Establishing a Nexus Between Sharing Economy and Entrepreneurial Sustainability: A Conceptual Perusal

* *Vivek Mishra*

Abstract

In the entrepreneurial framework, the individual-opportunity connection forms the core of the progression; however, sustainability, scalability, and growth pose major challenges. In order to optimize sustainability, entrepreneurs must begin with a proper understanding of the necessary conditions that must be emphasized upon for their business models to achieve livability. Entrepreneurs are best positioned to develop practical solutions to these problems by sharing goods, services, or knowledge. This economy is termed as sharing economy, and is also dubbed as collaborative consumption. The tremendous growth potential of the sharing economy is hinting at a paradigm shift in the historical model of consumption. From a potential roadmap to sustainability, shared economy is also contradictorily considered to be a worsening of wealth inequality and a race to the bottom. These constructs however, share a collective vision of the sharing economy, as an agreement based on trust, a forte of innovation, and as a disruption of customary technical and economic arrangements. This conceptual paper explores how the concept of a shared economy leads to entrepreneurial sustainability and growth. It builds on the assumption that the creation of sustainable practices is one of the most important challenges facing the start-up scenario and that the sharing economy platform is a key mechanism in the pursuit of sustainability. The main objective of this article is to study the sustainability potential of the sharing economy, and the conditions crucial for the realization of this potential.

Keywords: Business model, collaborative consumption, entrepreneurship, sharing economy, sustainability

The entire process of setting up a new venture is an extremely complicated and exhaustive task, especially, in the preliminary phase where the efforts are directed towards developing the structure of the organization, developing the financial framework, brand building, and commercialization. As a topic of research, entrepreneurship has been widely elaborated in management and economics. Studies revolve around what entrepreneurship actually is and what entrepreneurs aim at accomplishing. Entrepreneurs strive to create an enterprise that increases the capacity for out of the box thinking, commercialization, acquiring technology, and literally carving a business from scratch. An entrepreneur actively and consciously changes, introduces new amalgamations of the means of production, encompassing developing new products, varying the quality dimensions of an existing product, discovering new processes of manufacture, exploring new markets, locating new bases of supply, and creating unknown forms of organization or industry. Entrepreneurship is the learning of, in what way, by whom, and with what outcomes, the exploration of opportunities to manufacture future goods and services, assessment, and exploitation (Shane & Venkataraman, 2000).A lot of risk is normally and inevitably attached to entrepreneurship and the chances of success; even basic survival is questionable and initially seem quite low. There is always the risk of not succeeding, however the entrepreneur should stress upon the aspect of shifting the resources from areas of lesser productivity/yield to expanses of increased performance and productivity. Even moderate success is adequate to negate the stigma of risk and replace the same by optimization. In such a challenging backdrop, speed of innovation, new product development, understanding the behavior of consumers, negating the threat of competition, regulations of the government, sourcing suppliers, convincing potential investor, project appraisal, and a plethora of other environmental factors have a significant bearing on the functionality of the new venture.

Apart from risk-taking, innovation, studying current market trends, it is extremely crucial to recognize sustainability as the immediate goal of the enterprise. A growing number of companies have diagnosed that

* *Assistant Professor (Marketing)*, Department of Business Management, C. V. Raman Group of Institutions, Bhubaneswar - 752 054. (e-mail : viv.mishra82@gmail.com).

bettering current performance and fostering innovation comprises of the entire schema of sustainability agenda, thereby, resulting in increased revenues, enhanced profitability, and brand enrichment.Sound sustainability strategies assist in positioning businesses favorably in the market, as compared to struggling competitors who fail to develop core competencies in order to compete. Sustainable ventures perceive change by accepting that consumers are highly aware and concerned about the various dimensions of product/service offerings. These open doors for market opportunities for sustainability centered ventures. The market opportunity incorporates the chance to address worries regarding maintainability by providing new products/services that live upto and match expectations of the consumer. Addressing sustainability concerns are worth tracking if new tactics of dealing with such concerns are identified and implemented to create and deliver value to potential customers.

Research Gap

Even though much has been written about the sharing economy, there is limited academic research on the contribution of the sharing economy to entrepreneurial sustainability. Existing research focusing upon sustainability does not take into account all sustainability aspects; instead it focuses mainly on the economic benefits of the sharing economy. According to Heinrichs and Grunenberg (2013), in order to explore the sustainability potential of the sharing economy, the current state of the sharing economy needs to be analyzed and research should focus on the larger image of the sharing economy i.e. sustainability.

Research Objectives

1. To elaborate on the sharing economy model of business.
2. To address the issue of entrepreneurial sustainability.
3. To try to establish a connection between sustainability and sharing economy.

Research Approach

The paper used a conceptual approach and survey of relevant literature to build deeper theoretical knowledge of the link between, sharing economy, and sustainable entrepreneurship.

Theoretical Background

Emergence of Sharing Economy

Sharing is not a new occurrence; it has probably been the most basic form of economic dispersal in the human society for thousands of years (Belk, 2014). However, the sharing economy has emerged in recent years (Figure 1). Traditional sharing and sharing economy differ in terms of effective and efficient utilization of modern information technology. In **sharing economy** the "sharing" refers to the utilization and access to shared human resources or assets, aiming at pursuing an asset-light model of business, enabling varied forms of value exchange. Otherwise, termed as collaborative economy, it serves as an umbrella for collective finance, manufacturing, and consumption (Hamari, Sjöklint, & Ukkonen, 2016).A PricewaterhouseCoopers (2015) report on the sharing economy used the following definition: "Sharing economies allow individuals and groups to make money from underused assets," thus, emphasizing the financial gain and use of excess resources. Collaborative consumption includes both the sharing economy and the peer economy. It is considered to be an evolving socio-economic model encompassing: sharing, renting, gifting, bartering, swapping, lending, borrowing, and providing access of ownership (Piscicelli, Cooper, & Fisher, 2015). A detailed explanation of **collaborative consumption, also called** co-consumption, has recently been agreed by Frenken, Meelen, Arets, and van de Glind (2015), who defined it as "consumers granting each other temporary access to under-utilized physical assets, possibly for money".

Participating in Sharing Economy

In the words of Ertz, Durif, and Arcand *(2016),* collaborative consumption can be categorized into three basic types as shown in figure 2:

1) *Product-service systems* which allow consumers to participate in peer to peer monetary exchanges for temporary access to products that are privately owned and can be shared through peer-to-peer marketplaces.

2) *Redistribution system* which is a method of collaborative consumption based on pre-owned goods, which are passed on from someone for whom they are unwanted to someone who does want them.

