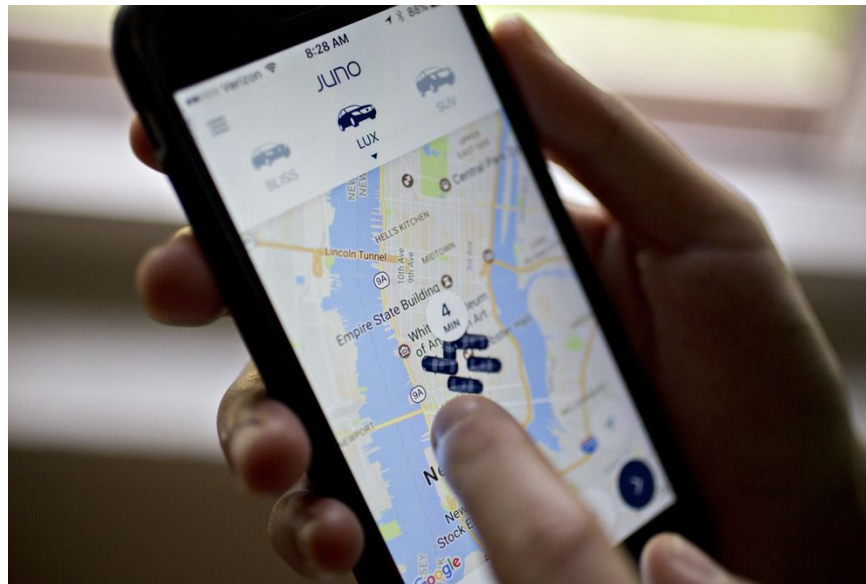


The Future of Platformisation

Jovana Karanovic, Assistant Professor



STORY OF JUNO - A RIDE-HAILING APP



Promise of an ethical-ride hailing app

ETHICAL

**TREATING
DRIVERS
FAIRLY**



**SHARED
OWNERSHIP**

**ANTI-
UBER**

2016

THE VERGE

APPS / TECH / TRANSPORTATION

Juno wants to woo Uber drivers with a more ethical ride-sharing app

17

And I was the first user to hail a ride

By Andrew J. Hawkins | @andyjayhawk | Mar 29, 2016, 12:11pm EDT

Hear Talmon Marco, CEO of Juno, at Disrupt NY on rivalling Uber with a driver-friendly app

Ingrid Lunden @ingridlunden / 2:00 PM GMT+2 • April 19, 2016

Comment

"I joined Juno because the promise of the RSUs were very enticing. Driverless cars will be around someday; it's good to have the future taken care of."
(Steven Savader, Juno driver)

"When we looked at Uber, we saw an opportunity. The fact is they're not treating drivers right. So there's an opportunity for somebody like us."
(CEO, Juno)

2017



On-demand ride service Gett confirms acquisition of Juno for \$200M

Business

[FOLLOW MASHABLE >](#)

Juno promised drivers equity in the future of ride-hailing and gave them \$100 instead



1. Workers and users are ready to reward fair play
2. Beyond the superior technology and venture capital, a different ownership structure can give new players a competitive edge

1. What allowed platforms to flourish?
2. Labor-market opportunities and challenges
3. Re-imagining the platform economy
4. Three cases – lessons for the future of platform

WHAT ALLOWED PLATFORMS TO FLOURISH?



The rise of platform business models

- Advancements in information and communication technologies = lower transaction and search costs
- Ability to grow by exploiting network effects
- Ability to leverage communities vs. features of the product

