A Practice Perspective on Websites for the Sharing Economy

Gabriel H. Mugar
Syracuse University, School of Information Studies
gmugar@syr.edu

Abstract

The sharing economy describes an economic model in which people sell, share, or barter their skills or owned assets directly with others. This economy is facilitated primarily by websites that act as hubs for the visibility and transactions of local assets. Yochai Benkler notes that such peer-to-peer transactions are mediated not by market prices or organizational hierarchies, but by normative frameworks. The ways in which the normative frameworks are produced and perpetuated by transacting parties on the websites has yet to be studied by scholars. This paper proposes a practice perspective as a theoretical framework and Sense-Making as a methodology to explore how users interact with each other on the websites, so as to produce and sustain the normative frameworks critical to the success of the sharing economy.

Keywords: socio-technical, sense-making, collaboration, peer-to-peer, practice perspective

Introduction

The past few years have witnessed an increasing number of websites that facilitate local peer-to-peer transactions of specific assets. Websites like airbnb.com allow homeowners to rent out rooms or entire apartments, zimrides.com allows car owners taking long distance trips to sell seats in their car, and ourgoods.org facilitates connections for artists looking to barter with other artists in New York City. Such websites are part of what Botsman and Rogers call the Sharing Economy (Botsman & Rogers, 2010); peer-to-peer networks where people trade, sell, or share their skills or assets directly with one another. In the sharing economy, the websites act as the meeting place for people with needs to identify people with assets. In addition to matching needs with assets, the websites act as grounds for negotiating the terms of a transaction. As Yochai Benkler points out, peer-to-peer transactions are mediated not by market mechanisms or hierarchical models, but instead by social frameworks (Benkler, 2004). In other words, peer-to-peer transactions are disintermediated, meaning there is no middleman structuring and perpetuating the norms of the transaction. Rather, a social framework of norms upheld by the participants guides the expectations that transacting principals have of each other. As Benkler points out “peoples expectations about the type of interaction in which they are participating can have a huge impact on levels of cooperation” (Benkler, 2011).

The question of how such websites support social frameworks has been addressed in research from a distinctly quantitative perspective, looking primarily at the impact of reputation management systems on the willingness of participants to engage in peer-to-peer transactions on such platforms as eBay (Resnick & Zeckhauser, 2002; Resnick, Zeckhauser, Swanson, & Lockwood, 2006) and Couchsurfing.org (Adamic, Lauterbach, Teng, & Ackerman, 2011; Lauterbach, Truong, Shah, & Adamic, 2009). While reputation management systems are a critical feature of the sharing economy, reputation is only one aspect of what factors into establishing the normative framework of a website for the sharing economy. Other questions that are important to understand for the continued success of the sharing economy include, for example, how users engage features of the site to help them understand how to effectively negotiate the price or trade of assets, how the site's features help users to communicate effectively with other participants on the site, or what users look for when assessing the reputation of other users.

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This paper proposes expanding the scope beyond reputation by using the practice perspective in social theory to provide a richer description of how users negotiate and establish norms of transactions with other users. The proposed framework also seeks to contribute to existing literature on online collaborative environments by not only introducing the sharing economy phenomenon to the literature, but by also exploring social norms in collaborative environments from a perspective of how users enact and sustain normative frameworks through their interactions with human and non-human actors.

**The Practice Perspective**

The practice perspective in contemporary social theory views social reality as being comprised of a multitude of practices, or specific activities that, through repetition across time and space, represent pockets of social order, or institutions. Each practice is thus defined as a framework of social norms that all individuals who partake in the practice share. Thus, in the view of the practice perspective, collaboration or interaction of any kind between social actors is contingent on a shared frame of reference regarding the social norms of that practice.

Frames of reference, or what Bourdieu describes as Habitus, are "the universalizing mediation which causes individual agent's practices...to be nonetheless "sensible" and "reasonable" (Bourdieu, 1977). If social actors do not share a common frame of reference or habitus, their actions will not be intelligible to one another. Shared frames of reference are also where the idea of social order exist for practice theory. Social order then is understood as shared expectations about how actors will behave in a particular social setting.