3) *Collaborative lifestyles* which allow monetary exchanges between consumers through peer-to-peer services for access to resources such as money or

Figure 1.Quarter-wise Appearance of Sharing Economy Start-ups 2000-2014. Adapted from *Sharing economy: An in-depth look at its evolution and trajectory across industries* (p. 9), by Olson, M. J. and Kemp, J. S., 2015.Copyright 2015 by Piper Jaffray.

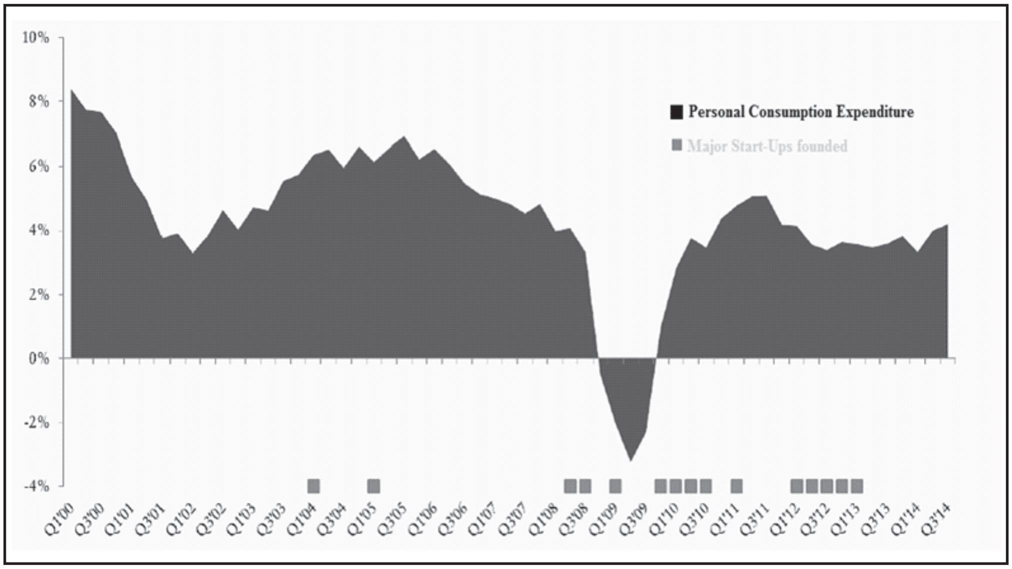
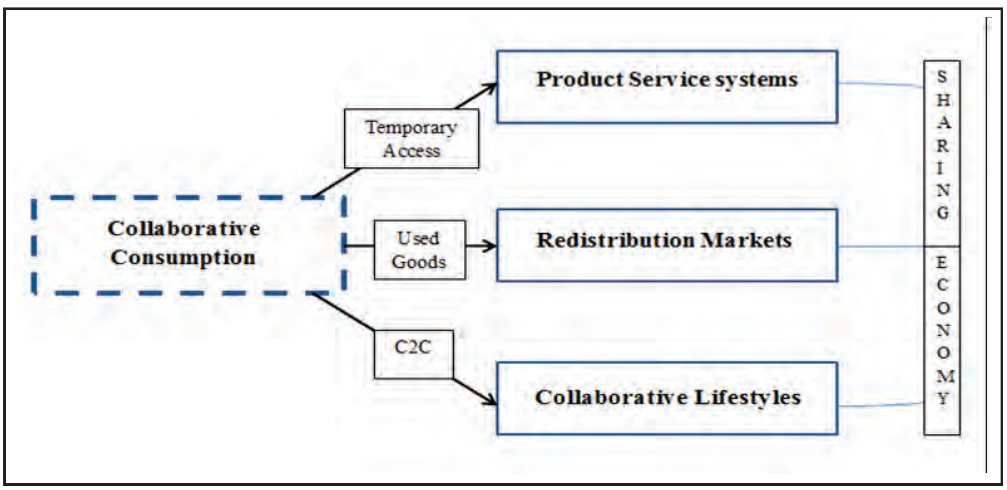


Figure 2. Economic Forms in Sharing Economy Adapted from What's Mine Is Yours: The Rise of Collaborative consumption (p. 128), by Botsman, R., and Rogers, R., 2010, New York: Harper Collins. Copyright 2015 by Harper Collins.



skills(*Botsman & Rogers, 2010)*.

In the words of Reim, Parida, and Ortqvist (2015), product service systems can be redefined as "a marketable set of products and services that are capable of jointly fulfilling customers' needs in an economical service rendered by the product, leading to a *"usage mind-set"*. According to Mont and Power (2010), "buyers pay not to buy material goods, but to use them". Redistribution markets can be explained as systems where used products are redeployed via social networks. It can happen without any cost by different forms of payment and for points. According to Botsman and Rogers (2010), goods can also be exchanged; they further argued that this type of sharing would lead to a "sustainable form of commerce". Herring and Sorrell (2008) said that this claim did not account for a likely negative positive rebound effect, which according to them, could negate positive conservational achievements. Collaborative lifestyles take into consideration sharing of palpable and intangible products/services. Everything including time, space, merchandise, and money can be shared in collaborative lifestyles, both at a local and global level. Another discernable characteristic of collaborative lifestyles, past the emphasis on elusive resources, is that it evidently assembles connections to a higher degree than other forms of collaborative consumption. This is because of the social co-operations that originated from sharing elusive resources. Therefore, building trust is of awesome significance for the accomplishment of collaborative lifestyles (Botsman & Rogers, 2010).

Sharing Economy and Trust

It is quite noteworthy that the lessening of trust in one section of the economy catapults the establishment of numerous business setups in another segment that is based on more trust. The study by Dervojeda et al. (2013) showed that losing faith in traditional organizations during a financial crisis in Europe enabled the viability of sharing economy as a business model. Technology considered being the main driving force of the sharing economy, insufficient knowledge about web-based applications, their possibilities, and limitations are obstacles to trust in sharing economy businesses. As explored by Finley (2013), trust might be built simply considering the aspect that an individual supplier in the traditional sense is not a business in itself, yet sharing economy businesses work hard to institute trust since it is a precondition for piloting business in this environment. According to Allen and Berg (2014), for sharing economy companies, the most common possibility of forming trust was to use a rating mechanism, where both the consumer and supplier rated each other after each transaction. Sequentially, prospects could then verify the ratings of different suppliers prior to engaging in a transaction; this would increase transparency and reduce the risk of manipulation.

Drivers and Benefits of Sharing Economy

The global market is changing vigorously considering the economic, cultural, technological, environmental, and social forces and the advent of collaborative consumption is found be imbedded in these factors (Rifkin, 2001).

(I) Environmental concerns: Changes in the environment and can lead to changes in the behavioral patterns of the consumer; climate change receives maximum attention, complimented by unsustainable consumption behavior (Kuhndt, Wagner, & Pratt, 2013). As discussed by Bauwens, Mendoza, and Iacomella (2012), product recycle aims at regulating ecological exhaustion and sharing enables consumers to contribute to this regulation process by substituting the need for buying new products.

