DEFINING THE DIGITALLY NETWORKED SHARING ECONOMY:
A RHETORICAL ANALYSIS OF AIRBNB

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Submitted in partial fulfillment of the
requirements for Departmental Honors in
the Departments of English and Economics
Texas Christian University
Fort Worth, Texas

May 4, 2015
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A RHETORICAL ANALYSIS OF AIRBNB

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ABSTRACT

In this honors thesis, I seek to build a definition of the sharing economy, a term still loaded with ambiguity in today’s economic discourse, and so a valuable place to synthesize the vast amounts of research in related fields. By defining the sharing economy as “an economic system that is material in nature and built on networked peer-to-peer interactions that leverage weak-tie relationships to facilitate collaborative consumption, where individuals are both producers and consumers of information and attention as well as goods and services, and human action is facilitated by community formation through the sharing of information in order to reach specialized audiences or markets, and where these community economic interactions are characterized by combining intrinsic and extrinsic motivation for users,” I am able to explore the ways in which sharing economies inadvertently encourage a more nuanced economic perspective, and at times serve as a complement to or challenge of traditional capitalism. To work through this definition, my analysis begins by addressing the scholarly conversation up to the present, outlining the theoretical framework that serves as a foundation for academic inquiry into these economies, and ending with a case study testing Airbnb to this definition of the online sharing economy. Individuals within the online home rental platform Airbnb act as attention economists where they skillfully filter information and create multimodal appeals to best direct attention towards their own listings. Airbnb serves as an excellent example of the strength of weak ties and the ability of sharing economies to encourage human coordination and allow individuals to leverage their own social networks for intrinsic and extrinsic gain, demonstrating a larger societal shift towards methods of collaborative consumption and peer production.
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INTRODUCTION

Picture this. You are an avid traveler hoping to explore a new city and in the midst of planning your next trip when a friend suggests that you check out a new form of lodging. Rather than stay at your usual hotel chain—an experience where you know exactly what to expect—you could choose to rent a room in a local’s home, or rent their entire home outright. Maybe it is the lower cost, or maybe it is the unique opportunity to live like a local or even create a new connection with a stranger, but you decide to try it. Using an online platform, you browse for a specific location, type of lodging, and host-guest interaction. Looking for a tree house in San Francisco with friendly hosts who will cheerfully show you their favorite parts of the city? Or a modern loft in downtown Austin with a host who you only meet to exchange keys? You can find either and a wide range of diverse experiences in between specifically tailored to your traveling style. You may hesitate initially—who is this host anyway?—but read the many reviews of the host and listing left by travelers just like you, and you decide to click “Request to Book.” Welcome! You have just become one of the hundreds of thousands of travelers staying in Airbnb listings around the world each night.

Airbnb is one example of the so-called “sharing economy,” a buzzword in business circles with increasingly polarized connotations. The label “sharing economy” covers a range of commercial practices; practices that are far more often described than defined. Economist Juliet Schor describes these by dividing businesses under the sharing economy umbrella by both their market orientation (non-profit vs. for-profit) and their market structure (business-to-peer vs. peer-to-peer), with Airbnb serving as an excellent example of firms in the for-profit/peer-to-peer quadrant, in addition to other peer-
networked companies like RelayRides (4). But peer-to-peer home-sharing is just one example of the diverse practices often included in the sharing economy. In NYU Stern School of Business Professor Aran Sundararajan’s January 2014 address to the US House of Representatives, he speaks on digitally enabled peer-to-peer businesses, one form of sharing economies. His appraisal of the wide range of practices within the field is particularly useful as an introduction to sharing economies. His broad definition breaks down the practices into (1) repurposing owned assets as “rental services” like Airbnb (2) professional service provision, for example Uber (3) general-purpose freelance labor, as exemplified by Taskrabbie, and (4) peer-to-peer asset sales, most popularly Ebay and Etsy (Sundararajan 7). This list is relatively expansive, but other forms of digitally networked peer-to-peer transactions do occur—most notably peer-to-peer education and finance.

In current economic discourse, the boundaries surrounding what exactly constitutes a sharing economy are hazy and the divisions between mere peer-to-peer interactions and those in the sharing economy feel arbitrary at times. As evidenced above, sharing economies are more often described than defined, and this is a gaping void in the scholarly and public conversation. In order to discuss the foundation and socioeconomic implications of sharing economies, we need to know what we’re dealing with. We have come to the exigence of my research—what exactly is this sharing economy?

A sharing economy is an economic system that is material in nature and built on networked peer-to-peer interactions that leverage weak-tie relationships to facilitate collaborative consumption, where individuals are both producers and consumers of information and attention as well as goods and services. This system is facilitated through
the sharing of information to shape human action by forming communities to reach specialized audiences or markets. It combines intrinsic and extrinsic motivation for its users, and so inadvertently encourages a more nuanced economic perspective of value, and at times serving as a complement to or challenge of traditional capitalism.

