

The sharing economy as a factor of increasing competitiveness

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Abstract: The sharing economy, as a system based on exchange, is a section of economics that brings a completely new perspective on economic processes. The goal of any economy is to use resources as efficiently as possible. This objective can be achieved by using these resources to the maximum extent possible. The sharing economy then opens up new possibilities for the use of resources, involving not only businesses but also and especially people sharing their private property, which they have hitherto used only for their own personal purposes. Entrepreneurs who are able to take advantage of this mechanism, i.e. the use of private property of non-business persons in return for compensation, can significantly reduce their costs. These costs would otherwise have to be spent on acquiring new property or leasing property from someone else on a long-term basis. The aim of this article is to define the concepts of sharing economy and competition, and to evaluate the relationship between the use of sharing economy elements and increased competitiveness on selected examples by analysing available statistical data.

Keywords: sharing economy, competitiveness, efficiency, business, resources

JEL Classification: M20, K22, F12

1 Introduction

The sharing economy, as a system based on exchange, is a part of the economy that brings a completely new perspective on economic processes. Its goal is the most efficient use of resources. The sharing economy is built on the sharing of commodities or assets based on their rental or exchange. It is not a new concept, the shared economy, or its principles have been with us for a long time. (Hossain, 2020; Cheng, 2016; Platonova, 2023). According to Oxford Learner's Dictionaries (2023), the definition is: „An economic system in which people can share possessions, services, etc., usually by means of the internet“. In academia, the sharing economy is most often defined as an economic ecosystem that is typically based on temporary access to goods or services using Internet platforms connecting various community members (Karobliene & Pilinkiene, 2021). The sharing market is developing rapidly, allowing people to exchange, borrow, or collectively consume almost any good or service. That is also why we can meet the shared economy in almost all areas, among the most mentioned are:

- Transportation,
- Accommodation,
- Financial services,
- Workspaces, work tools or manpower,
- Provision of services,
- Education,
- Music and videos,
- Cloud services etc.

The development of the shared economy concept is to some extent dependent on the development of digital platforms, where some forms are directly dependent on them. Authors Pouri & Hilty (2021) therefore develop the basic definition of the digital sharing economy (DSE): „*The digital sharing economy is a class of resource allocation systems based on sharing practices which are coordinated by digital online platforms and performed by individuals and possibly (non-)*

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commercial organizations with the aim to provide access to material or immaterial resources. Digital sharing systems operate in the space between traditional sharing and the formal market economy.“ The development of the platform model of business (platform model) is associated with problems with ensuring equal access to consumers and possible consumer legal actions, up to legal actions regarding consumer discrimination when using the platform. (Lee et al., 2021).

The sharing economy is for everyone. In certain situations, consumers become providers and offer a certain product to share or offer a service. A typical example is shared accommodation such as Airbnb. Exactly when and under what conditions users become providers of the shared economy are analysed by Lang et al. (2021). At the same time, it allows users of the sharing economy to access services and products that they would either not be able to afford or would not use. The growth in the use of the sharing economy is also the trust of consumers, i.e. the recipients of the service, in the business model of the sharing economy and the associated technologies/platforms (Wagner et al., 2019). Furthermore, users can reduce their costs because sharing often offers more affordable alternatives to traditional ways of buying or owning. But even the shared economy is influenced by new trends in consumption, marketing and working conditions.

The interest in the shared economy is also from the point of view of sustainability, or circularity. After all, one estate is used on a mass scale by several entities at once. However, as Martin (2016) states, it is rather a new form of consumption, which initially did not deal with issues of sustainability, but in the future this element will gain importance. It therefore has a high potential for growth as an innovative model that translates into sustainable consumption and circularity (de Las Heras et al., 2020; Yeganeh, 2021).

