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**THE EFFECT OF SHARING ECONOMY BUSINESS MODEL ON CUSTOMER
VALUE IN NAIROBI: A CASE OF UBER**

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MBA/96446/17

**A dissertation submitted in partial fulfilment of the requirements for the award of
degree of Master of Business Administration of Strathmore University**



MAY 2019

DECLARATION

I declare that this dissertation is my original work and has not been previously submitted and approved by Strathmore University or any other Institution for the award of a degree. To the best of my knowledge and belief; this dissertation is original and borrowed materials has been done with due reference.

Sign.....

Date.....

Priscilla Muhiu

MBA/96446/17

Approval

This project has been reviewed and approved for examination purposes.

Sign.....

Date.....

Dr. Simon Ndiritu

Senior Lecturer

Strathmore University Business School



ABSTRACT

The customer value represents the satisfaction that customers achieve from the purchase of services. The current study sought to determine the effects of sharing economy business model on customer value in Nairobi, with special reference to Uber. Specific objectives were; to investigate the effect of collaborative lifestyle on customer value in Nairobi, to establish the effect of marketplace automated platform on customer value in Nairobi, to assess the effect of access-based platform on customer value in Nairobi and to assess the effect of on demand service platform on customer value in Nairobi. The study was based on social cognitive theory and self-determination theory and it employed a descriptive research design targeting active Uber users in Nairobi. According to a report released by Uber Kenya in 2017, they had 363,000 Uber active users. Based on this population, the researcher used simple random sampling to select a sample out of the 400 active Uber users. The study used questionnaires to collect primary data with the help of research assistants. Quantitative data was analyzed using descriptive statistics means, standard deviation, frequencies and percentages while content analysis was used in analysis of qualitative data. The study found that collaborative lifestyle, marketplace automated platform, access-based platform and on-demand service provider significantly influence customer value. The study concluded that collaborative lifestyle is positively related to customer value while marketplace automated platform improves customer value in Uber services. Access based platform affects customer value in Nairobi Uber services and on-demand service provider is positively related to customer value of Uber services. The study recommends that the association of Uber in Nairobi should encourage collaborative lifestyle in their operations as well as make the available marketplace automated platform more user friendly. While conventional businesses could not serve multiple customer's needs, Uber can make effective use of a single platform to serve multiple customer needs, thus creating a unique personalized experience. On-demand service should also be improved since it promotes instant provision of services. Uber can continue to improve the turnaround times to increase customer value.



Keywords: *Customer-Value, Collaborative Lifestyle, Marketplace Automated Platform, Access based Platform, On-demand Service Platform*

TABLE OF CONTENTS

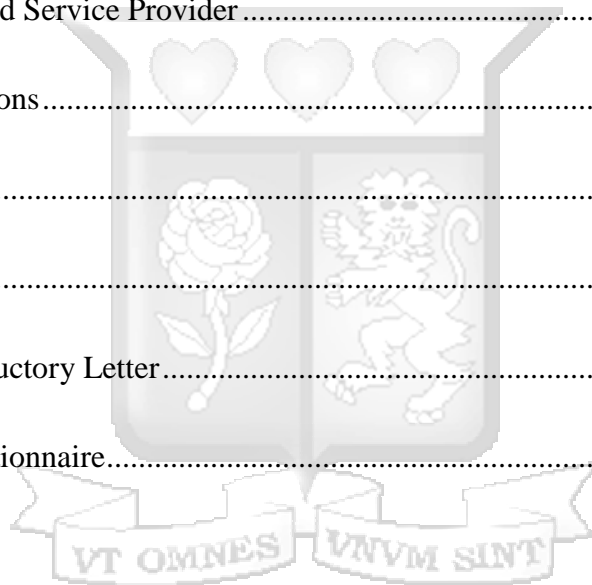
DECLARATION	ii
ABSTRACT	iii
LIST OF TABLES	ix
LIST OF FIGURES	x
ABBREVIATIONS / ACRONYMS	xi
DEDICATION	xii
ACKNOWLEDGEMENT	xiii
OPERATIONAL DEFINITION OF TERMS	xiv
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Sharing Economy.....	2
1.1.2 Customer Value	4
1.1.3 Uber Services in Kenya	5
1.2 Statement of the Problem.....	6
1.3 Objective of the Study	7

1.3.1 General Objective	7
1.4 Research Questions	7
1.5 Significance of the Study	8
1.6 Scope of the Study	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Introduction.....	9
2.2 Theoretical Review	9
2.2.1 Social Cognitive Theory	9
2.2.2 Self-Determination Theory	11
2.3 Empirical Review.....	12
2.3.1 Effect of Collaborative Lifestyle on Customer Value	12
2.3.2 Effect of Marketplace Automated Platform on Customer Value.....	14
2.3.3 Effect Access Based Platform on Customer Value.....	16
2.3.4 Effect On-Demand Service Platform on Customer Value	18
2.4 Research Gap	20
2.5 Conceptual Framework.....	22
CHAPTER THREE.....	24

RESEARCH METHODOLOGY	24
3.1 Introduction.....	24
3.2 Research Design.....	24
3.3 Target Population.....	24
3.4 Sampling Technique	25
3.5 Data Collection Instruments	25
3.6 Data collection Methods	25
3.6.1 Reliability Analysis.....	26
3.6.2 Validity Analysis	27
3.7 Data Analysis and Presentation	27
3.8 Ethical Considerations	28
CHAPTER FOUR.....	29
PRESENTATION OF RESEARCH FINDINGS.....	29
4.1 Introduction.....	29
4.2 Response Rate.....	29
4.3 Demographic Information.....	29
4.3.1 Gender of Respondents	29
4.3.2 The period respondents have you been using Uber	30

4.4. Descriptive Analysis	31
4.4.1 Collaborative Lifestyle.....	31
4.4.2 Marketplace Automated Platform.....	32
4.4.3 Access Based Platform	33
4.4.4 On-Demand Service Provider	33
4.4.5 Customer Value in Kenya.....	34
4.5 Inferential Analysis.....	35
4.5.1 Correlational Analysis	35
4.5.2 Model Summary.....	37
4.5.3 Analysis of Variance.....	38
4.5.4 Regression Coefficients of the study Variables.....	38
CHAPTER FIVE	41
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....	41
5.1 Introduction.....	41
5.2 Discussions	41
5.2.1 Uber’s Customer value	41
5.2.2 Collaborative Lifestyle and Customer Value.....	41
5.2.3 Marketplace Automated Platform and Customer value.....	42

5.2.4 Access Based Platform and Customer value	42
5.2.5. On-Demand Service Provider and Customer Value	43
5.3 Conclusions.....	43
5.3.1 Collaborative Lifestyle.....	43
5.3.2 Marketplace Automated Platform.....	43
5.3.3 Access-Based Platform	44
5.3.4 On-Demand Service Provider	44
5.4 Recommendations.....	44
REFERENCES	46
APPENDICES	54
Appendix I: Introductory Letter.....	54
Appendix II: Questionnaire.....	55



LIST OF TABLES

Table 2.1 Summary of Literature and Research Gaps	20
Table 2.2 Operationalization of Research Variables	23
Table 3.1 Reliability Statistics	26
Table 4.1 Response Rate.....	29
Table 4.2 Collaborative Lifestyle Descriptive	31
Table 4.3 Marketplace Automated Platform Descriptive	32
Table 4.4 Access Based Platform Descriptive	33
Table 4.5 On-Demand Service Provider Descriptive	34
Table 4.6 Customer Value Descriptive.....	35
Table 4.7 Correlations Matrix.....	36
Table 4.8 Model Summary	37
Table 4.9 Analysis of Variance.....	38
Table 4.10 Regression Coefficients	Error! Bookmark not defined.

LIST OF FIGURES

Figure 2.1: Conceptual Framework	22
Figure 4.1 Gender of Respondents.....	30
Figure 4.2 Length of Utilizing Uber Services.....	30



ABBREVIATIONS / ACRONYMS

KUTO	Kenya United Taxi Organization
SCT	Social Cognitive Theory
SDT	Self-Determination Theory
SLT	Social Learning Theory
UK	United Kingdom
US	United States



DEDICATION

I dedicate this dissertation to my sons for being the support and strength that I needed to get through my course.



ACKNOWLEDGEMENT

I would first like to thank my thesis advisor Dr. Simon Ndiritu of Strathmore Business School. The door to his office was always open whenever I had a question about my research or writing. He consistently allowed this paper to be my own work, but steered me in the right the direction whenever he thought I needed it. Finally, I must express my very profound gratitude to my family and to my children for providing me with unfailing support and continuous encouragement throughout my years of study and through the process of researching and writing this thesis. This accomplishment would not have been possible without them.

Thank you.