RIDE-HAILING



FOOD DELIVERY



HOUSEHOLD SERVICES

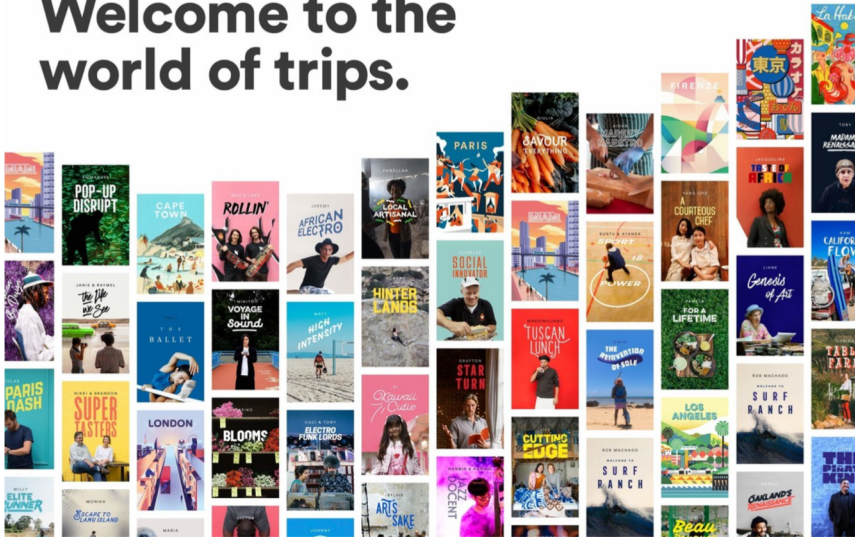


PROFESSIONAL SERVICES




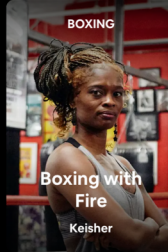