(ii) Technological Speed: Bauwens et al. (2012) were of the view that both online and offline sharing of services attributed to a drastic reduction in communication and transactional costs. With the advent of mobile devices, geographic location sensors and web-based coordination, the virtual world in the form of internet has become a magical rental store and sharing has emerged as a real alternative (Kelly, 2009).

(iii) Change in Cultural Values: Bauwens et al. (2012) were of the opinion that the shift in vision from isolated and maximized consumption to shared innovation facilities led to higher accessibility and promotion of shared ownership models. An increasingly critical attitude towards material affluence and a discourse on non-sustainable consumption have propelled the sharing economy (Heinrichs & Grunenberg, 2013).

(iv) Economic Difficulty: Growing unpredictability and instability in the economic climate lays the foundation for alternative consumption avenues (Bauwens et al., 2012).It brings forward practical, not ideological reasons for the sharing phenomena, primarily, the urgency to lessen dependence on state and financial institutions in providing basic commodities in life.

(v) Business Potential: From the participant's point of view, collaborative consumption shall enable the involved parties to accomplish savings, as services are mostly acquired at lower costs (Schor, 2014).With increasing interest in and demand for sustainability and responsibility, mindful consumers become the target for businesses to benefit from the alternative consumption modes in the market (Lawson, 2010).

Shared Forms of Businesses

A number of sharing platforms have emerged over the past years, especially in sectors like housing, mobility, lifestyle, and food sharing.

(I) Car sharing: This the most prominent, developed, and fastest growing segment in the new format of the economy (Frick, Hauser, & Gürtler, 2013).It facilitates personal mobility without the hassle of owning a car and

Table 1. Benefits of Sharing Economy

Benefit	Description	Reference
a) Economic	The intent to indulge in collaborative consumption is economic and individualistic in nature and monetary savings is the most beneficial aspect. This is owed to reduction in costs and expenses by going for second hand purchases and the reuse of products	Olson (2012), Marchand, Walter, and Cooper(2010), Gerstner (2014)
b) Practical and rational	Sharing is expected to reduce time and effort as far as maintenance of objects is concerned.Many individuals consider lending or swapping items to be a reasonable and rational solution as opposed to buying and possessing.	Marchand et al.(2010), Böckmann (2013), Owyang, Samuel, and Grenville(2014)
c) Social and emotional	Cost reduction is a rational benefit, whereas confirmation and belonging are emotional ones. Sharing is communal and connects us to other people.	Olson (2012), Belk (2014)
d) Ecological	Adopting a leasing lifestyle and heading towards non-ownership consumption and ideological reflects the concern of consumers for the environment. In order to achieve sustainability, leading a healthier life, and reduce individual burden on ecology, parties engage in sharing.	Lawson (2010), Bagó (2011), Van de Glind (2013)

Source: Author's depiction from previous studies

aids in removing other passenger cars from the road and de-materializing the concept of a car. It includes fleet sharing or **B2C** car sharing where a business owner rents out his vehicles and there is **C2C** form of sharing, involving individual owners who allow multiple users to access the same car in their neighborhood.

(ii) Accommodation sharing: This form of sharing is popular with travellers or owners of unoccupied space, short-term rentals suits travellers as it offers new outlooks through local, and non-standard experiences around a destination (Bauwens et al., 2012).

(iii) Sharing in the food sector: A strong urge to establish short-cuts between food producers and consumers has been witnessed. It is known as "*autonomous collaboration"*(Bauwens et al., 2012). Modern day consumers have direct communication with the farmers and have boxes of fruits/vegetables delivered to their doorsteps.

(iv) Peer-to-peer employment markets: These are marketplaces proving micro employment opportunities like piecemeal contracts, or hourly work.

Pillars of the Sharing Economy

Sharing is considered to be an alternative to ownership (Figure 3). As a model, it is distinguished by these core pillars:

(I) Digital platforms: In the words of Ertz, Lecompte & Durif (2016), these platforms facilitate more accurate measurement and actual measurement of spare capacity and the potential to energetically link that capacity to those who are in need of it, ultimately matching demand and supply aspects.

(ii) Transactions offering access over ownership*:*
There are various forms of access, yet all facets are based on the capacity to get exposed to increased choices. During moderation of the expenses accompanying ownership, these choices include renting, lending, subscribing, reselling, swapping, and donating.

iii) More collaborative forms of consumption: Consumers engaging in the shared form of business are generally more at home with transactions involving abysmal social exchanges as compared to the traditional business formats.

(iv) Brand Experiences: According to DHL Trend Research(2017), there is often a strong connection between brand value and the social connect it facilitates; handling these connections is the essence to effective marketing. Sharing enhances these emotional connections by engaging the consumer in platform based on personal experiences, rather than one centered around a relationship based only on transactions.

(v) Building an economy of trust: In order for the sharing economy to expand, businesses need to establish a substantial amount of trust both with the users and among themselves, although convenience and savings are considered crucial by customers, yet trust is the element that enables the growth of the economy.

(vi) Reconsidering value exchange: Consumers are nowadays focusing on the quality and resale value of products, than initial investment, and they are willing to

Figure 3.Traditional vs. Sharing Economy. Adapted from *Sharing Economy Logistics. A DHL Perspective On Rethinking Logistics With Access Over Ownership* (p. 5), by Gesing, B. 2017, Troisdorf: DHL Customer Solutions & Innovation. Copyright 2017 by DHL.

	Traditional Economy	Sharing Economy
Asset Structure	Heavy	Light
Core Competence	Industry Specific	Technology
Perceived User Value	Ownership	Convenience
Company Focus	Operational Performance	Customer Experience
Value Creation	Sharing Ideas and Information	Sharing Access

pay assuming their capacity to recapture some value through the providers of the sharing platform (PricewaterhouseCoopers, 2015).

Business Model of Sharing Economy

In order to understand the functioning and basic framework of businesses engaged in the sharing economy format, this model is adapted from research by Moricz (2016); he has identified three key dimensions of sharing-economy business models – value proposition, revenue framework, and architecture. Each of these elements is a crucial and distinct decision, which can be decided and implemented by sharing startups.

(i) Value Proposition: It focuses on the aspect of customer value, major attractions for various segments of customers, and the primary benefits offered to them. It also encompasses value proposition for suppliers in the form of ease in earnings and ensuring global scalability. The focal objective being: demand and supply aggregation, process streamlining and speeding up, enhancing customer lifestyle, and fostering community values.