Priscilla Muhiu



OPERATIONAL DEFINITION OF TERMS

- Customers:** Individuals who receive a service, product or good from another through a financial transaction or monetary exchange (Petrick, 2010).
- Customer perceived benefits:** This is a concept that entails that product success rate is a product of the belief in the customer that the product or service will satisfy their needs (Arvidsson, 2014).
- Customer perceived sacrifices:** These are the things that the customer gives up so as to acquire a product or service. It consists of monetary aspects such as price and non- monetary aspects such as time, search costs and physical efforts (Pura, 2010).
- Customer value:** Entails what a customer perceives about the quality of a product and it's worth against the possible alternatives. Worth means whether the *Customer* feels s/he or he got benefits and services over what s/he paid (Petrick, 2010).
- Drivers of customer choice:** A factor that the consumer considers to purchase products and brands that are relevant to their needs (Petrick, 2010).
- Sharing economy business models:** It is an economic model often defined as a peer-to-peer (P2P) based activity of acquiring, providing or sharing access to goods and services that are facilitated by a community based on-line platform (Pura, 2005).
- Uber:** It is a ride-hailing service (transportation network company) (Arvidsson, 2014).

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Aspects of the changing world such as globalization has led to the emergence of new ways for people to carry out businesses online and in recent years, most business people have resorted to putting their products on the internet where they can be easily accessed by potential customers (Bucher, Fieseler, & Lutz, 2016). This has led to the emergence of a new sharing culture which economists have termed it as “sharing economy” (Schor, 2014), and it has transformed the modern consumer's behaviour (Belk, 2014). This method of doing business is supported by digital networking technologies and appeals to participants to collaborate so as to fully utilize under-utilized inventories through sharing of activities such as rides, accommodation, sharing, tours and other services whose fees can be shared (Eckhardt & Bardhi, 2015).

According to Teece (2010), an effective business model is defined by its ability to deliver high quality services to customers, its ease of use by customers and its ability to convert the payments made by customers into profit. Böckmann (2013) pinioned that there are three factors that bring about value creation in the sharing economy; communication, cost and convenience. PWC (2014) notes that the changing global business economy has greatly fueled the growth in the sharing economy business model which has reduced environmental impacts of consumption. Matofska (2015) notes that atleast \$5.35 billion in the value of the shared business economy is controlled by firms within the United States. PWC (2016) notes that the shared economy business model is expected to soar to \$335 billion in 2025. The most common revenue channels are financing, accommodation, transport, online staffing and video and music sharing. Yaraghi and Ravi (2016) indicated that the sharing economy business in India’s car-sharing business has generated over 30,000 jobs annually. Locally, Kenya has advanced in the technology frontier which has seen the emergence of key platforms in the crowdfunding, peer

to peer lending, book-sharing, office space sharing domestic services and online transport services (Manning, Kannothea, & Wissman- Weber, 2017).

1.1.1 Sharing Economy

Koopman et al. (2014) defines a sharing economy as a marketplace where people gather so as to share or exchange their unused or under-utilized assets. The entrepreneurial initiatives encompassed by this model are diverse and range from technological resources, value creation logics, their legal form of business organization, and ideological roots (Sundarajan, 2016; Acquier, Daudigeos & Pinkse, 2017). What sharing economy entrepreneurs have in common is that they seek to optimize under-used resources. And most of them claim to be transforming society and promoting some form of societal promise in their business model: to improve access to products and services, to build social ties and extend the lifespan of various products (Kathan, Matzler, & Veider, 2016).

This study focused on collaborative lifestyle, on-demand service provision, marketplace automated platform and access-based platform. Access-based platform can be referred to as the surplus capacity business model since it is based on making use of underutilized resources. This business model is premised on the principle that various services and products can be accessed through an online platform. According to this model, the consumer will not purchase the product but will, instead access the product when in need of its services (Bardhi & Eckhardt, 2012). The holder of the platform is charged with the responsibility of providing both tangible and intangible assets which users lease.

In most cases, the marketplace platform is automated, meaning that the operator in charge of this platform facilitates access to business transactions such as BlaBlaCar which provides transport for people (Cohen, & Kietzmann, 2014). This type of lifestyle entails that people who own or have acquired certain skills offer them to other people who need them albeit only for a while; assets which, otherwise could end up being too costly when accessed individually. People share these products on a small geographic scale or on a global scale whereby sharing of intangible assets is possible through an online platform (Leismann, 2013). This platform

enables on-demand services to be provided through deployment of customer-focused service activities and this mostly occurs when one individual provides services required by another individual or company and both users exchange beneficial services or products (Belk, 2014).

The business model and consumer behaviour across various industries is slowly changing due to the impact of the sharing economy (Puschmann & Alt, 2016). Researchers further suggest that collaborative consumption has the potential to reduce various societal vices such as pollution, poverty and hyper consumption since it lowers the cost of use of communal resources (Hamari, Sjöklint, & Ukkonen, 2015). The ease to which the internet allows efficient information sharing is the same way in which the sharing economy is expected to allow access to services and products. Additionally, this system of business is one way for individuals who have surplus unused resources yet they are not involved in business activities to get involved without having to quit their day jobs, yet at the same time making an extra source of income (Dredge & Gyimothy, 2015).

This emerging peer-to-peer business model is key in enabling different entrepreneurs to carry out their activities directly with their clients using one virtual marketplace with no intermediation. Goods and services available in the marketplace are shared based on ease of access rather than ownership (Denning, 2014). these resources and services are shared for both financial or non-financial reasons (Botsman, 2013).

The sharing economy has been adopted across various parts of the world in recent years and has emerged as one of the most interesting phenomena to research on due to its potential impact on the economy. Many people are in agreement that the sharing economy can change and shape how businesses operate and how customers consume services and products. Botsman and Rogers have compared it to “Industrial Revolution” and state that its impact on the society could be similar (Botsman & Rogers, 2010). According to a UK study, the sharing economy injected USD 15 billion in 2013 and this amount is anticipated to rise to USD 335 billion in 2025 (PwC, 2014), dominating the main sectors in the economy by 2025 (PwC, 2014).

This industry became popular due to social media platforms such as Facebook and Pinterest which provide a good foundation where the model can flourish (Cusumano, 2014). Additionally, this model has become popular due to its ability to provide solutions to issues that had not been solved sufficiently by traditional business models (Botsman, 2014) such as allowing clients to consume certain services and products without necessarily buying them thus reducing the user's environmental concerns (Bardhi & Eckhardt, 2012). This model is also key in the creation of new businesses and provision of goods and services at lower costs (Botsman, 2014; Denning, 2014).

Researchers have different views on the sharing economy with some claiming that the model is a “disruptive business model” which is poised to outperform existing models leading to their downfall (Guttentag, 2013). On the other hand, other researchers posit that since this model emerged from the existing model of business and will develop together with the consumerist model (Botsman & Rogers, 2010).

1.1.2 Customer Value

Customer value is the perception of the customer about the performance of the product and its ability to satisfy their expectations and intended use (Woodruff, 2010). Generation of customer value is the basis of marketing theory since it entails one party providing a service of greater value to make the customer give up their money. The American Marketing Association (American Marketing Association, 2013) also recognized the importance of value creation as seen in its definition of marketing which is defined as ‘a set of process for creating, communicating, and delivering value to customers’. This makes creation of customer value the main concept of marketing. Additionally, customer value makes the customer to be in a position to adequately determine key constructs of marketing such as the quality of good services, expectation of adequate price, and level of consumer satisfaction (Gallarza, Gil-Saura & Holbrook, 2011).

Customer value enables producers to be able to understand consumer behavior at different purchasing stages. In the pre-purchase stage, it explains product selection and brand selection

(Arvidsson, 2014). Petrick (2010) asserts that there are different dimensions to product and service selection and these may be emotional, symbolic or simply functional. The customer's perception of value is key in determining the customer's choice of a product or service. In the after-purchase stage, the concept is a foundation for the prediction of the level of commitment and loyalty of customers to certain products or services.

This shows that customer satisfaction and creation of customer value are strongly connected. In order to generate customer value hence customer satisfaction, the customer is afforded certain benefits, meaning that the producer has to make certain sacrifices. However, it is impossible to ascertain how these sacrifices will affect customer satisfaction since customer satisfaction is a product of the value that the customer desired and the value that was received. Consumers have different perceptions and as a result the level of satisfaction will always vary depending on their needs (Gounaris, Tzempelikos, & Chatzipanagiotou, 2012).

1.1.3 Uber Services in Kenya

Uber launched operations in Nairobi, Kenya in 2015 after rapid uptake in South Africa and Nigeria. The response from the local taxi drivers has not been positive as evidenced by the riots and the attacks experienced by Uber drivers. Kenya United Taxi Organization (KUTO) threatened to block the roads and attack Uber drivers based on the notion that Uber will drive them out of business (Standard Team, 2016; Turkson, 2016). The company has responded by trying to partner with local taxi organizations to boost their income. Uber technology makes it easy reach customers and local taxi operators can benefit if they partner with Uber. The disruptive nature of Uber has pushed many local taxi drivers to switch to the Uber platform despite the low rates compared to what they used to get in the past (Turkson, 2016).

Uber.com is a car sharing platform whereby different people use their personal vehicles as rental vehicles when they are not in use. Uber uses an online platform where a pool of vehicles are available; the client simply selects the nearest vehicle by sending a request, which upon approval, the Uber driver and the customer negotiate the remaining transactions. The platform enables the customers to engage in business deals by sharing the vehicle and carrying out a

business transaction. This platform enables car owners to utilize their underused vehicles and enables customers to access vehicles at cheaper prices and at their convenience without having ownership of the particular vehicles (Rabbitt & Ghosh, 2016). The future of the sharing economy may be unclear but its impact on the economy and generation of customer value may be lasting. This is why this study sought to investigate the impact of sharing economy business models on customer value with special focus on Uber.