Kotler et al. (2017) consider a thriving business to be one that strives to provide more value to the customer than its competitors provide. An entrepreneur must be competitive on the market, that means he must be able to deal with competitive potential. The goal is to prosper, develop, grow in the markets where it operates. It means achieving a strategic advantage and maintaining an edge over the competition. Although it can mean something different for everyone depending on the context, it is always very crucial to adapt to the needs of the end customer. The advantage can be in better product quality, lower costs, innovation and faster adaptation, efficiency, satisfied customers, marketing strategy, sustainability or perhaps in the use of the shared economy.

The sharing economy can significantly contribute to increasing competitiveness. Typically, companies use resources more efficiently, supporting innovation and new business models. The shared economy here offers an interesting tool to reduce operating costs and thereby achieve the same or even higher profits compared to the competition. However, the resulting product offered by the competition will ultimately be cheaper, which is a de facto key element in the competitive struggle. Kathan et al. (2016) but warn that due to rapid development, it may pose a serious threat to some established industries.

The sharing economy plays a significant role in increasing the competitiveness of the economy by promoting more efficient use of resources, expanding market and product access, stimulating innovation, reducing costs, and increasing competition in multiple sectors. Behind the rapid growth of the sharing economy concept is lax regulation and taxation in this area (Yeganeh, 2021). However, it is important to note that with this model comes challenges such as regulatory, security and consumer protection issues that need to be carefully considered and addressed. The aim of this article is to define the concepts of sharing economy and competition, and to evaluate the relationship between the use of sharing economy elements and increased competitiveness on selected examples by analysing available statistical data.

2 Methods

To achieve the set goal, the authors used several methods of scientific work. Among the core methods of the work, it is necessary to include analysis and synthesis, with the help of these methods applied to the achieved scientific knowledge, the authors defined the key concepts for this article, namely the concept of the shared economy and the concept of competitiveness. A sharing economy can be defined as an economy based on the sharing of commodities or property, either for money or based on exchange. Competitiveness is the ability of a company to establish itself in a certain field of business compared to others.

Furthermore, the authors used methods of scientific work based on the evaluation of primary and secondary data. Legislative acts were mainly used to define the framework and safeguards of the shared economy. This is because it is an area that, for the time being, is on the edge of a regulated and an unregulated area. For the time being, the states are taking different advice on anchoring this system in their legal systems. In some states it is anchored quite convincingly, in others it moves completely outside of any regulation. However, most states are on the borderline, meaning that a certain regulation exists, but rather it is an existing regulation, where the state tries to apply already existing rules to a newly created situation. However, explicit regulation of the sharing economy is often lacking in these states. However, the question remains whether this regulation is possible at all. Additionally, the problem is that regulations do not change as quickly as technology, often leading to inconsistencies and liability issues (Kathan et al., 2016).

Finally, statistical data were used to illustrate and evaluate the relationship between the sharing economy and increased competitiveness. Statistical data obtained from the statista.com service was analysed in the preparation of this article. The individual data within the selected examples - namely shared accommodation services, shared workspace or shared workforce and car sharing - pointed to the fact that elements of the sharing economy can open up interesting opportunities for entrepreneurs when the use of these elements generally reduces the cost of using them. Through the reduction of costs or the efficient use of resources, the shared economy can be an interesting factor for entrepreneurs to increase their competitiveness.

3 Research results

Entrepreneurship in general can be defined as an activity carried out independently and consistently, on one's own account and responsibility, and especially for the purpose of making a profit. Every entrepreneur therefore acts in such a way as to achieve the greatest possible profit while incurring the least possible costs. If entrepreneurs can optimally reduce their costs without reducing their profits, they increase their competitiveness. The products and services it offers in this way are, in comparison with the competition, significantly lower than the products and services offered by the competition with higher operating costs.

The introduction of elements of the shared economy brings completely new possibilities to entrepreneurs. Through the sharing economy, entrepreneurs can significantly reduce their costs, thereby increasing the efficiency of production processes and thus competitiveness, as will be shown below with selected examples in the chosen sectors.