(ii) Revenue framework: This dimension of the business model emphasizes on finding out the appropriate revenue stream, which assists in covering the cost structure of the value proposition and architecture and streamlining revenues to make the model sustainable (Moricz, 2007). Crucial elements of the revenue framework comprise of : a transaction fee model (commission is imposed on the customer/supplier) and the revenue generated from complementary/value added services.

(iii) Architecture: This facet of the model involves key players in the process of creating value and the method of integrating their activities. The prevailing business model of a sharing economy efficiently uses a peer to peer architecture (P-P), aiming at peer to peer/customer to customer value creation, and consistent and automated value incorporation, thereby facilitating transparency and building trust.

Sustainable Entrepreneurship and the Triple Bottomline (TBL) Framework

Prior to venturing a start-up, sustainable entrepreneurs adapt a holistic approach encompassing economic, societal, and ecological sustainability dimensions. It is considered to be a balance between strategic management, aligning ecological and societal consideration, unit specific financial aims, navigating the ultimate objective of the organization. Researchers have provided valuable insights into comprehending sustainable entrepreneurship and have also identified the various attributes and crucial traits of the same overtime. In the words of Shepherd and Patzelt (2011), “sustainable entrepreneurship is focused on the preservation of nature, life support, and community in the pursuit of perceived opportunities to bring into existence future products, processes, and services for gain, where gain is broadly construed to include economic and non-economic gains to individuals, the economy, and society”. According to Crals and Vereeck (2005), sustainable entrepreneurs are those who prioritize profit and commence business operations keeping in mind the objective of achieving sustainability. Dean and McMullen (2007) have defined sustainable entrepreneurship as “the process of discovering, evaluating, and exploiting economic opportunities that are present in market failures which detract from sustainability, including those that are environmentally relevant”.Hockertsand Wüstenhagen (2010) were of the view that sustainable entrepreneurship aims at exploring economic opportunities, initiating the makeover of a sector towards achieving more ecological and social sustainability, thereby, generating market disequilibrium.

Sustainability has been widely discussed as the long term objective of a business. However, measuring the extent to which a business is sustainable or tracking sustainable growth is a cumbersome assignment. In order to gauge sustainability, Elkington (1998) developed an accounting framework known as the triple bottom line (TBL). This framework surpassed the traditional framework by incorporating social and ecological measures, which are difficult to allocate appropriate means of measurement in order to estimate profits and return on investment. TBL reporting is considered to be an important instrument facilitating sustainability objectives by stressing on comprehensive outcomes of investment, encompassing the interrelated dimensions of the 3P's - *profits*, *people,* and the *planet*, as shown in figure 5.As a known fact, sustainable entrepreneurship, which is derived from sustainable development, aims at addressing each 'P' with equitable value and consideration. Application of the TBL framework by businesses, non-profits, and governments is directed by the philosophies of economic, ecological, and social sustainability. However, they vary as far as measuring the three classes of outputs are concerned (Elkington, 1994).

Transformation of Businesses Towards Sustainability

Identification of sustainability related business failures and implementing them in order to achieve sustainable entrepreneurship has been a significant area of research. Hockerts and Wüstenhagen (2010) applied this understanding and developed a concept specifying the impactful roles played by start-ups and incumbents in the transformation process. In their conceptual study they put forth the transformational cycle of businesses towards sustainability. They identified four phases of the process:

(i) ***Stage one*****:** An entrepreneur starts off an innovative venture and begins the transformation of the business towards sustainability.

(ii) ***Stage two*****:** The sustainability seeking entrepreneur expands the business and is tracked by competitors who try to keep pace with the recent and growing trends in the market.

(iii) ***Stage three:*** Backed by potential investors these commercial sustainable entrepreneurs develop a sound understanding of the niche market and successfully implement product and process innovation. They attain profitability, growth, and increased market share, protecting and retaining the same against competition.

(iv) ***Stage four*****:** Known as the maturity stage, this phase faces increased competition from the sustainable entrepreneurs towards brands of volume, leading to further gain in market share, and leaping the transformation of the business towards sustainability.

Entrepreneurial Sustainability and Business Model Innovation

For entrepreneurs, managing sustainability encompasses dealing with challenges in a manner that facilitates the success of a business and social development if both are achieved simultaneously; it leads to *business cases for sustainability* (Schaltegger, Freund, & Hansen, 2012; Willard, 2012). Existing research concludes that business case for sustainability (BCS) does not merely occur, it has to be dynamically created by the entrepreneur. Studies and practical cases reveal that most businesses have the capacity to create BCS but this ability is generally ignored due to inaccurate systems of management and accounting. In order to address this crisis the concept of business model innovation has emerged, which is considered to be a way to increase and exploit a company's ability to create BCS (Lüdeke-Freund, 2013). Business model innovation does not facilitate instant BCS, but fine-tuning its specific components to support business value creation ability and needs of the society is a possible way to handle sustain abilitychallenges(Bocken &Short,2016).

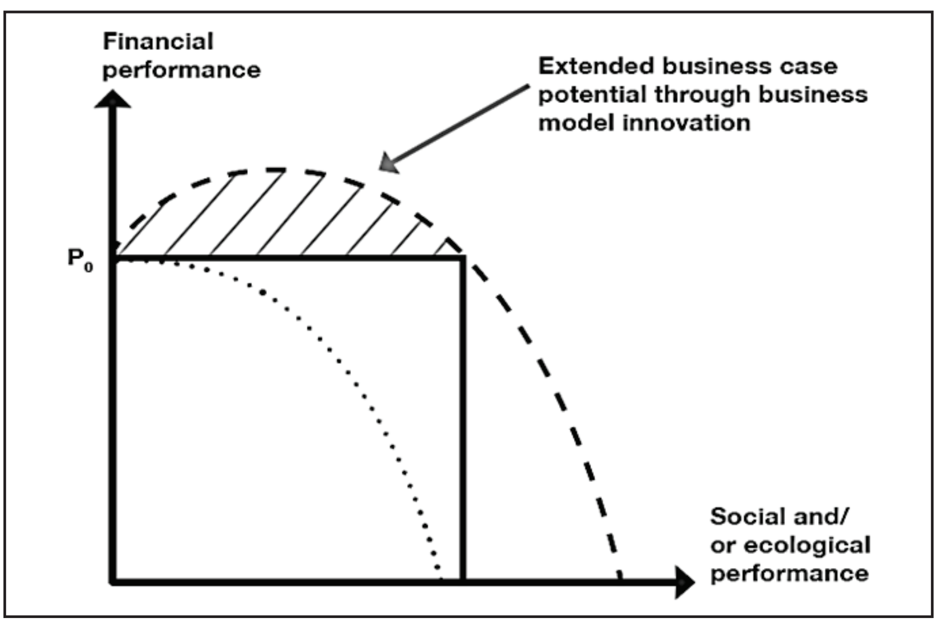
All business cases are not equal. Figure 4 differentiates between weak and strong forms of business in order to discuss weak and strong sustainability (Neumayer, 2013).The lower dotted curve indicates the path towards weak sustainable development. It occurs when: a company develops its ecological and social performance at the cost of its financial performance, which actually would not qualify as a "business" case. In contrast the upper dashed curve and shaded area represents strong sustainability, which is achieved by combining ecological, social, and financial performance.