Example: Airbnb Experiences

Welcome to the world of trips.



AIRBNB EXPERIENCES

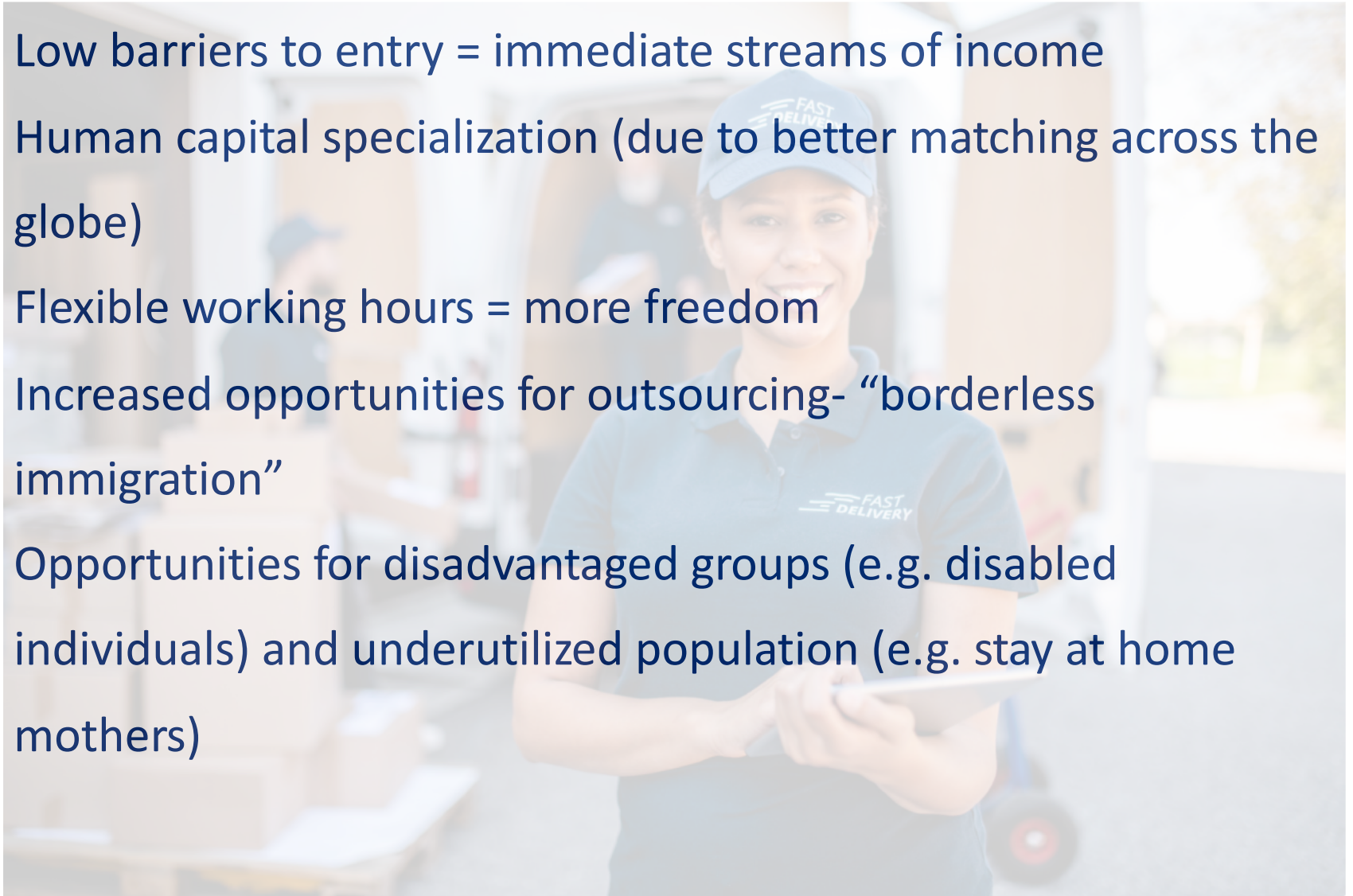
One-of-a-kind activities hosted by locals

