Ride On! Mobility Business Models for the Sharing Economy

1. Boyd Cohen  
2. Jan Kietzmann

Organization Environment September 2014 vol. 27 no. 3, 279-296

Abstract

The public perception of shared goods has changed substantially in the past few years. While co-owning properties has been widely accepted for a while (e.g., timeshares), the notion of sharing bikes, cars, or even rides on an on-demand basis is just now starting to gain widespread popularity. The emerging “sharing economy” is particularly interesting in the context of cities that struggle with population growth and increasing density. While sharing vehicles promises to reduce inner-city traffic, congestion, and pollution problems, the associated business models are not without problems themselves. Using agency theory, in this article we discuss existing shared mobility business models in an effort to unveil the optimal relationship between service providers (agents) and the local governments (principals) to achieve the common objective of sustainable mobility. Our findings show private or public models are fraught with conflicts, and point to a merit model as the most promising alignment of the strengths of agents and principals.

• Sharing economy, Business models, Sustainability, Carsharing, Ridesharing, Bikesharing, Agency theory, Uber, Zipcar