Business Model for Sustainability – The Hourglass Model

The *Hourglass Model* as depicted in Figure 5 is a framework structuring and representing the primary components to be taken into account while developing business models for sustainability and shared value. The model reiterates the fact that sustainable models of business are about taking into account the multiple capitals required for value creation and taking care of stakeholders, who are affected by value creation. This model is a combination of research and concepts from relevant literatures, namely,Mulgan (2007) and the Integrated Reporting (IR) framework developed by the International Integrated Reporting Council (International Integrated Reporting Council, 2013).The Hourglass Model is an assimilation of three core concepts: (i) diverse forms of capital, (ii) the business model concept, and (iii) a stakeholder standpoint on value creation. According to Garcia-Castro and Aguilera (2015), in order to progress from a constricted understanding of financial value creation to a protracted angle of total value creation, the crucial means are: representation of different capitals, extending productive inputs, and value creation for various stakeholders.

The *stakeholder's* aspect aids in illustrating the idea of shared value, generally, business models lay importance on creating value for the principal organization - by generating profit and the customers – by maximizing benefits and utility. It is suggested that they should also consider, all stakeholders who are affected by the business model and to what extent or how the model affects them. The ***business model*** aspect symbolizes the structural design of organizational value creation; dominant to the business model is the customer value proposition, which is provided via customer interfaces, aiming at appropriating part of the total value added (Osterwalder & Pigneur, 2009; PricewaterhouseCoopers, 2015). In order to create, deliver, and capture value, engage and build resources

Figure 4.Trajectory of Entrepreneurial Development. Adapted from Corporate Sustainability .In H. Folmer & T. Tietenberg (Eds.). International Yearbook of Environmental and Resource Economics 2005/2006 (p. 185-222), by Schaltegger& Burritt, 2005, MA, USA.Copyright 2005 by Edward Elgar Publishing.

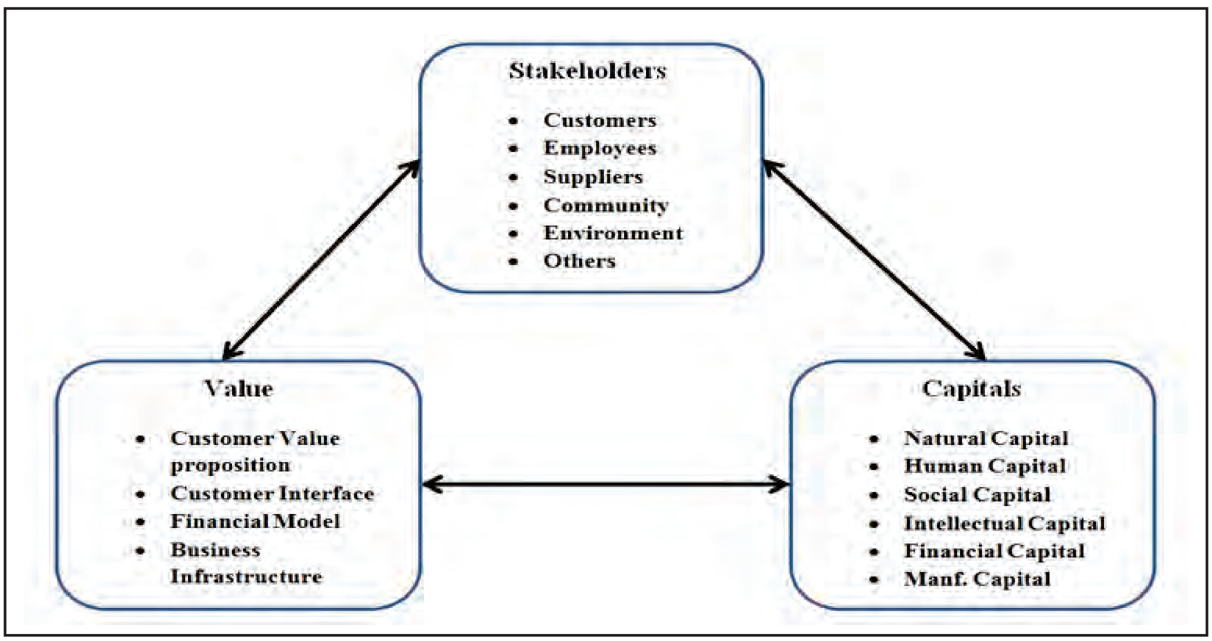


such as people, technologies, information, and reputation.The *capitals* aspect signifies varied forms of capital, which provide inputs for any business model, as depicted inputs to value creation revolve around: natural, social, and economic capital (Association of Chartered Certified Accountants & Netherlands Institute of Chartered Accountants, 2013).Thus, capitals are understood as "stocks of value" that can be transmuted and enriched or damaged through activities of organizations.

The *stakeholder's* aspect aids in illustrating the idea of shared value, generally, business models lay importance on creating value for the principal organization - by

such as people, technologies, information, and reputation.The capitals aspect ignifies varied forms of capital, which provide inputs for any business model, as depicted inputs to value creation revolve around: natural, social, and economic capital (Association of Chartered Certified Accountants & Netherlands Institute of Chartered Accountants, 2013).Thus, capitals are understood as "stocks of value" that can be transmuted and enriched or damaged through activities of organizations.