To keep our discussion from becoming lost in abstract economic theories that are occasionally divorced from reality, let us apply this definition to a rhetorical analysis of Airbnb and answer the question so often asked in popular media: is Airbnb what it professes to be—a “true” sharing economy? Airbnb as a digitally networked sharing economy serves as the focal point for this research—though the current academic and popular conversation on economic theory and the changing role of technology in society will also be addressed.

As the reach and economic impact of sharing economies grows, this conversation is becoming more and more contentious. On one side, proponents of the movement towards sharing economies laud their ability to empower individuals, facilitating cultures of collaboration and democracy, and increasing environmental consciousness. However, their quite vocal opponents see sharing economies as little more than a fad brought into popularity by the 2008 global recession, a fad that tends towards exploitation of labor and undermines existing industries by taking advantage of little regulation. Both views have legitimate reasoning and evidence, but the real effect of Airbnb and sharing economies is more complicated than either story. Our discussion of the definition of a sharing economy privileges language and rhetoric—as an approach it provides a more holistic consideration of the complexity of the conversation. After developing an understanding of the foundation for this definition, testing it against the real world example Airbnb
enables us to enter into the contemporary discourse surrounding the home-sharing platform.

LITERATURE REVIEW

A Word on Language

It is beneficial to stop for a moment and get our terminology straight. In the conversation surrounding the influence of technology, particularly the influence of the internet, on our society and economy, there exists a wealth of closely related vocabulary used to describe similar but not identical economic realities. Manuel Castells refers to the internet’s societal effects as creating a network society, one “constructed around personal and organization networks powered by digital networks and communicated by the internet” (136). This network society creates a culture of autonomy, encouraging individuation on both personal and larger economic organizational levels. Steven Johnson, in his 2012 work Future Perfect, echoes this language in discussing “peer networks” as the foundation of his peer progressive movement, ultimately distinguishing peer progressives as individuals who, like Hayek, recognize the power of free markets, but also believe that not all of society’s great achievements could be incentivized by said markets.

Johnson defines “peer production” as a form of production that “allows people to employ [their] tacit knowledge directly” (8), answering Hayek’s information coordination problem more efficiently. While this coordination of knowledge and human resources is referred to by him as peer production, Rachel Botsman and Roo Rogers use the term “collaborative consumption” to refer to a similar interaction where individuals work together with mutualism and reciprocity to “create value out of shared in open resources
in ways that balance personal self-interest with the good of the larger community” (69).
Economist Yochai Benkler draws yet another distinction, separating “open collaborative innovation,” a set of “productive practices developed by firms operated in complexly interrelated practices” from “commons-based production” that “offers freedom under uncertainty and complexity” (304). If that’s not enough varied language for you, continue reading for further vocabulary.

And quite similarly, this great proliferation of networked economy terminology is followed by contradicting assertions as to the “real” commodity of digitally networked economies. A trend appears to emerge in academic writing on these sharing economies: in order to make a catchy title, economists assert the groundbreaking news that commodities are no longer commodities. Instead attention or audience or simply information are the new objects to be attained, bought, and sold. Richard Lanham, Francisco Gonzaléz, and Dallas Smythe are among those solidly on the human attention side, while Henry Jenkins, Sam Ford, Joshua Green, the authors of Spreadable Media and Lee McGuigan and Vincent Manzerolle, editors of The Audience Commodity in a Digital Age, naturally fall more towards the view that audience is the commodity to be sought.
Completing the triad, Philippe Aigrain, Richard McKenzie, as well as popular nonfiction authors Eric Schmidt and Jared Cohen, argue that information is the underlying commodity exchanged in all economic transactions.

The peer-network conversation has ties with actor-network theory, a somewhat controversial material-semiotic academic methodology that considers both material objects and intangible concepts in the study of social networks. While this approach provides a useful lens for analyzing digitally-networked sharing economies, other
definitions of networks—for example, the networked individualism explored by sociologists Barry Wellman and Lee Rainie—focus primarily on the human aspects of networks. And even broader discussion of technology, networks, and economics brings with it yet different terminology. UCI Professor Richard McKenzie uses “digital economics” to describe all economic activity that uses computer or internet-based technologies, a category that naturally encompasses digitally networked sharing platforms like Airbnb. Toggling back and forth between definitions, an appraisal of language, and the economic realities described and shaped by such language exemplifies rhetoric scholar Richard Lanham’s concept of “oscillatio.” Through oscillation between looking “at” the medium to looking “through” the medium creates a productive tension acknowledging language’s formative role on one’s perception of reality and a more complete understanding of form’s influence on argument. Through breaking down the distinctions between the vocabulary surrounding discussions of sharing economies, we are practicing our own form of oscillation.