1.2 Statement of the Problem

Cohen and Kietzmann (2014) notes that despite the increased wide usage of co-owning properties the sharing of cars on-demand basis has started gaining popularity worldwide. The emergence of the sharing economy model is particularly of increasing economic benefit to cities that are experiencing increase density and population growth. Research on the car sharing economy is based on consumption when necessary as opposed to direct ownership, resulting in the use of a product as a service (Bardhi & Eckhardt, 2012). The emergence of redistribution markets and the emerging culture of collaborative lifestyles are major contributors to the popularity of the sharing economy (Botsman & Rogers, 2012). Despite this there is limited knowledge on the sharing economy model within the Kenyan context hence the current research sought to fill this knowledge gap.

It is important for the researcher to understand certain phenomena of the research from the perspective of the customer. Regarding the sharing economy, the perspective of the customer is key in practically analyzing new phenomena since the customer is the primary initiator (Botsman & Rogers, 2012). The customers are the target but they keep the system functioning since without them initiating the request the company cannot stay operational meaning that there are significant differences between its operations and those of traditional business models. However, researchers have not yet analyzed the effect of these operational differences on customer satisfaction. This makes the study of the sharing economy from the consumer perspective key in providing key insights into modern understanding of this phenomenon.

Kosintceva (2016) studied the business models of sharing economy companies while Nguyen (2016) studied customer value in the case of Airbnb. Taeihagh (2017) studied crowdsourcing, sharing economies and development. Arshavskiy (2018) did a study on sharing economy business models: focus on ride-sharing. From the empirical literature there is limited literature on economy business models on customer value. Most of the studies have mainly discussed economy business models. Only one study focused on customer value in sharing economy; the case of Airbnb, however, this study was Chinese-based hence its findings may not represent the study variables. It is against this background that the study sought to fill the existing research gap by studying the effect of sharing economy business model on customer value in Nairobi, with special reference to Uber.

1.3 Objective of the Study

1.3.1 General Objective

The general objective of the study was to establish the effect of sharing economy business model on customer value within Uber Kenya.

1.3.2 Specific Objective

The specific objectives of the study were:

- i. To investigate the effect of collaborative lifestyle customer value within Uber Kenya.
- ii. To establish the effect of marketplace automated platform on customer value within Uber Kenya.
- iii. To assess the effect access-based platform on customer value within Uber Kenya.
- iv. To assess the effect on-demand service platform customer value within Uber Kenya.

1.4 Research Questions

The research questions of the study were:

- i. What is the effect of collaborative lifestyle customer value within Uber Kenya?

- ii. What is the effect of marketplace automated platform customer value within Uber Kenya?
- iii. What is the effect access-based platform customer value within Uber Kenya?
- iv. What is the effect on-demand service platform customer value within Uber Kenya?

1.5 Significance of the Study

The findings of the research are expected to be of importance to a number of stakeholders within the country. The findings of the research are expected to enhance practice within Uber Kenya with aim of enhancing their customer value proposition. The findings of the research will enhance management competency among owners of Uber Kenya cabs in selecting the most viable business model. The findings of the research will be integral to other nascent tax-hailing firms within the country who seeks to expand their business and make decisions on the best sharing business economy models. The results of the study are expected to enhance the available empirical literature and form a basis for future research work as a reference material.

1.6 Scope of the Study

The objective of the study was to examine the effects of sharing economy business model on customer value in Nairobi, with special reference to Uber. The study focused on Uber since it's highly operated in Nairobi County. In Uber, car-owners are enabled to offer rides to passengers. Uber is common in Kenya unlike Airbnb which highly practiced in the western countries. The theoretical scope of the research was limited to an examination of the social cognitive theory and self-determination theory.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section covers the literature review on sharing economy business models on customer value. The chapter covers the theoretical review, the empirical review and the conceptual framework.

2.2 Theoretical Review

The study was based on Social Cognitive Theory and Self-Determination Theory.

2.2.1 Social Cognitive Theory

The Social Cognitive Theory (SCT) was formulated in the 60s by Albert Bandura and later developed to SCT in 1986. According to this theory, learning is a social construct and shapes the individual's behavior. The theory is unique in that it emphasizes on the effect of external and social reinforcement. It studies how people are affected by their environment and how it shapes theory behavior. It considers an individual's past experiences to predict behavioral patterns since previous experiences influence expectations of a consumer about the performance of a product hence influencing their purchase behaviour (Bandura, 1989).

SCT is key in identification of sustainable consumption (Phipps *et al.*, 2013). It notes that human behavior is as much personal as it is social (Bandura, 2001). Considering the effect of these factors (behavioral–personal–environmental) on consumer behavior, the model encourages sustainable consumption (Phipps *et al.*, 2013). This is particularly useful when past behaviour had a direct effect on current events, then it is likely that they will influence future behaviors. this has made most models to attempt to predict pro-environmental behavior.

However, Phipps proposes a non-linear approach where behavior is a determining variable, stages. The consumer behavior, therefore, is a product of an ongoing feedback loop (reciprocal determinism). This approach may involve both tangible and intangible products, with no independent factors. Additionally, the sharing culture, according to Thøgersen and Crompton (2009), is likely to lead to the spill-over effect whereby adoption of one environmental-friendly policy may spill-over to other industries since the ultimate goal of all industries is to operate in environmentally sustainable environments. The ability of past experiences to shape future behavior is key in enabling people to learn how to reduce consumption, resulting in development of more ambitious goals.

Researchers found that most customers do not remember the exact price of products and instead estimate based on knowledge and judgement based on previous knowledge. This goes to show that the lowest price may not necessarily lead to better performance in the market since most customers perceive high process with more investment in the product development hence better quality. In the context of the sharing economy, provision of services through the use of private property is only successful if the seller foregoes certain benefits so as to provide the most competitive prices. This makes this modern model more affordable than the traditional model. This theory was integral in underlining customer value within sharing economy business model within the Kenyan environment.

2.2.2 Self-Determination Theory

Self-Determination Theory (SDT) links personality, human motivation, and optimal functioning and posits that consumer behavior is motivated and determined by two main forces; intrinsic and extrinsic (Deci & Ryan, 2008). This theory is a product of research by Deci and Ryan's in the 1970s and 1980s. They ascertained that extrinsic motivation is a product of external influences and results in external rewards. This motivation may emerge from employee evaluation, award and accolade system, grading systems, and respect and admiration from one's peers. Intrinsic motivation, on the other hand is more personal and comprise an individual's interests, core values, and sense of morality.

Although these types of motivation may seem to be at odds, with one focused on the internal expectations and the other based on peers and social expectations, it is important to note that SDT maintains that there is a huge difference between autonomous and controlled motivation. Autonomous motivation entails that though motivation may be intrinsic, it could be extrinsic if the individual identifies with the value generation of the activity, hence making it a fulfilment of a personal goal. Controlled motivation, on the other hand entails motivation that may either be directed by external influences, with severe consequences or internal where rewards may be to avoid shame and protect the ego or get approval. Autonomous motivation leaves an individual more satisfied while driven or controlled motivation increases pressure on individuals and may result in dissatisfaction (Ryan & Deci, 2008).

Renaud-Dubé, Taylor, Lokes, Koestner and Guay (2010) posit that adoption of positive environmental behavior is only possible with autonomous environmental motivation. They further suggest that when certain behaviors have high level of choice but have adverse effects on others or on the environment, then it gives rise to the need for autonomous motivation. Controlled motivation has, in turn resulted in better environmental performance and has

promoted environmentally sustainable projects (Renaud-Dubé *et al.*, 2010). However, it is important to note that these initiatives were primarily intrinsic rather extrinsic in nature.

The level of interaction between individuals in the sharing economy is relatively strong since it encourages direct interaction (Lamberton & Rose, 2012). According to the public, the sharing economy is a new business model, making it a new experience for certain consumers. This theory was integral in explaining the choice of sharing business model within the context of the taxi-hailing platform.

2.3 Empirical Review

2.3.1 Effect of Collaborative Lifestyle on Customer Value

The sharing economy only functions when a common need can be met through the use of a single platform. The services offered are only accessible to individuals with similar needs resulting in them sharing their time, space, skills, ideas or money in a communal manner. This results in the collaborative lifestyle witnessed since the turn of the 21st century. The collaborative participation of all individuals results in all associated parties benefitting from the other's strength; this improves the lifestyles of the people (Kathan, Matzler, & Veider, 2016).

There are different reasons which could explain how collaborative lifestyles developed in the sharing economy. The collaborative lifestyle satisfies the client's need for connection. This applies to individuals who work without regulation; it is important for them to associate with others so as to enhance the working mood without having to join a traditional company setup which is often rigid and devoid of creativity. The collaborative approach allows users to connect without getting involved in similar projects. This results in more people interacting and socializing more in this common workplace (Botsman & Rogers, 2012).

It is also determined that collaborative lifestyles help to redistribute service delivery by creating new connections between buyers and sellers. The banks serve as a link between individuals in the society who have money and those who need the money. However, in the sharing economy, the money lending services have been rebranded and the banks are no longer the main intermediaries (Funk *et al.*, 2015). This money-lending system is less costly and develops connections faster.