Figure 5.The Hourglass Model. Adapted from Business Models for Shared Value: Main Report," by Lüdeke-Freund, F., Massa, L., Bocken, N., Brent, A., &Musango, J. 2016, (http://nbs.net/wp-content/uploads/NBS-SA_Main_Report-161128.pdf). In the public domain.



generating profit and the customers – by maximizing benefits and utility. It is suggested that they should also consider, all stakeholders who are affected by the business model and to what extent or how the model affects them. The ***business model*** aspect symbolizes the structural design of organizational value creation; dominant to the business model is the customer value proposition, which is provided via customer interfaces, aiming at appropriating part of the total value added (Osterwalder & Pigneur, 2009; PricewaterhouseCoopers, 2015). In order to create, deliver, and capture value, engage and build resources

Developing a Linkage Between Entrepreneurial Sustainability and Sharing Economy

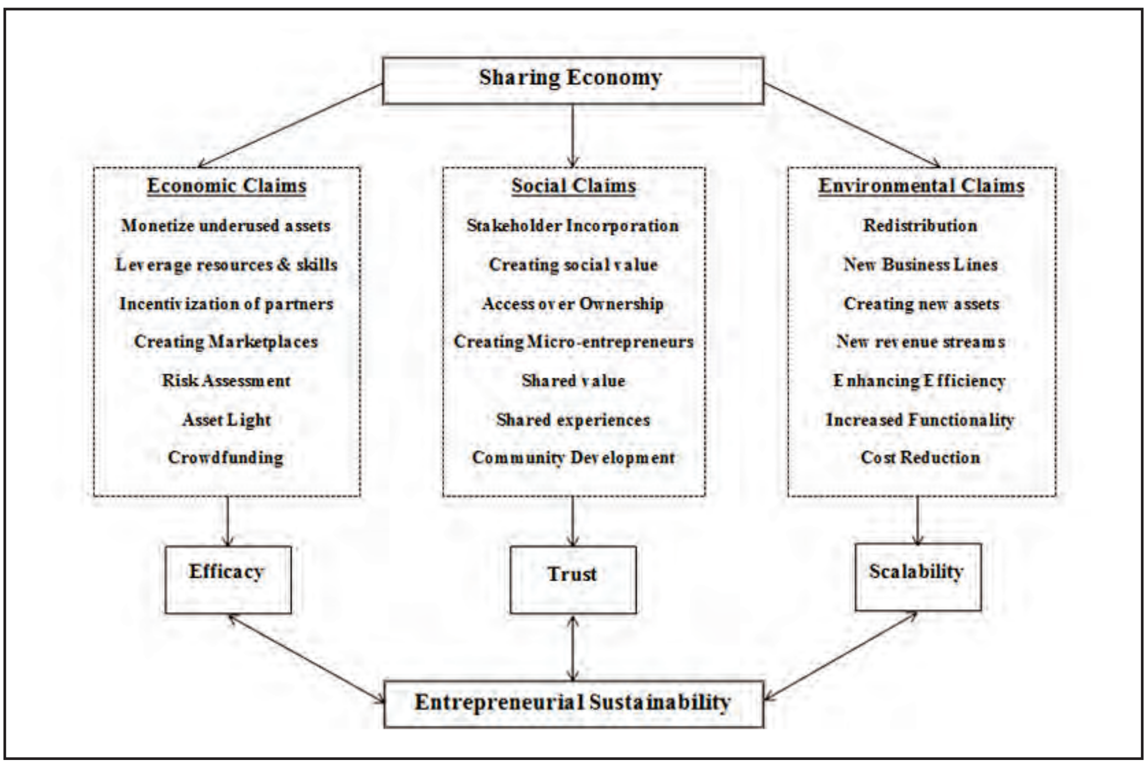
The sharing economy can facilitate start-ups as it provides opportunities for entrepreneurial activity in different forms of markets. These start-ups are able to leverage the assets and skills owned by peers and they are instantly able to compete with established occupants in industry which normally has substantial barriers to entry. In the words of Osterwalder, Pigneur, and Tucci (2005), looking at sharing economy through the prism of resource, the aspect of sustainability primarily focuses on the physical facets of the new business, aiming at a substantial reduction in use of resources. The building blocks of sharing economy are not only limited to previous under-utilized resources but also the relationship of trust facilitated by innovative serviceproviders.

In their study, Henten and Windekilde (2016) examined sharing economy from the angle of transaction cost theory and claim that new digital platforms can transform the substitutability of traditional services by offering similar alternatives. According to Dervojeda et al. (2013), sources of funding both from public and private sources were considered to be extremely crucial for both the sharing economy and economic stability and sustainability. Incubator programs are enabling a lot of sharing economy start-ups by providing advice from experienced professionals on increased funding. This also assists businesses to gain an international exposure and create a sustainable future. As a vital part of this process, *crowdfunding* provides a platform to start-ups to pitch business plan to the masses and take it to the next level. An effective crowdfunding mechanism provides the business not only with the required funds, but also creates a base of customers who consider themselves as stakeholders for the success of business (Olson & Kemp, 2010).

Mindset and buying patterns of the modern day consumer are constantly changing and companies need to operate taking into account the recent change in buyer trends. The sharing form of economy also portrays a crucial shift in the buying preferences of the consumer from mass produced goods to locally produced/ hand-crafted products. This change in trend is a crucial signal and factor for entrepreneurial sustainability (Olson & Kemp, 2015).

In the context of the current and future businesses, sustainable development realistically involves the integration and achievement of economic, ecological, and social goals. Entrepreneurial sustainability therefore, should aim at shaping the aforesaid goals of a business in a way that leads to sustainable development of the enterprise and also the society holistically. The core challenge for any organization lies in achieving economic sustainability, yet maintaining equilibrium between the society and the environment. By supplying socially and environmentally superior products, companies can positively influence the mass market and increase sustainability potentials. An optimistic sustainability impact by the entrepreneur demands a practical and

Figure 6. A Conceptual Framework for Sharing Economy and Entrepreneurial Sustainability.



Source: Author's depiction

significant input to advancement towards sustainability. Founders of start-ups consider sustainability as an auxiliary aspect of business establishment. As presented in Figure 6, cost reduction, increased functionality, enhancing efficiency, and creation of new assets, accompanied by re-distribution are the important ecological aspects of the sharing economy that aim at realizing entrepreneurial sustainability through scalability. Ideally, sustainable entrepreneurship propels a venture towards sustainability by influencing the society as a whole; striving for success of the business through sustainability solutions for the mass market. Aspects like stakeholder involvement (primarily focusing on consumers), social value creation, enabling access, creating shared experiences (facilitating brand expansion), and creating an entire community among the masses are vital for sustainability, thereby creating a trust bank. Focusing on the economic facet, entrepreneurs who operate in the sharing platform can inch closer towards sustainability by achieving; increased sources of funding (crowdfunding), adopting an asset light model, proper assessment of risk, incentivizing partners, etc. leading to financial efficacy.

Conclusion

In this paper I introduced a framework for sustainable entrepreneurship and explored its possible links to sharing economy. The business implications of this conceptual analysis especially relate to important conditions that enable entrepreneurs to develop a blueprint of the ecological, social, and economic functionalities which facilitate sustainability, while operating in a shared environment. To remain agile in a competitive market, companies need to continuously explore gaps in revenue management, finding cost efficiencies, keeping their business models flexible and creating a relationship of trust with consumers and other stakeholders by continuous engagement. Effectively sustaining in the sharing economy calls for sharp insights into the consumer mindset, value proposition, and objectivity of internal operations. Liability and security issues need to be mitigated as companies willing to tackle all these challenges will be the ones poised to survive. Although there is little evidence to suggest that the sharing economy potentially has a strong capability for transforming, unsustainable forms of businesses to more sustainable ventures, advancement towards the same can be made by incremental improvements in business model, mass market orientation, and enhanced customer experience.