Examining language, it appears actor-network theory itself is not devoid of criticism. In Actor-Network Theory and After, John Law and John Hassard argue that actor network theory exists as a semiotics of materiality and so applies to the relationships of concepts to all materials, not simply language. Theory (like Benkler, Castells, or even Carr) that exists in the abstract has the ability to profoundly influence our material world. At first glance, this seems benign and obvious. Our definition of sharing economies notes that these economic systems are material in nature—while often hosted on digital platforms, the end results of these interactions are rooted in the physical. Actor-network theory is exceedingly relevant to this consideration. But with the
widespread growth of this theory over the past few decades, the tension between individual and community, actor and network was lost. It “wages war on essential differences” (Law and Hassard 7). We are reminded, as so many rhetors have argued, that language is not inherently neutral. The vocabulary used to discuss networked economies then shapes the conclusions drawn from such study. Law and Hassard note that actor-network theory imposes a certain perspective on the character of these links and connections—one that homogenizes and limits them. Applying their critique to the academic and economic study of digitally networked communities forces us to reconsider the fundamental roots of such endeavor: the language we use to analyze it. The words of Mikhail Bakhtin, Russian semiotician and literary critic, in his book The Dialogical Imagination ring true in this discussion: 

Prior to this moment of appropriation, the word does not exist in a neutral and impersonal language (it is not, after all, out of a dictionary that the speaker gets his words!), but rather it exists in other people’s mouths, in other people’s contexts, serving other people’s intentions: it is from there that one must take the word, and make it one’s own” (293).

In this brief consideration of Airbnb and digitally networked sharing economies, there is fertile ground for such language exploration. In the analysis of Austrian economic theory, the terms market process, human coordination, and action carry with them unique connotations and contexts. While the language used to discuss sharing economies and digitally networked economies varies vastly from scholar to scholar and field to field, each definition carries with a specific set of assumptions as to economic activity, human behavior, and technology’s role in discourse and society. Lastly, the language used by
Airbnb guests, hosts, and marketing teams reveals the complexity of the practice and the multiplicity of differences in perception.

Throughout this exploration, I will frequently use the phrases “digitally networked economies or communities” or “online sharing economies or platforms” in a similar manner to Castells and Benkler, with the distinction between the two terms a matter of specificity. While these online communities share in the internet’s democratizing effect and have the power for tremendous economic growth, productivity, and creativity, I strive to avoid the unchecked techno-utopianism that so often colors the discussion. Internet access increases the individual’s exposure to nearly unlimited information and provides opportunities to increase her human capital, leverage his networks, and earn income on un- or underutilized physical capital. But such access, while ubiquitous, is not a given. And furthermore, all connections between actors in a network are not the same. Nor are sharing economies bereft of their own negative externalities. As I break down my definition of sharing economies and the tangled web of related conversations, keep in mind that my language is shaped by my own academic influences, unwieldy, and incapable of pure abstraction devoid of rhetorical appeals. It couldn’t be otherwise—anyone who says so is selling you something.

*Foundational Texts in Digital Network Analysis*

A conversation about digital sharing economies such as Airbnb would not be complete without brief exploration into networked economic theory. We first define sharing economies as networked. With the increased role of the internet in economic transactions and its far-reaching influence on social interactions, individuals are able to build networks that serve to both create social value and facilitate broad forms of
economic engagement. In preindustrial society, social networks were primarily localized in nature, and while individuals could create social capital, its reach was limited to one community. As technology growth facilitated communication, making the world smaller, an individual’s ability to gain from her social capital increased.

In Castell’s seminal 1996 history, *The Rise of the Network Society*, he argues that “the shift from vertical bureaucracies to horizontal corporations” encourages individuation and increasing flexibility of labor. He writes that, “the emergence of a new technological paradigm organized around new, more powerful, and more flexible information itself to become the product ‘of the production process’” (Castells 67). Castell’s conception of networked individuals rests upon the binary opposition of the self and the net. Individuals within networked societies progressively identify themselves not by what they do, but by who they are, or perceive themselves to be. Lanham affirms this, writing that we go from “doing” to “having” to “appearing,” creating identities through our personal choices regarding our consumption, ordering and presenting of media and information.