According to Nguyen (2016) who studied Airbnb creation of customer value as a sharing economy business model. The thesis aimed to narrow the research gap by applying the viewpoint of the customer to identify their perceived value generation of the sharing economy. An interpretive approach was undertaken to study the experience of customers when using the sharing economy. The researcher collected empirical data to identify customer perceived value and found the following results; the sharing economy offers cheaper access to alternative products and a unique experience indicating that customer preferences was shifting. Consumers were attracted to the uniqueness and flexibility of the sharing economy, although they were fully aware that there were certain associated risks. These findings are useful to industries operating with similar policies in other regions, enabling them to gain competitive advantage over their competitors.

Zhang, Gub and Jahromi (2018) examined competitive customer value propositions to determine factors leading to the popularity of the sharing economy, aiming to identify a customer value proposition (CVP) for the sharing economy business model and to compare the competitive advantages of CVPs in different sectors of the sharing economy. The study adopted a mixed-methods approach. The researcher started by conducting a qualitative study to aid in the development of a scale and theoretical framework. The scale and framework was tested through a quantitative approach enabling the researcher to compare their competitive advantages. The results of the qualitative study indicated that there were four values; emotional, technical, economic and social. The CPV model for the sharing economy as developed from the basis of these for values. The quantitative data obtained from 1285 samples showed that the model assessed social and emotional values more than technical and economic

values to predict customer repurchase decision. Results further indicated that social and emotional values had equal impacts on service re-purchase.

Guo, Geng and Chen (2017) examined business model based on the sharing economy. The research applied a multi-case study. The research considered businesses within house renting, car rental, office space leasing and catering. The research focused on collaborative production and collaborative consumption within the fields. Study findings showed that collaborative business models were positively associated with increase in customer satisfaction and service delivery. The research was not conducted locally hence the findings may not be representative of current study context.

Plenter, Fieft, Hoffen, Chasin and Rosemann (2018) conducted a research on repainting the business model canvas for peer-to-peer sharing and collaborative consumption. The research utilized action design research to conduct a peer to peer review of the collaborative sharing of electric car sharing services. The findings of the study indicated that collaborative consumption was associated with better customer value proposition and increased business performance. The study relied on an exploratory action design research whereas the current study employed a descriptive research design.

2.3.2 Effect of Marketplace Automated Platform on Customer Value

Marketplace operations can be varied depending on the type of business transaction being carried out. The marketplace platform is advantageous to all parties and has, in recent times become more significant. To achieve value creation in this model, the services are offered to the clients in a faster and safer manner. The marketplace functions according to the demand and supply and the services in demand are met through the on-line platform. The system earns by charging the involved parties a small fee for services received after renting or purchasing goods or services. This marketplace automated platform increases the market for traditional products and services. However, this system has generated new competition to traditional sectors in the economy such as transport and accommodation (Cohen & Kietzmann, 2014).

Daunoriene, Draksaite, Snieškac and Valodkiene (2015) evaluated the sustainability of sharing economy business models, seeking to address and estimate the sustainability of sharing economy business models. For better evaluation of the level of sustainability, a worksheet was designed encompassing peer-to-peer clothes selling, buying and swapping companies based on sustainability perspectives. The data collection process involved use of interviews with company experts, then analyzing this information with external sources such as debates, press releases and articles. It was the determination of the study that key sustainability perspectives were adequate input when estimating sustainability levels.

Florin and Schmidt (2011) conducted a research on creating shared value in the hybrid venture arena: A business model innovation perspective. The research developed a framework to test how new breed of hybrid ventures affect the shared value within new firms. The validation of the framework indicated that social entrepreneurship domain contributed positively to fostering shared value within the firm as well as expanding innovation within new businesses. The study failed to take into consideration the effect of hybrid frameworks on the customer value.

Daunorienė, Drakšaitė, Snieška and Valodkienė (2015) conducted an evaluation of the sustainability of sharing economy business models. The research focused on how circles of sustainability affect the shared economy business model. The research utilized a mix of quantitative and qualitative empirical data. The results of the research showed that access-based platforms and marketplace automated platforms were more sustainable in-service provision and supporting better decisions in selecting shared economy business models. The study however did not focus on the application of business economy models in enhancing customer value.

Beneke, Blampied, Dewar and Soriano (2016) studied the impact of market orientation and learning orientation on organizational performance in South Africa. The study surveyed 162 businesses and used partial least squares -structural equation modelling to analyze the data that was collected. The results showed that the firm's performance is directly related to market orientation. The researcher further showed that market orientation was critical in expanding

product and service innovation. The research was constrained to SME's in South Africa whereas current study focused on Uber Kenya.

2.3.3 Effect Access Based Platform on Customer Value

In access-based platform, various services are accessed through an online platform. This platform has significant implications on the thinking and behavior of customers, whereby customers consider access to these services to be more important than owning the particular services, signaling the movement of the culture from ownership to usage. This system creates value to customers since they are able to access services and products without having direct ownership. Services are delivered through the platform where users are charged a small service beneficiary a fee which mostly pertains to the time, they used the service that they received. This system has been adopted by traditional companies under the name of “product as a service” business model (Florea, 2015).

Clauss, Harengel and Hock (2018) evaluated loyalty as a product of perception of value of platform-based business models in the sharing economy. Platform loyalty was analyzed from the perspective of the customer. The researcher aimed to use a variance-based structural equation model to show how different value perceptions impact customer-to-customer-based platforms. The study showed that price is not the only factor that drives loyalty but other factors drive loyalty by demonstrating that perception of emotional value and loyalty also drive platform loyalty.

Bergström, Hellström and Nilros (2016) investigated the sharing economy by analyzing how car sharing firms in Europe operate. The researcher accomplished this by analyzing the characteristics of business models of six car sharing firms which operate across four countries. Several theories were key in providing a theoretical underpinning for the study and they were under the following domains: car sharing, sharing economy and business model theory. Previous studies enabled formation of a preliminary business model framework. A multiple case study was conducted to collect the empirical data. The empirical data was conducted

through a. The findings showed that for maximization of vehicle output, it was necessary for the owner to service it through different customer segments.

Dellaert (2016) studied the journey of a consumer in the sharing economy. A two-layered conceptual framework was proposed of consumer co-production networks and the individual consumer production journeys. These concepts are key in providing more information about traditional production models and the consumer's journey. This is due to its ability to explicitly consider the coproduction activities of consumers. The study introduced a consumer co-production network as value creation systems whereby consumers and firms work together. The study found that although consumer co-production networks introduced new opportunities for consumer-based strategies.

Wu (2018) examined how online and offline business models can be used to upgrade and transform traditional business models. The research conducted a case study research design focusing on O2O platform utilization. The analysis of the collected research data was done using the Pareto Optimality. Study findings indicated that utilization of the online-based platforms contributed to efficiently resolving information asymmetry. The study was conducted within Canada whereas the current research focused on Uber Kenya. Ju, Back, Choi and Lee (2019) examined the effect of Airbnb service quality attributes on the satisfaction of a customer. The study adopted a qualitative research design with 16,430 online reviews being conducted. The collected research data was analyzed using thematic analysis. Research findings indicated that Airbnb service quality attributes were associated with enhanced customer satisfaction through leveraging on website, host, and facility that produce distinctive effects on customer satisfaction. The study applied a qualitative research design whereas the current research adopted a quantitative research methodology.

Smaliukiene, Chi-Shiun and Sizovaite (2015) studied global travel services to study on consumer value co-creation in online business. The study utilized a series of both case study analysis followed by netnographic research design. The research focused on 22 different firms. The research applied both correlation and regression analysis. The findings of the study showed that value co-creation approach can be effectively used to analyze processes in global online

travel service section. The results of the research show that customer-to-customer interactions adopted by online business enhanced the consumer value within the travel service firms. The research was conducted away from the country so the findings are unreliable as per the study scope.

2.3.4 Effect On-Demand Service Platform on Customer Value

This service is characterized by channels and the distribution campaign determines the patterns. This system involves direct contact between the buyer and the seller and as a result the relationships developed are stronger. The platform involves only the buyer and seller and value is created when the two parties have matched while value is delivered through the application. Users are charged a service fee and through the platform. The services are made available through the platform and buyers and sellers connect through the internet. The platform ensures that the transactions made are efficient and is a suitable way of gathering data based on the rating system, enabling businesses to understand their clients and service provider better (Botsman & Rogers, 2012).

Barbu, Bratu and Sîrbu (2018) evaluated business models of the sharing economy aiming to discuss the business models of the sharing economy. The study analyzed three business models: access-based, on-demand service provider and marketplace. Three dimensions to each business model was examined; value creation, value delivery and value capture. The study further analyzed the implications for traditional companies. The study recommended that traditional companies have to incorporate innovation and technology into their existing business models since this will enable them to acquire and maintain engagement with consumers.

Ma, Rong, Luo, Wang, Mangalagiu and Thornton (2019) studied value Co-creation for sustainable consumption and production in the sharing economy in China. The research focused on the main ride-sharing apps. The researchers held that the sharing business models helped in solving persistent problems facing urban dwellers such as insufficient daily transport. The study results showed that increase utilization of on-demand platforms fostered the

customer value and enhanced satisfaction among the users. The research focused on ride-sharing firms in China whereas the current study was limited to Uber Kenya.