 <p>ANIMALS</p> <p>Discover the arctic foxes</p> <p>Stéphanie Et Rodolphe</p>	 <p>ANIMALS</p> <p>Horse Whispering...</p> <p>Antonia</p>	 <p>ADVENTURES</p> <p>Sweden Island Kayak</p> <p>Helena</p>	 <p>BOXING</p> <p>Boxing with Fire</p> <p>Keisher</p>	 <p>CLASSES & WORKSH...</p> <p>The Language of Drums</p> <p>Aryo</p>
---	--	--	--	---

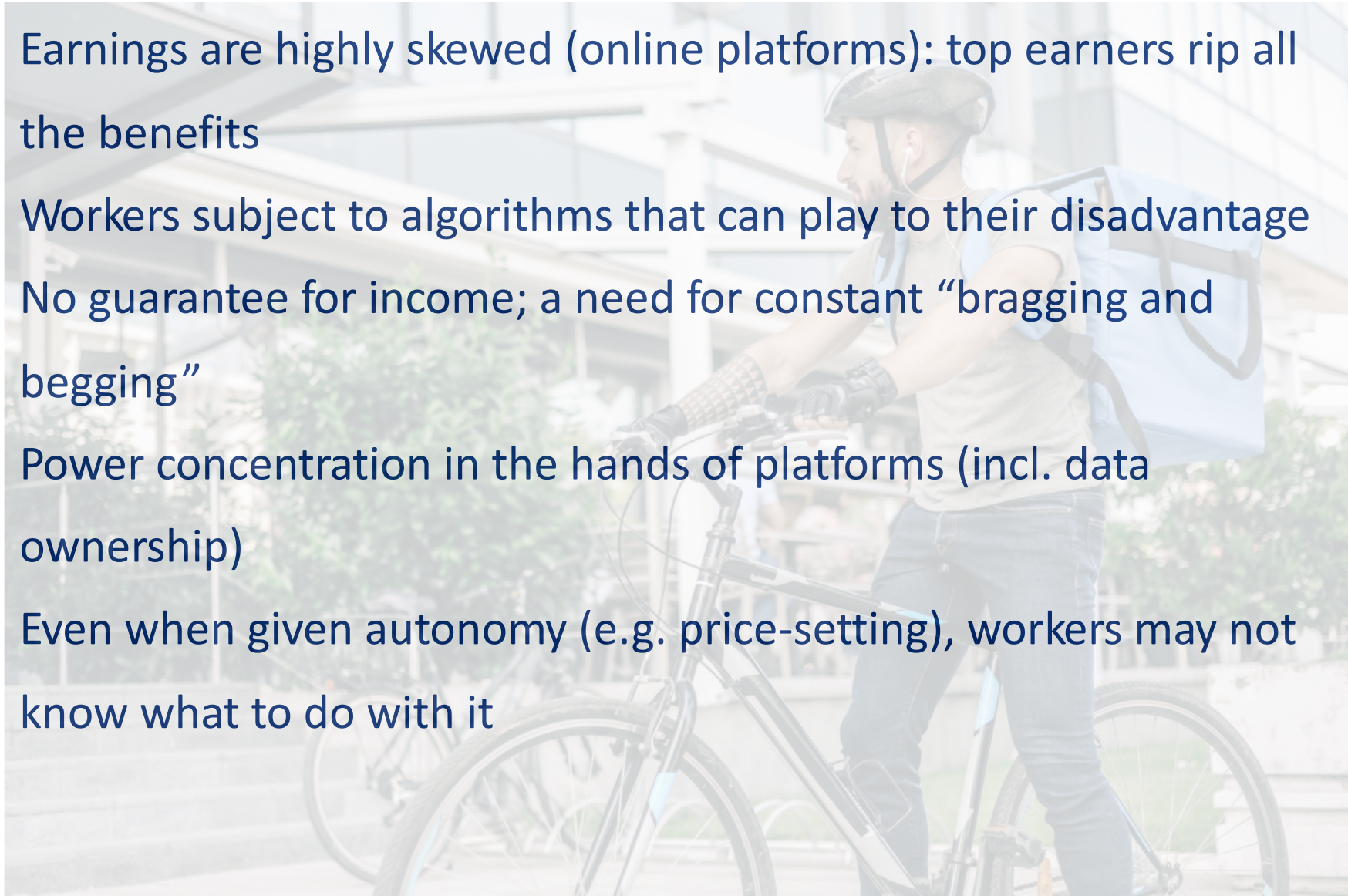
LABOR MARKET OPPORTUNITIES AND CHALLENGES



- Low barriers to entry = immediate streams of income
- Human capital specialization (due to better matching across the globe)
- Flexible working hours = more freedom
- Increased opportunities for outsourcing- “borderless immigration”
- Opportunities for disadvantaged groups (e.g. disabled individuals) and underutilized population (e.g. stay at home mothers)