Barry Wellman echoes this networked individualism, stressing the increased role of social networks in transforming the lives of ordinary people, where more engagement in online social networks in addition to localized ones allows for the creation and distribution of more social capital and more social engagement. Our definition continues with the designation *peer-to-peer*: a descriptor Yochai Benkler uses to provide a more technical economic analysis of the networked information economy instead, where a transition to decentralized media production facilitates anti-hierarchical peer production

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1 The exact antithesis of Nicholas Carr’s claim about the internet’s influence on interpersonal engagement! Which scholar is closer to reality? Personally, I think Wellman makes the stronger case.
with multiple motivations for participation. While Rachel Botsman and Roo Rogers provide one of the most thorough (while blissfully utopian) overviews of sharing economies and collaborative consumption and their influence on society. Their optimistic forecast for the increase in digitally networked sharing economies follows Lawrence Lessig’s *Remix*, where he claims that “democracy at work then is the freedom to share ideas and work, collaborating in a read-write culture where the consumers of media are also the creators” (90). Of the texts most applicable to study of Airbnb’s economic and rhetorical practices, the vast majority see technology as a positive disruption of the previous socioeconomic structures, a disruption that encourages a new dynamic of peer-to-peer production and distribution of resources.

The economic discourse surrounding these foundational ideas is primarily focused on the role of technology in the transition from an industrial information society to an information society where information is created, filtered, and consumed through peer production rather than traditionally-produced mass media. Benkler delineates the shift from market models, where market forces determine decisions to managerial models that rely on a management model to streamline the decision-making process to new social transaction models where networked individuals work collaboratively within weak-tie relationships to efficiently make decisions.

In an insightful 1999 article, “Virtual Communities as Communities: Net Surfers Don’t Ride Alone,” Barry Wellman and Milena Gulia address the possibilities of building communities of specialized, weak-tie relationships on the internet, and the serious need for scholarly analysis of the advantages and costs of social interactions on the web. They decry the parochial nature of the technology debate, a debate that has changed
surprisingly little in the past sixteen years. Though the internet has evolved significantly since their article was published, the fervor with which those argue against and for increased technology remains, with both academic and popular authors up in arms for their cause. With this research, I take a similar stance to Wellman, Benkler, and Castells, advocating for a more moderate consideration of the ways in which digitally networked communities facilitate entrepreneurial action without dismissing their negative externalities.


Sharing, Technology, and Information

Sharing economies are hardly new—though the term entered popular diction in the early 2000’s, collaborative consumption has been around as long as individuals have swapped goods and information with their neighbors. But with development of widespread internet usage, the conditions are ripe for sharing economies on a larger scale.
In the book *What’s Mine is Yours*, Rachel Botsman and Roo Rogers write, “Today there is an unprecedented degree of interconnectivity as well as an infrastructure for participation. Our immersion in innovative information, communication, and technology (ICT) platforms, specifically online social networks and handheld mobile devices, is the second phenomenon driving us toward a “we” mindset” (Botsman and Rogers 51). These authors, and many more with them, see the internet as the means to achieve a new digital utopia—one characterized by the four underlying principles of collaborative consumption: “critical mass; idling capacity, belief in the commons; and trust between strangers” (Botsman and Rogers 75). Online sharing economies exist in many forms, and their recent (as of the last decade) uptick in popularity is in part attributed to the technology that hosts the communities.

The pervasive influence of the internet and ubiquity of digital technology are having a tremendous influence on human action. At its most basic level, technology changes the way we receive information and make connections. The human brain has the marvelous capability to rewire itself, forging new neural pathways and synapses in response to repetitive actions and stimuli. Nicholas Carr writes about this neuroplasticity when he describes his own loss of attention and retention of information when reading and writing. He argues that the repetitive motions of his internet usage have contributed to his inability to focus for extended periods of time.

While Carr’s highly negative perception of the effects of technology use isn’t completely substantiated, the ways in which the digital medium changes how we read is evidenced in neuroscience literature. Katherine Hayle’s book *How We Think* further discusses this by explaining the distinctions between close reading, the type of sustained
deep reading associated with the printed page, and hyper-reading, a reading style characterized by skimming and cherry-picking pertinent information, typically illustrated by our online reading habits. As the percentage of time we spend online increases, so does our proclivity for “hyper-reading.” Our brains have shifted.

These shifts in cognition are mirrored by larger, more systemic economic shifts. As access to the internet has become more and more widespread, so does access to information, information that is intrinsically linked to the production process. Richard McKenzie writes on this: “Kenneth Boulding made my point … It is a very fundamental principle indeed that knowledge is always gained by the orderly loss of information; that is, by condensing and abstracting and indexing the great buzzing confusion of information that comes from the world around us into a form we can appreciate and comprehend” (McKenzie 16).

It’s clear to see how this “great buzzing” of information applies to the recreational internet usage of individuals. Internet users click through sites, spending an average of forty seconds per page, before following hyperlinks to more interesting ideas. The average consumer is faced with near boundless choice, and he must find ways of determining the credibility, quality and relevance of the information presented to him. In the book *Digital Economics*, Richard McKenzie defines the digital economy as “encompassing computers, telecommunications, and all of their technological trappings, as well as all the goods and services that can be reduced to 1’s and 0’s” (McKenzie 21). But though the physical production of these goods adds to GDP and increases our efficiency, even more interesting are the ways in which these technologies change larger economic systems. Examples of this are many and varied, from rapid-fire trading on Wall
Street to increased globalization (McLuhan’s “global village”), but this essay focuses on the “sharing economy,” in particular online sharing economies.