Surie and Koduganti (2016) studied Uber and Ola Cab drivers in India to examine the emerging nature of work in platform economy companies. The research adopted an ethnographic research design, carrying out qualitative interviews on forty-five platform economy drivers using the two company's online platforms. Analysis showed that the platforms have fostered short-term decision making within the tax-ailing service and this has fostered the quality of work being offered. The study was conducted on platform cabs in India whereas the current research relied on Uber Kenya.

Pugliese (2016) conducted a research on the creation of value with digital platforms: the cases of Uber and Airbnb. The research relied on both cross-sectional data and financial data in examining the value creation within digital platforms. The research applied both descriptive and structural equation modelling in the analysis. Study findings indicated that digital platform allows for transactions, which leads to value creation within the tax-ailing firms. The current research however relied only on cross-sectional data. Azudin, Norhashim and Nachiappan (2018) studied service quality of uber in a small city: a case study of Ipoh Uber Drivers. The study focused on Uber drivers within Malaysia and relied on SERVQUAL model in examining service quality. The findings of the research showed that increased utilization of the digital platforms fostered the responsiveness and reliability of the service which was key to enhancing the service quality. The study however was limited to Uber services in Malaysia.



2.4 Research Gap

Table 2.1 Summary of Literature and Research Gaps

Author	Title	Findings	Research Gap
Daunorienė, Drakšaitė, Snieška and Valodkienė (2015)	An evaluation of the sustainability of sharing economy business models	The results of the research showed that access-based platforms were more sustainable in-service provision and supporting better decisions	The study however did not focus on the application of business economy models in enhancing customer value.
Guo, Geng and Chen (2017)	Business model based on the sharing economy	The findings of the study indicated that collaborative business models were positively associated with increase in customer satisfaction and service delivery	The research was not conducted locally hence the findings may not be representative of current study context.
Ju, Back, Choi and Lee (2019)	The effect of Airbnb service quality attributes and their	The findings of the research showed that Airbnb service quality attributes were associated with enhanced	The study applied a qualitative research design whereas the current

	asymmetric effects on customer satisfaction	customer satisfaction through leveraging on website, host, and facility that produce distinctive effects on customer satisfaction	research adopted a quantitative research methodology.
Smaliukiene, Chi-Shiun and Sizovaite (2015)	Consumer value co-creation in online business: the case of global travel services	The results of the research show that customer-to-customer interactions adopted by online business enhanced the consumer value within the travel service firms	The research was not conducted within the local context hence the findings may not be representative of the current study scope.
Surie and Koduganti (2016)	The emerging nature of work in platform economy companies in Bengaluru, India: The case of Uber and Ola Cab drivers	The results of the analysis showed that the platforms have fostered short-term decision making within the tax-ailing service and this has fostered the quality of work being offered	. The study was conducted on platform cabs in India whereas the current research relied on Uber Kenya.

2.5 Conceptual Framework

Independent Variables

Dependent Variable

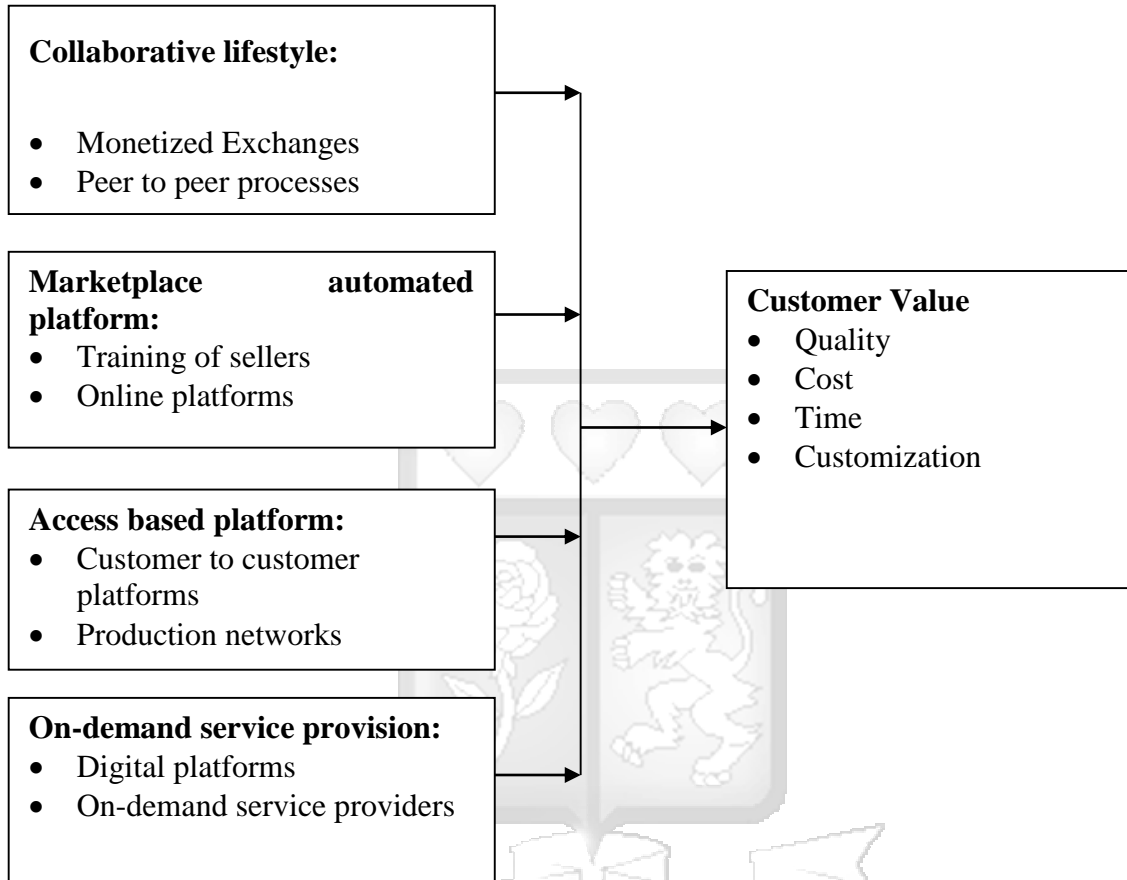


Figure 2.1: Conceptual Framework

Source: Research Data (2019)

The conceptual framework Explains the relationship between independent and dependent variables (Mugenda & Mugenda, 2003) as shown in Figure 2.1. The independent variables are Access-based business model, Marketplace Automated platform, Access based platform and on demand service provision model. The dependent variable is customer value operationalized as Quality, Cost, Time and Customization.

Table 2.2 Operationalization of Research Variables

Variable	Indicator	Category	of Measure data
Collaborative lifestyle	<ul style="list-style-type: none"> • Monetized Exchanges • Peer to peer processes 	Ordinal	Quantitative Likert scale
Marketplace automated platform	<ul style="list-style-type: none"> • Training of sellers • Online platforms 	Ordinal	Quantitative Likert scale
Access based platform	<ul style="list-style-type: none"> • Customer to customer platforms • Production networks 	Ordinal	Quantitative Likert scale
On-demand service provision:	<ul style="list-style-type: none"> • Digital platforms • On-demand service providers 	Ordinal	Quantitative Likert scale
Customer Value	<ul style="list-style-type: none"> • Quality • Cost • Time • Customization 	Ordinal	Quantitative Likert scale

Source: Research Data (2019)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section covers the research design, target population, sampling technique, data collection instruments, data collection methods, pilot testing and data analysis and presentation.

3.2 Research Design

The study employed a descriptive research design since this type of design allows the researcher to explain variables that he has no control over. Descriptive research is key in determining, describing or identifying while analytical research establishes why and how a particular observation was made (Ethridge, 2004). It enables the researcher to find out particular information through the use of questionnaires. This makes the data obtained original and authentic and was previously unavailable (Fox & Bayat, 2007). This method of study is key when testing theoretical models which are scheduled to be applied in real world situations. This helped in investigating the effects of sharing economy business models on customer value in Kenya, with special reference to Uber.

3.3 Target Population

Mugenda and Mugenda (2003) define a population as a group of individuals or subjects with similar observable characteristics. or objects that have the same form of characteristics. The target population for this study was Uber in Nairobi, Kenya. The target respondents were Uber active users. The company, in its report states that it has 363,000 active users in Kenya (Kenya Bureau of Statistics, 2018). Therefore, the target population of the study was 363,000 Uber active users.

3.4 Sampling Technique

Sampling involves selecting a few individuals from a larger group to represent the views of the average respondent (Mugenda & Mugenda, 2003). The findings from the sample are adequate to provide meaningful conclusions about the population through estimation of the variables under study. The respondents were selected through simple random sampling was due to its ability to remain unbiased in selection of the samples (Meng, 2013). Since there are various Uber services in Kenya simple random sampling helped in selecting the various uber users. The study identified the uber users through the uber drivers.

The Yamane formula was utilized in determination of the sample size.

$$n = N / [1 + N (e)^2]$$

Where n = sample size,

N = population size

e = error term (0.05)

$$\text{Hence, } n = 363,000 / [1 + 363,000 (.05)^2] = 400$$

The study sample size was 400 Uber active users.

3.5 Data Collection Instruments

Semi-structured questionnaires were used to collect primary data. This method is advantageous since it is cheap, easy to obtain the data and has higher objectivity levels when compared to alternative methods. The questionnaire was developed in line with the research objectives. This ensured that all the research constructs were captured in the research.