As the technologies driving the shared platform are new, the old regulatory frameworks are no longer appropriate and the aim of sustainability will not be achieved unless the government and other regulatory authorities realize its potential benefits and risks and act upon building positive institutional frameworks. At the point when frameworks that evacuate hindrances and boost potential advantages give a setting to the sharing economy to prosper, entrepreneurs may discover them as an effective course to sustainability. The prevailing government infrastructure aimed at supporting entrepreneurship is not equipped with the required knowledge to assist and encourage sharing economy start-ups. These start-ups cannot adopt and implement the same growth strategies as large corporates for which product-market combinations are already established. Therefore, they require a tailor made support infrastructure.

Limitations

The study does not have any limitations. The conceptual framework developed in this paper is based on literature sources on sharing economy. However, the idea of a sharing economy is still new and academic literature on the topic is limited. This affects and limits the development of a linkage between sharing economy and entrepreneurial sustainability.

Scope for Future Research

This conceptual analysis suggests at least four future streams of research on the correlation between sharing economy and sustainable entrepreneurship: (a) linking the public with the sharing economy to realize sustainable entrepreneurship; (b) an investigation of what variables of the sharing economy support sustainable entrepreneurship and underlying conditions;© identification and analysis of claims other than technological, social, economic, and ecological that can correlate sustainable entrepreneurship and sharing economy; (d) Lastly, the lack in the definition of the sharing economy obstructs further research, focus on future should elaborate the concept of underused assets and on redefining the concept of the sharing economy.

References

Allen, D., & Berg, C. (2014).The sharing economy, how over-regulation could destroy an economic revolution. Melbourne : Institute of Public Affairs.

Association of Chartered Certified Accountants andproductive inputs, and value creation for various stakeholders.

Bagó, A. C. (2011). Introduction to Collaborative Consumption. A report prepared for the Barcelona Consensus Grant.

Bauwens, M., Mendoza, N. & Iacomella, A. (2012).Synthetic Overview of the Collaborative Economy. A report prepared by P2P Foundation. Retrieved on May 30, 2017 from p2p.coop

Belk, R. (2014). You are what you can access: Sharing and collaborative consumption online. *Journal of Business Research, 67*(8), 1595-1600. doi: https://doi.org/10.1016/j.jbusres.2013.10.001

Bocken, N. M. P., & Short, S. W. (2016). Towards a sufficiency-driven business model: Experiences and opportunities. *Environmental Innovation and Societal Transitions*, 41–61. doi: https://doi.org/10.1016/j.eist.2015.07.010

Böckmann, M. (2013). The shared economy: It is time to start caring about sharing; Value Creating Factors in the Shared Economy. (Bachelor's dissertation). University of Twente, Netherlands.

Botsman, R., & Rogers, R. (2010). *What's mine is yours: The rise of collaborative consumption*. New York, NY, Harpers Collins. Cheltenham, UK: Edward Elgar. Cheltenham, UK and Northampton, MA USA: Edward Elgar Publishing. doi: http://dx.doi.org/10.4337/9781845425593.00012

Crals, E., & Vereeck, L. (2005). The affordability of sustainable entrepreneurship certification for SMEs. *International Journal of Sustainable Development & World Ecology, 12(2)*, 173-183. doi: http://dx.doi.org/10.1080/13504500509469628

Dean, T. J., & McMullen, J. S. (2007). Towards a theory of Sustainable Entrepreneurship: Reducing environmental degradation through entrepreneurial action. *Journal of Business Venturing, 22(1)*, 50-76. doi: https://doi.org/10.1016/j.jbusvent.2005.09.003

Dervojeda, K., Nagtegaal, F., Lengton, M., & Datta, P. (2013). Analysis of industry-specific framework conditions relevant for the development of world-class clusters. *Cambridge, MA: Havard University Press*.

DHL Trend Research (2017). Sharing economy logistics: Rethinking logistics with access over ownership. DHL Customer Solutions & Innovation.

Elkington, J. (1994). Towards the Sustainable Corporation: Win-Win-Win Business Strategies for Sustainable Development. *California Management Review, 36*(2), 90–100. doi: http://journals.sagepub.com/doi/10.2307/41165746

Elkington, J. (1998). Partnerships from *Cannibals with Forks: The Triple Bottom-Line of 21st Century Business*. Oxford: Capstone.

Ertz, M., Durif, F., & Arcand, M. (2016). A. 12. Collaborative Consumption or the Rise of the Two-Sided Consumer. *The International Journal of Business & Management*, *4*(6), 195–209.

Ertz, M., Lecompte, A., & Durif, F. (2016).*Neutralization in collaborative consumption: An exploration of justifications relating to a controversial service. Managerial Marketing eJournal.*

Finley, K. (2013). Trust in the sharing economy: An exploratory study. Doctoral Thesis. England: The University of Warwick: Center for Cultural Studies.

Frenken, K., Meelen T., Arets, M., & van de Glind, P. (2015).Smarter regulation for the sharing economy. *TheGuardian*. Retrieved from http://www.theguardian.com/science/political-science/2015/may/20/smarter-regulation-for-the-sharing-economy.

Frick, K., Hauser, M., & Gürtler, D. (2013).Sharity: Die Zukunft des Teilens [Sharity: The Future of Sharing]. GDI Gottlieb Duttweiler Institute, GDI Studie Nr. 39.

Garcia-Castro, R., & Aguilera, R. V. (2015). Incremental value creation and appropriation in a world with multiple stakeholders. *Strategic Management Journal*, *36*(1), 137–147.

Gerstner, L. (2014). Cash In on the Sharing Economy. *Kiplinger's Personal Finance Journal*, 58-60.

Hamari, J., Sjöklint, M., & Ukkonen, A. (2016). The sharing economy: Why people participate in collaborative consumption. *Journal of the Association for Information Science and Technology*, *67*(9),2047-2059. doi: 10.1002/asi.23552

Heinrichs, H., & Grunenberg, H. (2013). Sharing economy: Towards a new culture of consumption? Centre for Sustainability Management. Leuphana University Lüneburg, Germany.

Henten, A. H., & Windekilde, I. M. (2016).Transaction costs and the sharing economy. *Info*, *18*(1), 1–15. doi:

https://doi.org/10.1108/info-09-2015-0044

Herring, H., & Sorrell. S. (Eds.) (2008). Energy Efficiency and Sustainable Consumption: The Rebound Effect. Palgrave Macmillan, Basingstoke.

