2. A Detailed Background of this study

This chapter has two main parts. The first part is an introduction of sharing economy and platform, as well as, their comparison with other business models. The second part goes deeper into the disruptive forces of sharing economy and identifies the research gap. The discussion in this chapter shall be applied to Chapter 4 results and analysis.

2.1. Meaning of sharing economy, platform in sharing economy and platform strategy

As mentioned, sharing economy is defined as the peer-to-peer-based activity of obtaining, giving or sharing access to goods or services, coordinated through online service platform (Hamari, Sjoklint & Ukkonen, 2016). From the analysis of definition, different from other business models that involve sharing of resources such as cloud computing and MOOC, the sharing of resources must be initiated by peers instead of large resource providers such as large IT companies and universities. Therefore, designing and maintaining an attractive and convenient platform that can attract people to share and consume peer-to-peer resources is important for the success of contemporary sharing economy.

Platform is defined as "a business creating significant value through the acquisition, matching and connection of two or more customer groups to enable them to transact." (Reillier and Reillier, 2017, p.21-22). Therefore, the essentials of contemporary sharing economy are platform and people. Platform strategy is thus important to attract people, regardless of resource provider or consumers, to use the platform. It provides a place to match resource providers and consumers who transact directly with each other using peer-to-peer resources (Hagiu and Wright, 2015).

comparisons between the three business models are shown at the following table.

Table 1 The comparison of platform, retailer/reseller and input/output business

Platform	**Retailer/reseller**	**Input/output business**
Acquires, matches and connects customer groups and enable transactions	Buys goods or services from selected producers, sells them at margin and runs a value-added distribution business	Buys inputs (e.g. raw materials, services) and combines them to product a product or service and sells at margin
Airbnb, Uber, eBay	Costco	Manufacturers such as Toyota

Source: Reillier, L. C., & Reillier, B. (2017)

Among all these three business models, platform business seems to be the most difficult to manage but also having the greatest potential for massive growth and connection to several groups of customers (see figure 1).

Figure 1 The strength and weaknesses of the three business models economy.

2.4. Scholars' point of view on the disruptive forces of sharing economy on traditional business and labours' income

The concept of business disruption was originated by Clayton Christensen. In his book called "Innovator's dilemma". According to Christensen (1997), disruption is about the failure of companies to stay top of their industries when they face certain types of market and technological change. In other words, it is a process of smaller company with fewer resources to successfully challenge the successful incumbent businesses. At the beginning of the development of disruptive technologies, they generally underperform established products in mainstream markets. However, they have new features that a few fringe and new customers value. These products and services are generally cheaper and/or more convenient to use. Because new technologies initially underperform established products in mainstream market, they are ignored by other companies or competitors initially. When the disruptive technologies are starting to gain market share, it becomes too late for traditional businesses' revenue/profit to respond. However, it is difficult to identify which disruptive technologies will gain prominence at last. That results in innovator's dilemma.

In Christensen (2015)'s newer article, he set out three conditions for disruptive innovation. They are (1) disruptive is a process from originally low-end or new-market footholds to challenge the incumbent products or services, (2) disrupters build business models that are very different from those of incumbents and (3) some disruptive innovations succeed and some do not.

Based on the principles by Christensen (1997;2015), Uber and Airbnb are workers earn median gross hourly earnings of EUR17.5 vs EUR12.7 in offline market. Animals workers earn EUR26.00 per hour vs EUR10.82 in offline market. In transport, they earn EUR17.6 vs EUR10.94 per hour in offline market. Finally, wellness workers earn more than 2 times more than offline market. Besides, sharing economy is on the rise which may attract people to earn primary source of income from sharing economy (De Groen & Maselli, 2016). For example, in USA, the top five motivation of US sharing economy labour force is primary source of income, could not find work in offline economy, enjoy flexibility of sharing economy and fancy the independence bring by sharing economy. Therefore, because of higher earnings, the best workers in the field such as wellness/fitness coach, home repair, household and transport may go to online market or sharing economy market for higher earning. It may lead to loss of good labour force in some markets (De Groen & Maselli, 2016).

2.5. Scholars' view on the regulatory issues of sharing economy platform

Perhaps the most sensitive issue of sharing economy is the regulatory issue. The regulatory issues of sharing economy platform are information asymmetry, externalities and the blurring of boundaries between personal and professional (Cohen and Sundararajan, 2015). Information asymmetry arises when the users do not know the qualifications and behaviour of the service providers. It hinders their intention to match, interact and transaction each other. Externalities in sharing economy arise when there is oversupply of, for example, Uber cabs, Airbnb rooms on the street which lead to market inefficiency and wastage of resources. The blurring between personal and professional means that the service providers may not have the qualification to provide the service which lead to the non-professional nature of supply and induce the emergence of new organisation as part of self-regulatory