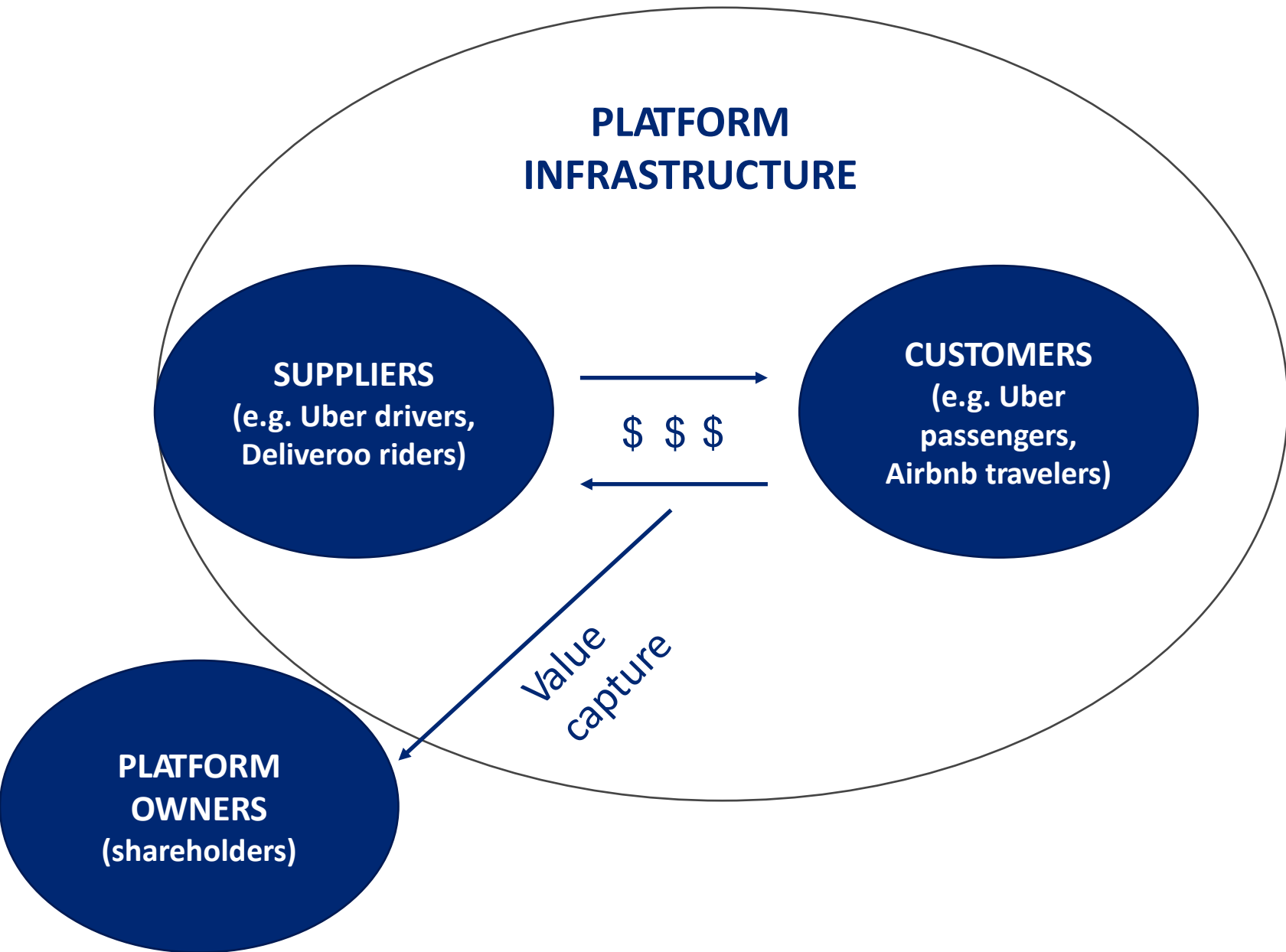
- Earnings are highly skewed (online platforms): top earners rip all the benefits
- Workers subject to algorithms that can play to their disadvantage
- No guarantee for income; a need for constant “bragging and begging”
- Power concentration in the hands of platforms (incl. data ownership)
- Even when given autonomy (e.g. price-setting), workers may not know what to do with it



RE-IMAGINING THE PLATFORM ECONOMY



JOINT VALUE CREATION = JOINT VALUE CAPTURE



Stocksy

Stock photography website

- Founded in 2012 in Canada
- Owned by 1200 artists



Partago

Electric car-sharing cooperative

- Founded in 2015 in Gent, Belgium
- Owned by members

Organizations owned and governed by users, workers or both



WeHelpen

Informal care services

- Founded in 2012 in the Netherlands
- Owned by 130 members (organizations)