The elements of the sharing economy can be used by entrepreneurs as users. That is, as persons who use already existing tools to reduce costs, which we classify in the shared economy. In this case, it will be possible to identify a direct relationship between the use of elements of the shared economy and the savings that this use will bring. Examples include the use of shared short-term accommodation services, shared workspace or shared workforce.

The P2P accommodation segment is a unique segment of the sharing economy (Belarmino & Koh, 2020) that Airbnb has become synonymous with. Airbnb has been around since 2007 and over the years has evolved into a world-renowned digital platform that allows people to rent out their properties on a short-term basis. It brings a number of advantages (e.g. lower prices for users, the possibility of additional income for providers, a diverse selection of accommodation and others), but also disadvantages (e.g. tax evasion, negative impact on the real estate market and disruption of order in houses). The legal regulation of P2P accommodation is insufficient in many respects, also because the segment developed faster than the current legal regulation had time to react. From Figure 1, using the example of the Airbnb accommodation service, it can be seen that the price of a room rented through this service can be significantly lower than in the case of using classic accommodation in hotel rooms. This therefore offers entrepreneurs who use this type of service an interesting opportunity to reduce their costs.

Figure 1 Price comparison of hotel rooms and Airbnb services in selected cities

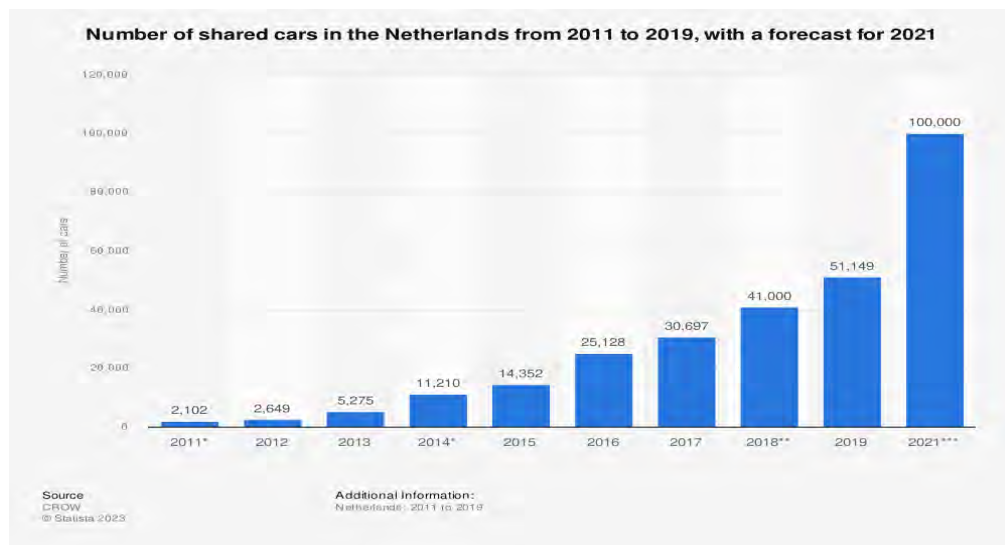


Source: (McCarthy, 2018)

On the other hand, entrepreneurs can also be in the position of service providers in the sharing economy. In this case, the entrepreneur already directly offers temporary access to goods or services using Internet platforms. As can be seen from Figure 2, the trend of using shared goods and services is growing significantly. Using the example of the research

carried out in the Netherlands on shared cars, it is evident that the growth dynamics of the use of this type of transport is following an exponential curve. The same development is evident in many other countries.