*The Sky is Falling: on the Disintegration of the American Economy*

Naturally, not everyone shares this rosy outlook on digital sharing economies. The unbounded optimism of Rogers and Botsman is countered by serious concerns as to the efficacy of collaborative consumption. Even the earnest proponents of social and economic change through technology acknowledge the flaws of naïve cyber-utopia idealism. Cass Sunstein, Harvard professor and legal scholar, is concerned with the tendency of technology to polarize. In his book *Republic.com*, he worries that in an information society transition from mass media production (where industrial production of information arguably creates common ground between different perspectives) to increasingly individualized media production and consumption, free expression and a diverse society are threatened. Through internet access, individuals have unprecedented control over what media and information they choose to consume—and with such filtering, interactions with different perspectives are limited. We naturally gravitate towards those with similar beliefs, and repeating this time and time again on the internet creates “echo chambers” that encourage extremism and limit democratic discourse (Sunstein 51).

Richard Strauss, a lecturer at Harvard, scoffs at the trend of becoming “micro-entrepreneurs” in sharing economies, renting out spare rooms, clothes, or other durable

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2 Lawrence Lessig, yet another law professor at Harvard and author of *Remix*, would take a contradictory stance, arguing that this collaborative consumption encourages creation by amateurs and allows for diverse thought and new practices.

3 The abundance of scholars working at Harvard or other Ivy-league schools is an interesting statement in itself as to diversity of thought in this field of inquiry. Is it coincidence that the vast majority of major scholars discussing network theory, collaborative consumption, and online sharing economies are from a small handful of major R1 institutions? Or are there other voices not being heard?
goods. He writes that “Being a "micro-entrepreneur" in this brave new world seems instead just a euphemism for being an employee, except with reduced compensation, job security, benefits and protections.” In his view, the popularity of sharing economies is primarily due to the Great Recession which forced spendthrift practices on a financially-strained society, and something fundamentally incompatible with the American Dream. Though there certainly is ground for critique of sharing economies and their rhetoric, the increase in their popularity could be tied to a shift in societal values, a shift towards sustainability and community.

To some scholars, Andrew Keen among them, this signals the death of culture, society, and economics. Faced with greater and greater choices, economic actors will be unable to decipher quality from the vast quantity of goods at their fingertips. And beyond that, those sites responsible for spewing out such quantities put traditional industries out of business while doing little to contribute to economic growth. “What you may not realize is that what is free is actually costing us a fortune,” Mr. Keen writes.

The new winners — Google, YouTube, MySpace, Craigslist, and the hundreds of start-ups hungry for a piece of the Web 2.0 pie — are unlikely to fill the shoes of the industries they are helping to undermine, in terms of products produced, jobs created, revenue generated or benefits conferred. By stealing away our eyeballs, the blogs and wikis are decimating the publishing, music and news-gathering industries that created the original content those Web sites ‘aggregate.’ Our culture is essentially cannibalizing its young, destroying the very sources of the content they crave (74).
While these concerns are indeed legitimate, so far they have yet to occur in the catastrophic manner he envisions. In fact, Nicholas Carr writes:

“It’s the new technologies that govern production and consumption, that guide people’s behavior and shape their perceptions. That’s why the future of knowledge and culture no longer lies in books or newspapers or TV shows or radio programs or records or CDs. It lies in digital files shot through our universal medium at the speed of light” (46).

Carr’s predictions echo those of Marshall McLuhan, but veer far more apocalyptic. And this sentiment is found elsewhere in the rhetoric and communication fields. Peter Fallon, professor of media ecology and author of *The Metaphysics of Media*, argues that electric media is so “profoundly visual that it is not itself inherently visual” (212). In his perspective, the transition to a society predicated upon information as a salable commodity (Castells’ networked society) contributes to false perceptions of knowing. The abundance of information (that is gleefully pointed out by McKenzie and his fellow digital economists) that is available to individuals in this society actually leads away from true knowledge. There is an unsurpassable divide between virtual reality and virtuous reality. In *Meme Wars: The Creative Destruction of Neoclassical Economics*, Kalle Lasn, Estonian-Canadian filmmaker and activist, takes a similar stance, echoing Guy Debord as he claims that we are “we are blinded, enchanted and finally enslaved by the spectacle” (n.pag).

Fallon views this spectacle of electric culture as yet another failure of the market system, a product of the “postmodern world, a world of promiscuous information delivered by profligate mass media” (204). This wonderfully-worded descriptor both fails
to acknowledge the reality of personal and economic interactions within the digital sphere and the changing landscape of media creation.\textsuperscript{4} In today’s networked information society, individuals lead lives both on and offline—they oscillate between these experiences, adeptly using varied media and modes of communication to facilitate real world interactions.