3.6 Data collection Methods

Questionnaires were administered to the respondents with the help of research assistants. To allow for adequate time to fill in the questionnaires and for clarification on research questions,

the respondents were allowed to stay with the questionnaires for a week so as to improve the quality of the responses.

3.6.1 Reliability Analysis

Reliability is the degree to which a research instrument can give similar results in frequent experiments (Joppe, 2008). The reliability of the research focuses on ascertaining the internal consistency of the research instruments. The research adopted a Cronbach Alpha which was utilized in assessing the reliability scores of the research variables. The study adopted all the constructs with reliability scores of 0.7 and above.

Table 3.1 Reliability Statistics

Construct	Cronbach's Alpha	N of Items
Customer Value	.074	4
Collaborative lifestyle platform	0.85	5
Marketplace automated platform	0.93	5
Access based platform	0.86	5
On-demand service platform	0.84	5

Source: Research Data (2019)

The research findings showed that the research constructs had all attained Cronbach Alpha scores of above 0.7 as indicated by the presentation in table 3.1 above hence they were utilized in the main research.

3.6.2 Validity Analysis

The research employed construct and content validity. To ensure content validity, the questionnaire was reviewed by a with an expert with prior knowledge on the shared business economy model. The researcher adopted content validity by seeking the help of the supervisor in drawing up the research instrument. Further the construct validity was upheld by ensuring that all the study variables were captured in the research instrument.

3.7 Data Analysis and Presentation

The researcher utilized SPSS version 23 was used to analyze both descriptive and inferential data. Descriptive statistics was analyzed using frequencies, percentages, standard deviation and means, while inferential statistics will be analyzed for correlation and regressions. The findings were presented using tables and figures. The following regression equation was adopted;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Consumer value in uber Kenya

β_1 . β_4 = coefficient of the determination for independent constructs

X_i for;

X_1 = Collaborative lifestyle platform

X_2 = Marketplace automated platform

X_3 = Access based platform

X_4 = On-demand service platform

The research further used the ANOVA model at a 5% significance level to ascertain the statistical significance of the research model.

3.8 Ethical Considerations

To foster the ethical considerations of the research process; the study ensured that adequate research measures were adhered to. The study sought ethical clearance from the Strathmore Business School. The study further sought research permit from National Commission for Science Technology and Innovation. The research further ensured that the anonymity of the respondents was maintained throughout the course of the study. The study also ensured that the collected research data was treated with utmost confidentiality and was only utilized for sole academic purpose.



CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This section focused on data analysis, presentation and interpretation. The following is discussed; the demographic information of the respondents, descriptive statistics, correlational and regression analysis to determine the relationship between the independent and dependent variables.

4.2 Response Rate

The study targeted 400 Uber active users and the researcher obtained 344 responses, representing an 86% response rate. Mugenda asserts that any response rate above 10% is adequate to draw meaningful conclusions about the nature of a sample. This means that the response rate for the study.

Table 4.1 Response Rate

Category	Frequency	Percent
Returned	344	86%
Un-returned	56	14%
Total	400	100%

Source: Research Data (2019)

4.3 Demographic Information

4.3.1 Gender of Respondents

The researcher sought to determine the respondent's gender and found the following results in Figure 4.1

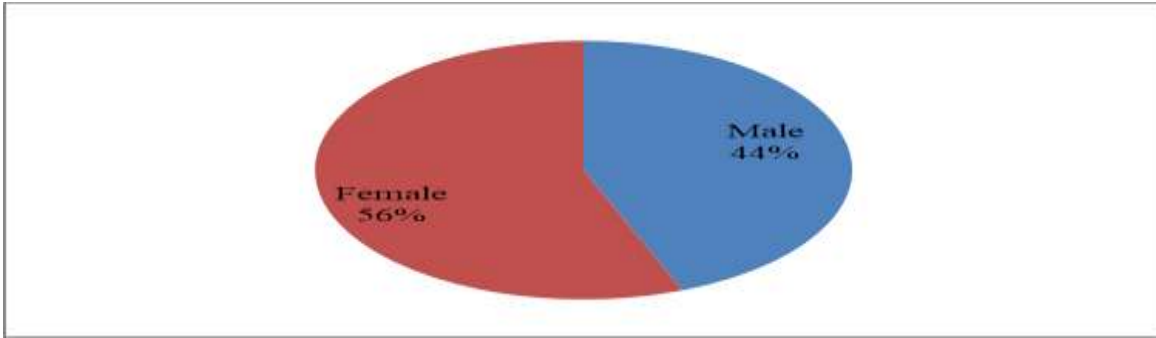


Figure 4.1 Gender of Respondents

Source: Research Data (2019)

Figure 4.1 shows that 56% of the respondents were female while 44% were male, implying that women make use of Uber more often than their male counterparts.

4.3.2 The period respondents have you been using Uber

The study sought to determine the period the respondents have been using Uber. The findings are as shown in figure 4.2

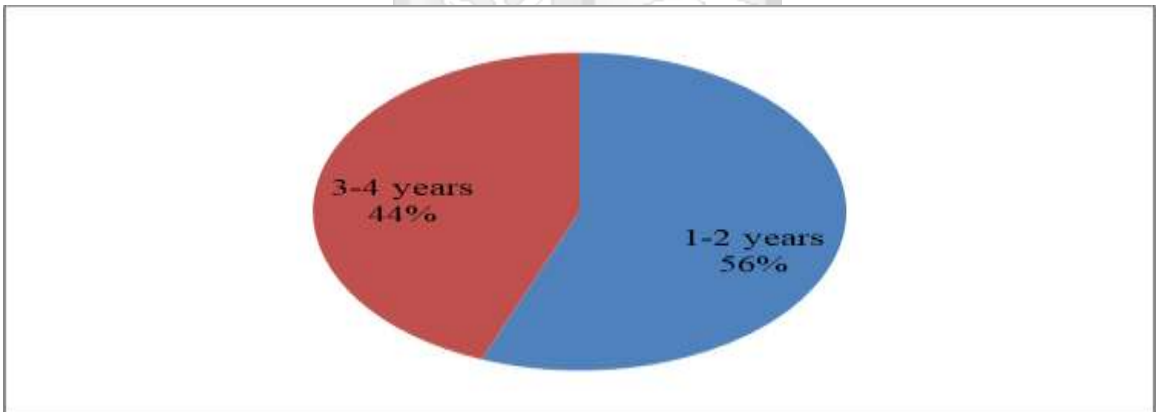


Figure 4.2 Length of Utilizing Uber Services

Source: Research Data (2019)

According to the findings in Figure 4.2, 56% of the respondents indicated that they have been using Uber for a period between 1-2 years and 44% indicated that they have been using Uber for a period between 3-4 years.

4.4. Descriptive Analysis

4.4.1 Collaborative Lifestyle

The respondents were asked to indicate whether they agreed with the following statements on the effect of collaborative lifestyle on customer value. Using the scale 1-strongly disagree, 2-disagree, 3- moderate, 4-agree, 5- strongly agree. The findings are presented in Table 4.2.

Table 4.2 Collaborative Lifestyle Descriptive

Statement	1	2	3	4	5	Mean	Standard deviation
Am able to share a ride with other customers	3%	7%	12%	50%	28%	3.939	0.876
Am able to ask for the services on behalf of my friends	3%	8%	10%	44%	35%	4.015	0.883
It allows for customers to be picked at different places	4%	6%	8%	48%	34%	4.026	0.924
Uber can be accessed by anyone	4%	5%	10%	52%	28%	3.953	0.919
Am able to get a vehicle with more than two seats	4%	7%	9%	45%	35%	3.997	0.894

Source: Research Data (2019)

The findings of the research showed that with regard the respondents is able to share a ride with other customers, a mean of 3.939 and a deviation of .876 showed agreement. With regard to respondents is able to ask for the services on behalf of my friends a 4.015 mean indicated agreement. Concerning collaborative lifestyle allows for customers to be picked at different places, a 4.026 showed agreement and a deviation of .924 indicating moderate variation in

responses. With regard to Uber can be accessed by anyone, a 3.953 showed agreement. The results of the research further indicated that respondents agreed that they are able to get a vehicle with more than two seats as shown by a mean of 3.997 and a deviation of .894.

4.4.2 Marketplace Automated Platform

The respondents were asked to indicate whether they agreed with the following statements on the effect of marketplace automated platform on customer value. Using the scale 1-strongly disagree, 2-disagree, 3- moderate, 4-agree, 5- strongly agree. Results are as shown in table 4.3.