Figure 2 Number of shared cars in the Netherlands from 2011 to 2019, with a forecast for 2021



Source: (CROW, 2020)

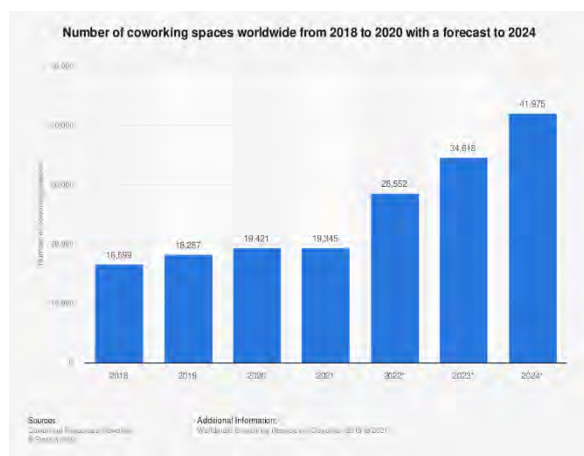
Both variants offer entrepreneurs tools to significantly reduce their operating costs and use resources efficiently. The first option offers a reduction in operating costs by using someone else's resources. While the use of own resources (that is, property owned by the entrepreneur), especially in the case of small and medium-sized entrepreneurs, their potential is often not fully utilized, in the case of the sharing economy this is not a threat. The risk of non-use of resources is assumed by the provider of goods or services that are shared in this way, and the entrepreneur only pays a proportional part for the time he uses the thing. This is best seen in the case of shared transport. If an entrepreneur wanted to use his own property to transport himself or his employees, goods, etc., this would mean that he would have to purchase a car that he would use for these purposes. However, such a car would only be used for a fraction of the time of its existence (business trip, shipment of goods, etc.) and for the rest of the time it would stand unused, its potential would not be used, but the entrepreneur would be obliged to pay the fixed costs associated with car ownership (insurance, vehicle wear and tear, etc.). Of course, there are also entrepreneurs who use the potential of their property to the maximum extent possible, but there are also many entrepreneurs who implement the business model as presented above.

The second option, on the other hand, puts entrepreneurs in a completely opposite position. The entrepreneur is the owner of the thing that he uses for his business needs. However, at a time when this item is not being used, it is offered by the entrepreneur through Internet platforms to other users, so that the potential of using such an item is as large as possible. Of course, even in this case, it will depend on the assessment of the individual conditions of each entrepreneur, no less, even an item that is not used gradually loses its value.

A shared workplace, sometimes referred to as a shared office space, work environment or coworking, is also considered a shared economy concept (Ciccarelli, 2023; Konecka-Szydłowska & Czupich, 2022). Shared workplaces can be run as standalone businesses or part of larger coworking networks. This concept supports the sharing and efficient use of existing office space and contributes to flexibility in the labour market (Kubátová, 2014). Sharing a workplace can have several advantages. Above all, it brings economic efficiency to the subjects when sharing costs for rent, energy and equipment, use of modern office infrastructure. An indisputable advantage is flexibility and networking, as coworking spaces offer the opportunity to meet, share experiences and inspiration. Although, according to the authors, the advantages outweigh the disadvantages, we list some of them, such as limited privacy or information leakage. Depending on the type of shared workspace, the flexibility or availability of the location may be limited, the quality depends on the provider, the price, security. However, these aspects can be solved by choosing a shared location and a contract or regulation with the given provider.

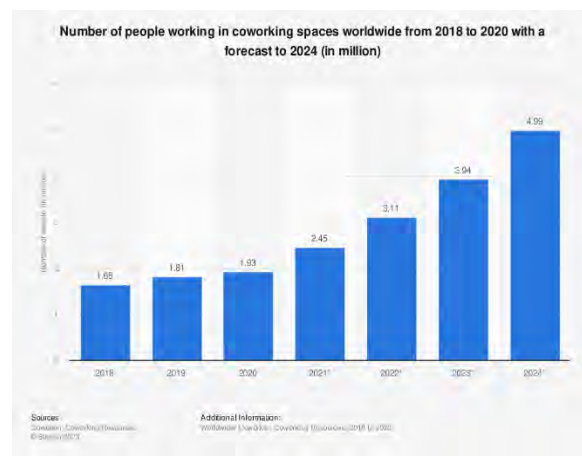
The statistics of shared workplaces, coworking, are also interesting. According to the predictions shown in Figure 3 and Figure 4, there will be a total of 41,975 coworking spaces worldwide in 2024. Almost 5 million employees will work in these jobs in 2024.