Though peer networks allow for the horizontal transfer and dispersion of information, their structure still facilitates certain forms of oppression and xenophobia—as Johnson argues, the internet’s inherent decentralized and anti-hierarchical structure still doesn’t stop autocrats from exploiting its powers for personal gain (112).

CONCEPTUAL FRAMEWORK

An Austrian Economic Foundation

Economics at its core is the study of how individuals make choices when confronted with an uncertain future, varying needs, and scarce resources. The age-old problem of this scarcity and human coordination problem has been addressed by numerous economists from many schools of thought. An Austrian perspective naturally lends itself to a nuanced consideration of the complex motivations behind economic activity, and so will be used to introduce fundamental assumptions about human coordination.

To begin our discussion of digital sharing economies, it is beneficial to briefly address the underlying issues of market activity. When discussing market activity and human action, Austrian economics emphasizes the individual and the decision-making

\textsuperscript{4} For further consideration of the changes in media production and consumption, see Lawrence Lessig’s \textit{Remix: Making Art and Commerce Thrive in the Hybrid Economy}. 
process. These economists debunk the traditional assumption of “rational behavior” where an individual is choosing the best out of a set of already known outcomes. In the more traditional approach, the individual has already made the choice before coming to the moment of decision—a situation that Austrian economists would lament as Classical economics’ inherent lack of freedom.

Instead of viewing the complexities of life and free markets as a restricted set of possibilities, individuals exist in a world with an uncertain future where they are free to discover for themselves all possibilities and decide how to best rank and pursue them. In this model, people don’t even know all the options until the moment of decision and in that decision, they alter their future outcomes. Here individuals have freedom to pursue entrepreneurial action and even the freedom to fail while doing so. Noted economist Israel Kirzner underscores the importance of this freedom to society, because no single human mind can know in advance what the future holds, and so liberty is essential to leave room for the unforeseeable and unpredictable. Freedom then encourages individuals to discover their own opportunities. This is a freedom encouraged by the structure of sharing economies—the decentralized nature of digitally networked sharing economies gives their participants greater autonomy and a wider range of opportunities for economic interactions.

Moreover, the Austrian perspective understands subjectivity and that people have differing priorities: a vastly different approach from the Classical “science of wealth.” These economists, Hayek in particular, look at the social and cultural subtext of every decision. Austrian economists acknowledge that “we are embedded in a social context

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5 For more on the shortcomings of a science solely predicated on this assumption, see *Towards a Feminist Philosophy of Economics*, edited by Drucilla Barker and Edith Kuiper, the collected works of Deirdre McCloskey, and a significant portion of feminist economic thought.
and that we are influenced by faith, despair, hope, fear, love, hate, superstition and all of the other irrational aspects of human nature” (Callahan 291). Therefore, they see human action as more complex than the two-dimensional analysis of traditional economics. In this regard, Benkler’s discussion of the motivation to participate in digitally networked sharing economies echoes Austrian thought.

In a similar manner, Deirdre McCloskey critiques such traditional analysis. In The Rhetoric of Economics, she finds fault with the tendency of the economics discipline to worship its science as pure rationality, ignoring that economists too write with intent—the intent to persuade. In The Secret Sins of Economics, McCloskey continues this argument, but names the most serious fault of the discipline the tendency to replace “theorizing and observing” with “qualitative theorizing and statistical significance” (not the same thing).6

By acknowledging the rhetoric intrinsic in economic study (while not dismissing the need for sustained, systematic, rational analyses of market problems), McCloskey joins Hayek, Smith, and many others in considering additional motivations that complicate human behavior and market systems. In Meme Wars, Lassn ventures even further than McCloskey, writing that “Instrumental rationality—the calculation of the most efficient options for achieving a given desire—has overwhelmed Western thinking over the past three hundred years, generating a cold, empirical, calculating mindset” (n.pag). It is interesting to note that these conversations are emerging with the growing debate surrounding sharing economies—the multimodality of most digitally networked

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6 To find examples of this quasi-quantitive science is easy, for the disciples of Samuelson and Becker are numerous in economics departments. But The New Economics of Human Behavior edited by Mariano Tommasi and Kathryn Ierulli serves as an interesting introduction to the type of analysis McCloskey is critiquing.
sharing economies highlights their rhetorical appeals, leading to criticism that the sharing economy is more focused on subjective, emotional benefits over rational, numerical-based positive externalities.

The approach to the market system that focuses on the changing actions and reactions of market participants is called the market process. Austrian economists dismiss the widely-held belief that market equilibrium is the end-all be-all of economics because they view the economy in a constant state of flux. As Kirzner portrays it, the world undergoes “continuous kaleidic change.” Based on this uncertainty we are led to conclude that the economy exists primarily in a state of disequilibrium.