Table 4.3 Marketplace Automated Platform Descriptive

Statement	1	2	3	4	5	Mean	Standard deviation
It allows me to choose the vehicle I want	3%	4%	8%	54%	31%	4.073	0.981
My location is easily identified	2%	5%	10%	50%	33%	4.073	0.939
Am able to indicate my destination	3%	5%	8%	58%	26%	3.980	0.999
I know the amount am supposed to pay before I get the services	3%	4%	11%	53%	28%	4.000	0.932
The uber driver already knows my destination	3%	5%	9%	51%	32%	4.049	0.942

Source: Research Data (2019)

Concerning the model allows me to choose the vehicle I want, a 4.073 mean indicated agreement and a deviation of .981. Regarding the location is easily identified, a 4.073 mean showed agreement. Concerning I am able to indicate my destination, a 3.98mean showed agreement and a deviation of .999. Concerning I know the amount am supposed to pay before I get the services, a 4.000 mean showed agreement and a dispersion of .932. With regard to the Uber driver already knows my destination, a 4.049 mean showed agreement and a variation of .942

4.4.3 Access Based Platform

The respondents were asked to indicate whether they agreed with the following statements on the effect of access-based platform on customer value. Using the scale 1-strongly disagree, 2-disagree, 3- moderate, 4-agree, 5- strongly agree. The results are as shown in table 4.4.

Table 4.4 Access Based Platform Descriptive

Statement	1	2	3	4	5	Mean	Std. Dev
Am able to identify the vehicle closest to my location	2%	4%	6%	26%	61%	4.390	1.282
It is easy to cancel a ride request	3%	3%	8%	31%	54%	4.279	1.136
It is easy to request for a ride	3%	5%	8%	57%	27%	3.997	0.988
The uber services are available for 24 hours	3%	6%	7%	49%	35%	4.064	0.950
My travelling needs are met	3%	5%	9%	51%	33%	4.049	0.947

Source: Research Data (2019)

In regard to I am able to identify the vehicle closest to my location, a 4.39 mean showed agreement and a deviation of 1.282 showing high variation in responses. With regard to it is easy to cancel a ride request, a 4.279 mean showed agreement. Concerning it is easy to request for a ride, a 3.997 mean showed agreement with a deviation of .988. Concerning the uber services are available for 24 hours, a 4.064 mean showed agreement and a deviation of .950. In regard to my travelling needs are met as indicated by a mean of 4.049 and a variation of .947.

4.44 On-Demand Service Provider

The respondents were asked to indicate whether they agreed with the following statements on the effect on-demand service provider on customer value. Using the scale 1-strongly disagrees, 2-disagree, 3- moderate, 4-agree, 5- strongly agree. Results are as shown in table 4.5.

Table 4.5 On-Demand Service Provider Descriptive

Statement	1	2	3	4	5	mean	Std. Dev
I get the services anytime I want	2%	6%	6%	46%	40%	4.163	0.996
The vehicle gets to my location few minutes after I request for a ride	3%	4%	8%	51%	34%	4.096	0.973
Individuals can be picked in different locations	2%	4%	7%	53%	34%	4.122	0.997
Sometimes there can be delays	3%	5%	9%	48%	35%	4.061	0.936
Am able to travel comfortably	3%	5%	8%	55%	29%	4.032	0.981

Source: Research Data (2019)

In regard to I get the services anytime I want, a 4.163 mean showed agreement and a deviation of .996. Concerning the vehicle gets to my location few minutes after I request for a ride, a 4.096 mean showed agreement and deviation of .973. In regard to the individuals can be picked in different locations, a 4.122mean showed agreement. Concerning sometimes there can be delays, a 4.061 mean showed agreement and a deviation of .936. With regard to I am able to travel comfortably, a 4.032 mean showed agreement and a deviation of .981.

4.4.5 Customer Value in Kenya

The respondents were asked to indicate whether they agreed with the following statements on customer value. Using the scale 1-strongly disagree, 2-disagree, 3- moderate, 4-agree, 5-strongly agree. Results are as shown on table 4.6

Table 4.6 Customer Value Descriptive

Statement	1	2	3	4	5	Mean	Std. Dev
The services are usually good	3%	6%	8%	57%	25%	3.945	0.969
The services are affordable	4%	5%	10%	54%	26%	3.933	0.933
The services are accessible at all times	3%	6%	8%	52%	31%	4.023	0.952
My travelling needs are met	3%	3%	10%	58%	26%	4.009	0.998

Source: Research Data (2019)

Concerning the services are usually good, a 3.945 showed agreement and a deviation of .969. In regard to the services are affordable, a 3.933 mean showed agreement and a deviation of .933. Concerning the services are accessible at all times, a 4.023 mean showed agreement and a deviation of .952. In regard to my travelling needs are met, a 4.009 mean showed agreement and a deviation of .998.

4.5 Inferential Analysis

4.5.1 Correlational Analysis

It was conducted to determine the relationship between the independent and dependent variable. Pearson Moment Correlation analysis was used to determine the relationship between collaborative lifestyle, marketplace automated platform, access-based platform, on-demand service provider and customer value. The findings are as shown in table 4.7.

Table 4.7 Correlations Matrix

		Customer Value
Collaborative Lifestyle	Pearson Correlation	.813**
	Sig. (2-tailed)	.001
	N	344
Marketplace Automated Platform	Pearson Correlation	.786**
	Sig. (2-tailed)	.004
	N	344
Access Based Platform	Pearson Correlation	.822**
	Sig. (2-tailed)	.001
	N	344
On-Demand Service Provider	Pearson Correlation	.790**
	Sig. (2-tailed)	.004
	N	344

** . Correlation is significant at the 0.01 level (2-tailed).

The first objective of the study sought to determine the effect of collaborative lifestyle platform on the customer value. Research findings showed that the effect of collaborative lifestyle platform on customer value is significant and positive as shown by $P=.813$; $Sig = .001 < .05$. Research findings are consistent with Guo, Geng and Chen (2017) who showed that collaborative business models were positively associated with increase in customer satisfaction and service provision.

The second objective of the study sought to determine the effect of marketplace automated platform on the customer value. Research findings showed that collaborative lifestyle platform on the customer value positively and significantly affect customer value as shown by $P=.786$; $Sig = .004 < .05$. The results of the study were supported by Daunorienė, Drakšaitė, Snieška and Valodkienė (2015) who noted that marketplace automated platforms were more sustainable in-service provision and supporting better decisions within the firm.

The third objective of the study sought to determine the effect of access-based platform on the customer value. Research findings showed that access-based platform positively and significantly affect customer value as shown by $P=.822$; $Sig = .001 < .05$. The research findings were consistent with Wu (2018) who concluded that utilization of the online-based platforms contributed to efficiently resolving information asymmetry.

The fourth objective of the study sought to determine the effect of on-demand service provider on the customer value. Research findings showed that on-demand service provider positively and significantly affect customer value as shown by $P=.794$; $Sig = .004 < .05$. The results of the research were consistent with Ma, Rong, Luo, Wang, Mangalagiu and Thornton (2019) who posited that increased utilization of on-demand platforms fostered the customer value and enhanced satisfaction among the users.

4.5.2 Model Summary

Model summary was used to determine the variations of dependent variables due to changes in independent variables. The variations of customer value due to changes of collaborative lifestyle, marketplace automated platform, access-based platform and on-demand service was analyzed.

Table 4.8 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.898	0.806	0.791	0.01437

The findings of the regression analysis indicated that 80.6% variations in the customer value was determined by sharing economy business model. The findings are consistent with Arshavskiy (2018) who indicated that shared business economy model was positively related with customer value. Cohen and Sundararajan (2015) peer-to-peer sharing model enhanced the sustainability of businesses.

4.5.3 Analysis of Variance

The ANOVA determines the significance of the collected data was significant. The results are as shown in table 4.9.

Table 4.9 Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	41.672	4	10.418	209.038	.001 ^b
	Residual	16.895	339	0.050		
	Total	58.567	343			

The ANOVA statistics showed that the processed data (population parameters) had a significance level of 0.001 indicating that it is significant for the study. The F calculated was greater than F critical ($209.038 > 2.631$) showing that collaborative lifestyle, marketplace automated platform, access-based platform and on-demand service provider significantly influence customer value in Uber services.

4.5.4 Regression Coefficients of the study Variables

Table 4.10 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	1.118	0.169		6.615	0.000
	Collaborative Lifestyle	0.521	0.114	0.486	4.570	0.002
	Marketplace Automated Platform	0.542	0.125	0.496	4.336	0.003
	Access Based Platform	0.394	0.097	0.35	4.062	0.003
	On-Demand Service	0.495	0.103	0.389	4.806	0.001

The regression equation was

$$Y = 1.118 + 0.521X_1 + 0.542X_2 + 0.394X_3 + 0.495X_4$$

Collaborative lifestyle is statistically significant to customer value as shown by ($\beta = 0.521$, $P = 0.002$) showing that collaborative lifestyle had significant positive relationship with customer value implying that a unit increase in collaboration will result to increase in customer value of Uber services. Plenter, Fieft, Hoffen, Chasin and Rosemann (2018) also concluded that collaborative consumption was associated with better customer value proposition and increased business performance.

Marketplace automated platform is statistically significant to customer value as shown by ($\beta = 0.542$, $P = 0.003$). This shows that marketplace automated platform had significant positive relationship with customer value implying that a unit increase in marketplace automation leads to an increase in customer value of Uber services. The findings are consistent with Beneke, Blampied, Dewar and Soriano (2016) who concluded that there was a significant relationship between market orientation and customer value proposition.

Access based platform is statistically significant to customer value as shown by ($\beta = 0.394$, $P = 0.003$) showing that access-based platform has significant positive relationship with customer value implying that a unit increase in accessibility of the access-based platform will result to increase in customer value of Uber services. These results are consistent with Ju, Back, Choi and Lee (2019) who argued that service quality attributes were associated with enhanced customer satisfaction through leveraging on access-based platforms.

