expected Results and Next Steps

We expect to reveal inherent variations across different platform domains.
Airbnb is based in the hospitality and tourism sector, which is indeed characterized by ephemerality, access, and dematerialization on the consumer side, particularly so in the area of experience tourism (e.g., guided tours). However, on the provider side, this sector is infrastructure- and investment-heavy (thus negating access and dematerialization for a good part). The sector is partly ephemeral on the provider side due to the frequent change of consumers, but with some opportunities for loyalty and long-term sociability.

Uber is based in the transportation sector. This sector is less characterized by ephemerality, access and dematerialization on the consumer side. For example, commuting is a more regular activity and less ephemeral than tourism for most people. On the provider side, this sector is by no means liquid. It comes with having to own assets (e.g., a car/bus) or lease them on a long-term, committal basis, and these assets are very much material. Again, the service provision per se is not ephemeral, even though many service encounters might be one-off, short-term, and superficial.

Finally, Fiverr spans different sectors but the key services offered on the platform include software development, graphic design, and writing and translation services. So, the work covers digital service tasks. For consumers, such work is dematerialized, but ownership-based (the client gets to keep the final product and the copyright in many cases). Ephemeralality depends on the specific context. Whereas production is often more solid than consumption, the provider side is dematerialized to the extent that digital production technologies (i.e., hardware and software “assets”) are required for production.

For research questions 2 and 3, we are currently collecting data and will be able to present in-depth insights at the conference. We will combine an analysis of platform communication, in terms of how strongly liquidity (in the form of ephemerality, access and dematerialization) is part of the platform’s vision, operating model, and governance (Light et al., 2018). Particular attention will be paid to stakeholder-oriented communication that targets either consumers or providers and sheds light on the liquidity logics on each side. This will be followed up with the socio-technical walkthrough, where we will study the platform experience directly (if possible) as both providers and consumers or (if not possible) indirectly through third-party sources (e.g., select number of interviews with providers, blog posts, YouTube videos etc.).

References