The perpetuation and co-construction of common frames of reference are tied to what Bourdieu describes as embodied or objectified modes of practice production. In the case of embodied modes of practice production, people refer to their memories of similar situations to inform present action, or they may mimic the actions and appearances of those around them in that moment. In the case of objectified modes of practice production, habitus is not reliant on interpersonal interactions in order to be perpetuated; rather, symbolic objects represent the key aspects of a habitus. Bourdieu uses the example of calendars as objects used to perpetuate particular agricultural activity, where the calendar as object works as a cue to inform the organization of agricultural work (Bourdieu, 1977). In either mode of practice production, the perpetuation of social order is a function of what different social theorists view as an inclination of social actors to always reflect on their social settings so as to establish common ground with those around them (Giddens, 1984; Goffman, 1974).

This idea of being reflective in the context of both embodied and objectified modes of practice production should evoke questions about the user experience in websites for the sharing economy. For example, what social cues do users look for in each other? What role does the design of the website play in helping to support a common frame of reference between transacting parties? Attention to such questions will help provide a richer perspective of how the social framework of websites for the sharing economy are negotiated and perpetuated across time and space.

**Research Method**

This paper proposes the use of Dervin's Sense-Making as a methodology to unpack the activity of users of websites for the sharing economy in order to understand how they produce and establish a common framework for collaborating. Sense-Making comes out of research on information behavior, looking at the information seeking practices of information systems users. In this case "Information seeking and use are seen as processes, the step-taking that human beings undertake to construct sense out of their worlds" (Dervin, 1992).

Sense-Making is grounded in the ontological assumption that movement through life involves persistent confrontations with discontinuity, meaning that social actors constantly find themselves in moments where they need to make sense of the current situation in order to proceed (Savolainen, 1993). Sense-Making then is a description of the activity of "reflexive monitoring of the environment of action"(Savolainen, 1993). Like the practice perspective in social theory, Sense-Making views social order as the product of an ongoing process perpetuated by social actors as they work together on "the development of shared rules and procedures for meeting fundamental life discontinuities" (Savolainen, 1993).
One of the more prominent methods for Sense-Making is the Timeline technique in which the interviewer asks the respondent to describe a problem situation step-by-step and then at each step, describe any challenges they may have experienced and what either helped the respondent move past the challenge or what held them back (Savolainen, 1993). In the case of websites for the sharing economy, because the perpetuation of normative frameworks are critical to successful transactions, the Timeline technique would allow for a detailed description of the ways in which users interact with each other and with the features of the site in order to establish the common ground needed for successful transactions. Such a description would help researchers interested in the ways in which normative frameworks are perpetuated in online collaborative environments.

Conclusion

The sharing economy is reliant on normative frameworks that establish the common ground social actors require when transacting with one another (Tonkinwise, 2011). Currently the majority of research on the sharing economy looks at cause and effect relationships between features of such sites and participants’ willingness to participate. While this helps establish some of the reasons why people are willing to participate in the sharing economy, it does not address the "microprocesses of social life"(Savolainen, 1993), meaning that current research does not show how the features work to mediate the relationships between transacting parties.

The proposed theoretical framework and research method has the potential to contribute to a number of fields. First, the field of Computer Supported Collaborative Work has scholars who engage the question of how design of online collaborative environments work to inform users about the particular normative structure of the environment (Erickson, Halverson, Kellogg, Laff, & Wolf, 2002; Harrison & Dourish, 1996; Harrison & Tatar, 2007). Such work for the most part has remained at a theoretical level and is in need of opportunities for more empirical investigation. The rise of websites for the sharing economy provides opportunities for such investigation. For designers, the proposed approach may help to uncover not only how users are establishing and perpetuating the social norms for a specific site, it might also show designers what social norms are important to users.

References