To move from this natural lack of coordination to a place of equilibrium, individuals exhibit entrepreneurial alertness. Though faced with uncertainty, people strive to make their lives better. Economist Rob Garnett describes this “purposeful alertness” as a method of ensuring market participants are not merely making random decisions. While economic profit is generally viewed as the primary incentive to enter or leave a specific market, this paper attempts to address additional motivations. Rather than assume perfect knowledge of the economy, in this model economic actors exhibit the changing nature of knowledge through the passage of time, and furthermore, within sharing economies individuals are made aware of the changing nature of language.

Ludwig Lachmann views the "relationship between different markets in disequilibrium [as] infinitely complex." He argues that economists cannot simply assume that entrepreneurs learn from past experiences so that the divergence of expectations eventually converges as a function of time through the market process. Since one cannot regard continuously changing knowledge as a function of anything, conventional wisdom
as to how markets function is overly simple at best, wildly inaccurate as to how the market actually works at worst.

Nevertheless, Kirzner and other economists admit that the markets do work, and very well at that. The Austrians’ textbook version explains that “markets create information and incentives to act on that information” but continues to explain the complexity inherent in daily life (Heyne, Boettke, Prychitko 74). Compared to a traditional macroeconomic explanation, this perspective simply gives a better, more realistic description of how those market processes work to come to the standard conclusion. Furthering this argument for quantitative consideration of complex market factors, economist Steve Keen writes “the [economics] discipline must become fundamentally empirical, in contrast to the faux empiricism of econometrics” (Meme Wars).

*Actor-Network Theory*

The creation of information and its role as an incentive to action is the focus of a network analysis of economic action. Yochai Benkler describes the deep structural shifts in our methods of production and exchange as twofold: the century-long transition to a highly rhetorical economy centered on information and cultural production and manipulation of symbols, and the more recent switch to high-powered, decentralized communication methods connected through networks as typified by the internet (3). He coins the term “networked information economy” when discussing the decentralized individual action facilitated by widespread use of the internet. This economy is characterized by an increase in information producers, nonproprietary action, nonmarket production and large-scale cooperative efforts.
Networks—connections individuals have with others in varying levels of intimacy and physical proximity—are nothing new. But the ubiquity of the internet within developed nations allows for personal networks to be expanded and exploited like never before. Social media, email and Skype communications aid the cultivation of networks both near and far, where dense local clusters of connected individuals are interspersed with larger loose networks of weak ties. Lanham seconds this, describing a societal shift to individuals “more dependent on their own combination of strong and weak ties, who shift networks, cross boundaries, and weave their own web of more or less instrumental, relatively fluid relationships” (362). Economic and sociological consideration of networks and human action often use the labels “weak ties” and “strong ties” to distinguish between the strong, close relationships often illustrated by family members, close friends, and those geographically close, while weak ties are those held between acquaintances, those connected by common interests but not distance, and so on. Interestingly enough, weak ties often have significant benefit to individuals. In digitally networked environments, weak ties are generally more prevalent, and so should be added to our definition of the sharing economy: a material economic system built on networked peer-to-peer interactions that leverage weak-tie relationships and social capital to facilitate collaborative consumption.

Though the growth in the networked information economy presents interesting problems and solutions of human coordination, the mechanism that makes such coordination possible is not explored as fully. George Mason University economics professor Daniel Klein makes a case for further study in the integrity of promises made in economic transactions. His central thesis essentially states that trust is crucial in human
action, and online trust formation happens in several ways: in a society where
information nearly serves as a form of currency, trust is built primarily on disclosure of
information and cooperation reinforced through reputation. These practices are evident in
sharing economies—most provide a way for producers and consumers to provide
feedback on the other’s performance that is then made available to the community. As
individuals participate in positive transactions and gain positive reviews, others are more
inclined to trust them, creating a self-reinforcing feedback loop.

*Look, Mom! Attention and Social Interactions*

Within the networked information economy, individuals still face an uncertain
future and the traditional problems of coordination. But there are several trends unique to
digitally networked economies. Like Benkler, Richard Lanham illuminates a trend away
from an economy centered on the industrialized production of physical goods and
services to one focused more on the production, dissemination and presentation of ideas
and information. Instead of a scarcity of resources driving human action, massive waves
of information engulf people every day—the new scarcity is the human attention needed
to make sense of this information.

Because of this, artists, writers and graphic designers among others are the new
attention economists. We constantly oscillate between looking at the media (how it is
presented) to through it (to the information it contains.) The transition from an economy
of “stuff” to one of “fluff,” as Lanham so aptly (if not elegantly) labels it, places a
premium on form and the rhetorical methods of persuasion. Considering the networked
information economy from a rhetorical perspective places new emphasis on audience,
and strengthens the critical importance of social networks in digital economic interactions.