Figure 3 Number of coworking spaces worldwide from 2018 to 2020 with a forecast to 2024



Source: (Coworking Resources & Coworker, 2022)

Figure 4 Number of people working in coworking spaces worldwide from 2018 to 2020 with a forecast to 2024 (in million)



Source: (Coworker & Coworking Resources, 2020)

The sharing economy opens new opportunities for entrepreneurs. Thanks to it, they can effectively reduce costs and thus increase their competitiveness. This is also evident from the selected examples. For example, the Airbnb platform allows accommodation to be rented at lower prices than traditional hotels, which is beneficial for entrepreneurs. The trend of sharing goods and services is growing rapidly, as shown by studies from different countries, for example in the Netherlands, where shared cars are gaining more and more users. Shared workplaces, known as coworking, also offer many benefits, including economic efficiency, flexibility, networking, and experience sharing. Coworking statistics are also interesting, which show the increase in coworking places and thus the use of all the benefits.

4 Conclusions

Thanks to cost reduction and efficient use of resources, the shared economy can be an interesting factor for entrepreneurs to increase their competitiveness. But at the same time, for some, due to the rapid development of sharing and use of technology, it can mean a serious threat to some established industries (Kathan et al., 2016). We can therefore state that competitiveness can be significantly influenced by the shared economy. This can bring new factors that can increase, but also disrupt, the competitiveness of entities. The sharing economy brings new players to the market, increases the pressure on the quality of products and services and on reducing prices. Some shared services are often dependent on reviews and therefore customer satisfaction. Again, the pressure is on a quality product and quality customer service. In this case, businesses using the digital sharing economy concept have a competitive advantage. But the sharing economy can disrupt traditional industries, both positively and negatively, which creates the need for adaptation and innovation in these industries, and as a result affects overall competitiveness.

We must not forget one aspect, namely the combination of the concept of sharing and sustainability. The sharing economy also brings benefits for the environment. On the one hand, resources are optimized, products are used more, have a longer lifespan, and thus the need to produce new products is reduced. Products are redistributed and waste is reduced, thereby reducing the amount of waste and carbon emissions associated with the production and disposal of older products. The impact of transportation can be problematic, as sharing usually involves transportation (such as ridesharing or delivery services), but these transportation services often result in less environmental impact compared to the production of entirely new products. The sharing economy will play a pivotal role in promoting sustainable development by striving to use resources efficiently, extend the life of products and minimize waste and carbon emissions. The use of these elements in business will again lead to an increase in competitiveness on the market. It is therefore logical that these elements leading to sustainable development, including the sharing economy, will be increasingly emphasized in the future.

Entrepreneurs who focus on sustainability and resource sharing can reduce the cost of raw materials and energy resources in the long term. This can give them a competitive advantage in the face of increasing environmental constraints. The sharing economy can thus increase competition and innovation, reduce costs, and contribute to increased availability of products and services. The result is an overall increase in the competitiveness of markets, but it is important to ensure that this growth is sustainable, fair and in accordance with relevant legal regulations and ethical standards. And this is where the authors see the main problem. Development in this area is faster than regulatory adaptation. Regulation lags significantly behind development, creating a grey zone in this segment that enables the use of elements of the shared economy without uniform regulation. This means that each entrepreneur can interpret the rules, or their absence, in this

segment according to their needs. The absence of uniform rules thus introduces elements of an unequal competitive struggle, when entities that move on the edge or outside the existing rules will be favoured, believing that they are acting as they are allowed to do. On the other hand, there will certainly be a group of subjects who will want to act in accordance with ethical standards, which, paradoxically, may cause them to be at a competitive disadvantage. However, this area already goes beyond the scope of this article, and it is offered to be explored as part of a separate research following the findings already established.

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