Hockerts, K., & Wüstenhagen, R. (2010) Greening Goliaths versus emerging Davids - Theorizing about the role of incumbents and new entrants in Sustainable Entrepreneurship, *Journal of Business Venturing, 25(5)*, 481-492. doi: https://doi.org/10.1016/j.jbusvent.2009.07.005

Integrated Reporting Council (2013).International Integrated Reporting Council (IIRC). *The International Integrated Reporting Framework*. London: IIRC.

Kelly, K. (2009). Better Than Owning. An article produced for the Kevin Kelly (thought leader, editor, publisher and founder of the Wired magazine) blog, Retrieved June 7, /2017 from kk.org

Kuhndt, M., Wagner, T., & Pratt, N. (2013).Warumteilen und tauschen, statthaben? Wiewird die Sharing Economy zumMassenmarkt? [Why Sharing and Swapping Instead of Owning? How the Sharing Economy Becomes a Mass Market?]. An article produced for Forum NachhaltigWirtschaften. Retrieved May 20, 2017from www.nachaltigwirtschaften.de

Lawson, S. (2010). Transumers: Motivations of Non-ownership Consumption. *Advances in Consumer Research*, 37, 842–843.

Lüdeke-Freund, F. (2013).*Business models for sustainability innovation: Conceptual foundations and the case of solar energy*.Doctoral dissertation.Lüneburg, Germany:Leuphana University.

Lüdeke-Freund, F., Massa, L., Bocken, N., Brent, A., & Musango, J. (2016).*Business models for shared value: Main report*.Network for Business Sustainability South Africa. Retrieved from: http://nbs.net/wp-content/uploads/NBS-SA_Main_Report-161128.pdf

Marchand, A., Walter, S., & Cooper, T. (2010). Beyond Abundance: Self-Interest Motives for Sustainable Consumption in Relation to Product Perception and Preferences. *Sustainability*, *2*(5), 1431–1447.doi: 10.3390/su2051431

Mulgan (2007).*Value creation, capture, and networks*. London and Oxford, UK: The Young Foundation and Skoll Centre for Social Entrepreneurship, University of Oxford.

Power, K. and Mont, O. (2010). The role of formal and informal forces in shaping consumption and implications for sustainable society: Part II," *Sustainability, 2*(8), 2573–2592.

Moricz, P.(2007). Üzletimodellezésésazinternetesüzletimodellek.*Vezetést udomány*, 38, 14–29.

Moricz, P. (2016). The business model of the leading sharing economy platforms. Conference of the Digital Welfare Program. Corvinus University of Budapest, Department of Management Control, November 2016, Budapest.

Neumayer, E. (2013). *Weak versus strong sustainability: Exploring the limits of two opposing paradigms* (4th ed.). Cheltenham, UK: Edward Elgar.

Olson, K. (2012). National Study Quantifies Reality of the Sharing Economy Movement. A study prepared by Carbonview Research for Campbell Mithun, accessed on 21/05/2017 via cmithun.com

Olson, M. J., & Kemp, S. J. (2010). *Sharing economy: An in-depth look at its evolution and the role of formal and informal forces in shaping consumption and implications for a sustainable society*. Part I. *Sustainability*, *2*, 2232–2252.

Olson, M. J., & Kemp, S. J. (2015). *Sharing economy: An in-depth look at its evolution and trajectory across industries*. Piper Jaffray.

Osterwalder, A., & Pigneur, Y. (2009). Business Model Generation. ModdermanDrukwerk.

Osterwalder, A., Pigneur, Y., & Tucci, C.L. (2005). Clarifying business models: Origins, present and future of the concept. *Communications of the Association for Information Systems*, *16*, 1-25.

Owyang, J., Samuel, A., & Grenville, A. (2014). Sharing is the new buying: How to win in the collaborative economy. A study prepared by Vision Critical and Crowd Companies. Retrieved May 13, 2017 from www.visioncritical.com

Piscicelli, L., Cooper, T., & Fisher, T. (2015). The role of values in collaborative consumption: insights from a product-service system for lending and borrowing in the UK. *Journal Of Cleaner Production*, 97 (Special Volume: Why have 'Sustainable Product-Service Systems' not been widely implemented?), 21-29.doi: https://doi.org/10.1016/j.jclepro.2014.07.032

PricewaterhouseCoopers (2015).*The sharing* *economy*.Retrieved May 14, 2017 from https://www.pwc.com/us/en/technology/publications/assets/pwc-consumer-intelligence-series-the-sharing-economy.pdf

Reim, W., Parida, V., & Örtqvist, D. (2015).Product–Service Systems (PSS) business models and tactics – a systematic literature review. *Journal Of Cleaner Production*, 97(Special Volume: Why have 'Sustainable Product-Service Systems' not been widely implemented?), 61-75.

Rifkin, J. (2001). The age of access: The new culture of hypercapitalism– Where all of life is a paid-for experience. New York: J.P. Tarcher / Putnam.

Schaltegger, S., & Burritt, R. (2005).Corporate Sustainability.In Folmer, H. & Tietenberg, T.(Eds.). *International yearbook of environmental and resource economics 2005/2006*,185–222.

Schaltegger, S., Freund, F. L., & Hansen, E. G. (2012). Business cases for sustainability: The role of business model innovation for corporate sustainability. *International Journal of Innovation and Sustainable Development*, *6*(2), 95-118.

Schor, J. (2014). Debating the sharing economy. *Great Transition Initiative,* 1-14.Tellus Institute Boston.

Shane, S., & Venkataraman, S. (2000).The promise of entrepreneurship as a field of research. *The Academy of Management Review, 25*(1), 217-226.

Shepherd, D. A., and Patzelt, H. (2011). The new field of sustainable entrepreneurship: Studying entrepreneurial action linking "What is to be sustained" with "What is to be developed". *Entrepreneurship Theory and Practice*, *35*(1), 137–163. doi: 10.1111/j.1540-6520.2010.00426.x

Van de Glind, P. (2013). The consumer potential of collaborative consumption. A Master's dissertation at the University of Utrecht, the Netherlands.

Willard, B. (2012). *The new sustainability advantage: Seven business case benefits of a triple bottom line*. Completely rev. 10th anniversary ed. Gabriola Island, BC: NewSociety Publishers.

About the Author

Vivek Misra completed Masters in Business Administration from Regional College of Management, Bhubaneswar and is currently pursuing Ph.D. in Marketing form KIIT School of Management, Bhubaneswar, India. After a stint of around nine years in the corporate domain, he is currently working as an Assistant Professor in Marketing at CV Raman Group of Institutions, Bhubaneswar. Four of his papers which have been accepted for publication in various refereed indexed journals. Mr. Vivek Mishra is currently working on empirical and conceptual research papers in the area consumer behavior.