On-demand service provider is statistically significant to customer value as shown by ($\beta = 0.495$, $P = 0.001$) showing that on-demand service provider had significant positive relationship with customer value implying that a unit increase in provision of the on-demand service will result to increase in customer value of Uber services. These results are consistent with Surie and Koduganti (2016) who indicated that on-demand platforms have fostered short-

term decision making and service provision. Pugliese (2016) also noted that digital platform allows for better service satisfaction among users.



CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section covers the discussions, conclusions and recommendations. The objective of the study was to investigate the effects of sharing economy business model on customer value in Nairobi, with special reference to Uber. Specific objectives were; to investigate the effect of collaborative lifestyle on customer value in Nairobi, to establish the effect of marketplace automated platform on customer value in Nairobi, to assess the effect access-based platform on customer value in Nairobi and to assess the effect on-demand service provider on customer value in Nairobi.

5.2 Discussions

5.2.1 Uber's Customer value

The respondents agree that the services are accessible at all times, customers travelling needs are met, the services are usually good as shown and the services are affordable. Petrick (2010) argued that customer perception affects their choice of products or services. During the after-purchase stage, the customer value concept is a suitable foundation where a customer's commitment and loyalty to products or services can be predicted. The benefits acquired from product performance determines the level of satisfaction (Gounaris, Tzempelikos, & Chatzipanagiotou, 2012).

5.2.2 Collaborative Lifestyle and Customer Value

The responses showed that Uber allows for customers to be picked at different places, a customer is able to ask for the services on behalf of my friends, customers are able to get vehicles with more than two seats, Uber can be accessed by anyone and customers are able to share a ride with other customers. The study also established a significant relationship between

collaborative lifestyle and customer value. Botsman and Rogers (2012) noted that users of collaborative lifestyle have similar needs and gather in a common place without necessarily being involved in the same projects improving the social interactions between people.

5.2.3 Marketplace Automated Platform and Customer value

The second study objective was to establish how the marketplace automated platform affects customer value in Nairobi. From the findings, the respondents agree that Uber allows customers to choose the vehicle they want, customer's location is easily identified, the uber driver already knows customers destination, customers know the amount they supposed to pay before they get the services and customers are able to indicate their destination. Cohen and Kietzmann (2014) noted that the Marketplace automated platform broadens the market for traditional products and services. The study confirms the finding by Cohen and Kietzmann. Increasing visibility of the available vehicles enables users to choose the vehicles they want which in turn increases value to customers.

5.2.4 Access Based Platform and Customer value

The third objective of the study was to assess the effect access-based platform on customer value in Nairobi. The findings indicated that respondents were in agreement that they are able to identify the vehicle closest to their location; it is easy to cancel a ride request, the Uber services are available for 24 hours, customers travelling needs are met and it is easy to request for a ride. Identifying a vehicle closest to the users and being able to cancel the rides when they need to, is key to the users. The study also established a significant relationship between access-based platform and customer value. Access based platforms provides flexibility to the users and increases customer value. According to Florea (2015) access-based platforms are key in changing the thinking and behaviour of customers, in which access to the service is more important than the service ownership. Users are getting value by being able to get the rides when they need it, cancel when they need to and availability of the service around the clock.

5.2.5. On-Demand Service Provider and Customer Value

The fourth objective of the study was to assess the effect on-demand service provider on customer value in Nairobi. The respondents agreed that they get the services anytime they want, individuals can be picked in different locations, the vehicle gets to my location few minutes after I request for a ride, sometimes there can be delays and customers are able to travel comfortably. Botsman and Rogers (2012) noted that service providers and service users within the sharing economy are connected through a software platform and Internet access. The platform promotes efficiency of the transactions and allows the users to be evaluated through a rating system. The Uber platform provides a matchmaking service and this has significantly increase customer value.

5.3 Conclusions

5.3.1 Collaborative Lifestyle

Collaborative consumption has become popular as a modern form of business model. We have seen an emergence of businesses that use platforms to match 2 sides of the marketplace for mutual benefit. The study found that Uber services are flexible to the customers since they can be picked in their locations, bookings can be done by anyone, one is also able to get the vehicle they want and more than one customer can use one vehicle. The study revealed that Uber is highly customer oriented since the platform allows customers to choose the vehicle they want to use; customer destination is easily identified and there are easy methods for paying for the services.

5.3.2 Marketplace Automated Platform

The study concludes the marketplace platform automation improves customer value for Uber services. The main role of the platform is matchmaking where customers can access the assets of a peer service provider. Knowing the destination and being able to choose the vehicle are key to the users. The platform increases visibility and transparency on both sides of the marketplace (customer and driver).

5.3.3 Access-Based Platform

The study established that through access-based platform customers are able to locate vehicles close to them, requests can easily be cancelled and the services are available a hole day. There was a significant association between access-based platform and customer value. The Uber platform gives users access to available vehicles and this increases customer value.

5.3.4 On-Demand Service Provider

The study revealed that customers can get Uber services in 24 hrs., customer's locations are easily identified, it saves time though at times there are delays. A significant relationship was revealed between on-demand service provider and customer value. The study concludes that being able to provide on-demand service is positively related to customer value of Uber services.

5.4 Recommendations

From the conclusions collaborative lifestyle affects customer value positively. The study recommends that Uber in Nairobi should encourage collaborative lifestyle in their operations. They can launch a service that encourages users to share rides with others which can lower the user's costs while increasing Uber's revenue. This would help in improving their operations and hence customer value.

The study also recommends increased automation of the platform to make it more user friendly because Marketplace automated platform has a significant relationship with customer value. Access based platform is significant to Customer value. Uber should continuously seek ways of improving customer value by connecting the customers to the drivers in a timely manner. Being an access-based platform, Uber has an opportunity to offer other related services by leveraging on the community of drivers and riders that they have. On-demand service is also key to customer value. Uber should continue to improve the timeliness of its service

5.5 Suggestions for Further Research

This study sought to investigate the effects of sharing economy business model on customer value in Nairobi, with special reference to Uber. The study recommends that other studies to be conducted on effects of sharing economy business model on customer behavior. From the study, the value of adjusted R^2 was 0.791 which implies changes of collaborative lifestyle, marketplace automated platform, access-based platform and on-demand service could explain 79.1% of change in the customer value. The remaining 20.9% suggest that there are other factors that affect customer value that were not discussed in this study. Other factors that affect customer value can be established through a study.



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APPENDICES

Appendix I: Introductory Letter

Dear respondent

RE: RESEARCH DATA COLLECTION

I am a postgraduate student at the Strathmore University, undertaking a research project on, **‘AN INVESTIGATION ON THE EFFECT OF SHARING ECONOMY BUSINESS MODELS ON CUSTOMER VALUE IN KENYA: A CASE OF UBER.** The data being collected is purely for academic purposes and a copy of findings will be availed to you upon request. Any information received will be treated with strict confidentiality and at no point will your name or that of your organization be mentioned in the final report.

Your cooperation will be highly appreciated.

Yours faithfully

Priscilla Muhiu



Appendix II: Questionnaire

Part A: Demographic Information

1. Gender

Male Female

2. How long have you been using Uber?

1-2 years

3-4 years

Part B: Collaborative Lifestyle

3. Indicate your level of agreement on the following information about the effect of collaborative lifestyle on customer value. Using the scale 1-strongly disagree, 2-disagree, 3- moderate, 4-agree, 5- strongly agree

Statement	1	2	3	4	5
Am able to share a ride with other customers					
Am able to ask for the services on behalf of my friends					
It allows for customers to be picked at different places					
Uber can be accessed by anyone					
Am able to get a vehicle with more than two seats					

Part C: Marketplace Automated Platform

4. Indicate your level of agreement on the following information about the effect of marketplace automated platform on customer value. Using the scale 1-strongly disagree, 2-disagree, 3- moderate, 4-agree, 5- strongly agree

Statement	1	2	3	4	5
It allows me to choose the vehicle I want					
My location is easily identified					
Am able to indicate my destination					
I know the amount am supposed to pay before I get the services					
The uber driver already knows my destination					

Part D: Access Based Platform

5. Indicate your level of agreement on the following information about the effect access-based platform on customer value. Using the scale 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5- strongly agree

Statement	1	2	3	4	5
Am able to identify the vehicle closest to my location					
It is easy to cancel a ride request					
It is easy to request for a ride					
The uber services are available for 24 hours					
My travelling needs are met					

Part E: On-Demand Service Provider

6. Indicate your level of agreement on the following information about the effect on-demand service provider on customer value. Using the scale 1-strongly disagrees, 2-disagree, 3- moderate, 4-agree, 5- strongly agree

Statement	1	2	3	4	5
I get the services anytime I want					
The vehicle gets to my location few minutes after I request for a ride					
Individuals can be picked in different locations					
Sometimes there can be delays					
Am able to travel comfortably					

Part F: Customer Value in Kenya

7. Indicate your level of agreement on the following statements about customer value. Using the scale 1-strongly disagree, 2-disagree, 3- moderate, 4-agree, 5- strongly agree

Statement	1	2	3	4	5
The services are usually good					
The services are affordable					
The services are accessible at all times					
My travelling needs are met					

THANK YOU