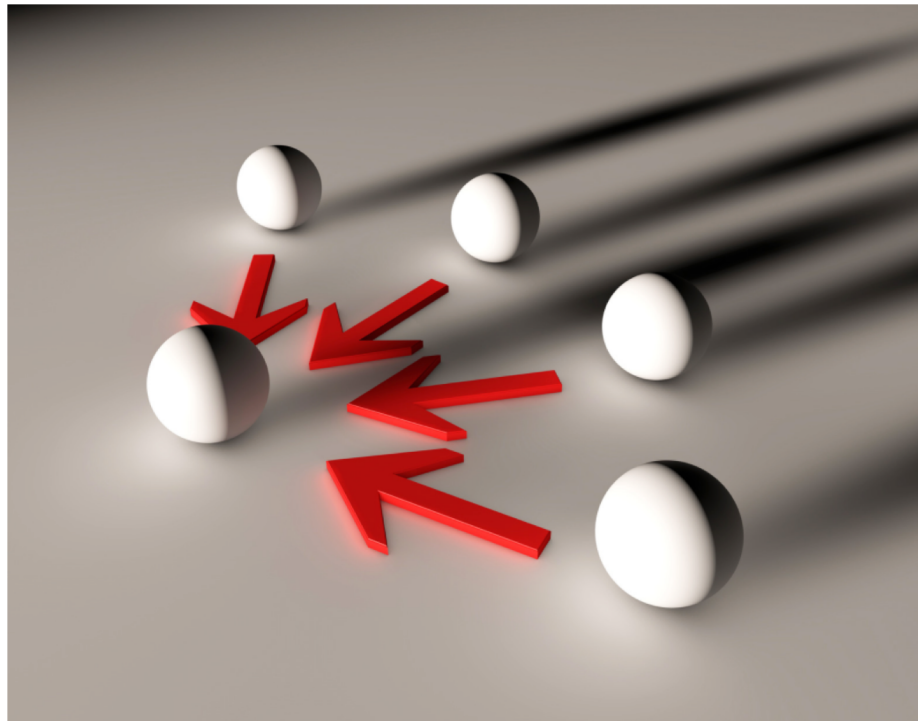
Fairbnb

Vacation-rental cooperative

- Founded in 2015 in Bologna, Italy
- Owned by workers

How do platform cooperatives compete?

- Distinctiveness vs. winner-takes all logic
- Reliance on the community for growth vs. venture capital
- Pooled resources (example: Som Mobilitat and Partago)
- Mission-driven offerings



Where could coops bring most value?

- Public services (e.g. healthcare, education)
- Industries with localized services
- Non-profit organizations (multistakeholder approach)

WHERE IS THE PLATFORM ECONOMY HEADING?



- Instead of short-term gains, investors are paying attention to platforms' treatment of their workforce

"If forced to offer more traditional employee benefits, like company pension contributions, Deliveroo's already thin margins would struggle to climb, and the road to profitability would look very tough indeed," said Sophie Lund-Yates, an equity analyst at Hargreaves-Lansdown.

TECH

Why Amazon-backed food delivery app Deliveroo flopped in its market debut

PUBLISHED WED, MAR 31 2021•8:29 AM EDT | UPDATED FRI, APR 9 2021•6:18 AM EDT

EXAMPLE 2: Airbnb IPO in 2020

- From technology disruptors to community builders

. “Our guests are not transactions — they are engaged, contributing members of our community,” the company said. “Once they become a part of Airbnb, guests actively participate in our community, return regularly to our platform to book again, and recommend Airbnb to others who then join themselves. It is a virtuous cycle — guests attract hosts, and hosts attract guests.”



Uber to pay UK drivers minimum wage, holiday pay and pension

Move follows supreme court ruling that drivers are workers but critics say they are still short-changed



- Platforms are realizing the power of communities
- Different ownership structure (e.g. platform cooperatives) point to experimentation with different business models
- Investors' concern over platform business models' viability will force platforms to change
- Regulations could change the platform economy as we know it, hopefully for the better

WHATEVER HAPPENED WITH JUNO?

SHARE



PRO BANKRUPTCY

Ride-Hailing App Juno Enters Bankruptcy, Blaming Wage Law

Juno filed for chapter 11 protection after New York City put a floor on driver wages

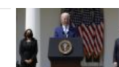


For-hire drivers and their supporters rally in favor of New York City legislation that put a cap on ride-hailing vehicles and set a minimum pay rate for drivers.

PHOTO: DREW ANGERER/GETTY IMAGES

MOST POPULAR NEWS

1. Skinny Jeans and 9 Other Styles That Date You
2. Prince Charles Moves Closer to Center Stage
3. Inside President Biden's New Gun-Control Actions
4. Police Say Fatal Shooting of Black Man in Minneapolis Suburb Was Accidental
5. Are You Emotionally Ready to Retire? Eight Questions to Ask Yourself



MOST POPULAR OPINION

1. Opinion: Targeting the U.S. Senate
2. Opinion: Baseball Says Cuba 'Si,' Georgia 'No'



WANT TO LEARN MORE?

My TEDx talk on platforms :

<https://www.youtube.com/watch?v=Mh10egJpxq0&t=2s>

Karanovic, Berends, Engel, 2020, Journal of Management Studies:

<https://onlinelibrary.wiley.com/doi/pdf/10.1111/joms.12577>

My medium article on the Uber case in the UK:

<https://karanovicj.medium.com/ubers-70-000-uk-drivers-are-now-workers-but-they-want-more-what-would-this-mean-for-uber-3b8a0d782691>