Economics professor Yannis Ionnides defines social interactions as “direct agent-to-agent interactions that are not mediated by price” (7). These agent-to-agent interactions generate social capital, a measure of value that arises from the creation and renewal of communities and networks. For the economist and social scientist Francis Fukuyama, recognition is at the core of these networked interactions—we participate in social and economic interactions because of our deep desire for affirmation of our intrinsic worth as human beings. The combination of these multifaceted motivations and social interactions are all in play within digitally networked sharing economies.

*Sharing is Caring: Discussing Collaborative Consumption*

The sharing economy, a term that gained mainstream usage in the mid-2000s, describes collaborative consumption, a process where individuals in networked communities participate in peer-to-peer transactions, or work together to create goods and services. Rather than traditional forms of consumption built on the creative destruction of neoclassical economics, these transactions shift the focus from producing new products to gaining value from currently underused goods.

In sharing economies, individuals become micro-entrepreneurs, selling goods and services directly to their peers in lieu of more hierarchical, corporatized production processes. These collaborative consumption models are based on widespread internet availability that allows individuals greater freedom to engage in entrepreneurial action. Sharing economies at their most basic are peer-to-peer transactions that allow individuals
to profit from their unused capital or provide niche goods or services too specific to be sustained in offline, localized markets.

In doing so, participants in sharing economies gain income from underutilized goods, what Benkler would label extrinsic value, but often something more: intrinsic value. The social capital created through interactions within sharing economies is particularly relevant here. Just like the human actors in Austrian economic models, individuals participate in sharing economies for a multitude reasons from the pecuniary to the personal. We’re drawn back to our definition of sharing economies once more—concluding that sharing economies combine intrinsic and extrinsic value.

Roger Putnam states the central thesis of social capital as the idea that “social networks have effects on information flow and that repeated interactions in networks can help resolve dilemmas of collection action” in a way consistent with traditional Neoclassical economic theory (“Social Capital”). In a society increasingly centered on the rapid creation, dispersal, and accumulation of information, network theory and the idea of social capital feels intuitive. Today’s economic agents in developed societies have access to near limitless quantities of information, build social and professional networks through various mediums in person and online, and use a multitude of channels to connect to others. Collective action happens naturally with the decentralized nature of the web—the development of sharing economies supports this claim.

In critiquing the failures of capitalist market economies generally ignore for the intangible utility generated from non-“productive” activities, we are not alone. Fukuyama takes a more nuanced stance about the common conceptions that the market contributes to sociability by giving individuals the opportunities and motivations to work together for
their mutual benefit. Though free markets can facilitate these positive, productive interactions, Fukuyama argues that without social capital, these interactions don’t happen often enough. Sharing economies encourage the formation of social capital through appealing to both intrinsic and extrinsic motivations, and consider the form and structure of such appeals.

In *The Wealth of Networks*, Yochai Benkler argues that the influence of social technological innovations does not materially damage existing relationships and social interactions. Rather than use the internet to avoid human interaction, individuals use it to strengthen weak tie relationships, maintain larger loose social circles and communicate more with strong ties. However, Benkler concludes that though “new platforms are emerging to generate the kinds of bridging relations that we find central to the identification of weak ties in social capital literature,” internet users primarily use online networks to strengthen existing ties, citing a study that only 26% of internet users venture online to meet new people (368). In this area, the 2006 analysis shows its age. A 2013 Pew study found that 59% of surveyed internet users thought online networking, like dating sites, were good ways to meet new people, up from 44% in 2005. As social networks like Facebook, Instagram, and Twitter become more and more prevalent—a January 2014 Pew study found that 74% of online adults used social networking sites—individuals go beyond simply using online communities to strengthen existing strong and weak ties to actually creating new ones.

**APPLICATION**

*Trust Me, I’m an Economist*
In a meandering way, we’ve now explored this scholarship grounding this
definition of the sharing economy: a material economic system of networked peer-to-peer
interactions that allow individuals to leverage their social capital and weak-tie
relationships to participate in collaborative consumption, acting as rhetors to manipulate
attention and information and micro-entrepreneurs to earn income from underused
resources or through participation in niche markets previously unavailable. This process
of community formation is facilitated by the sharing of information, often through
technology, and ultimately works to combine intrinsic and extrinsic value in economic
transactions.

Airbnb, like many of its counterparts within the sharing economy, capitalizes on
the social movement towards collaborative consumption and production. The company
emphasizes the unique nature of its service and each listing, greeting visitors to their
website with a large “Welcome Home” banner superimposed on videos from various
listings. Rather than promote the uniformity and similar standards from location to
location as its largest competitor, traditional hotel chains, do, Airbnb highlights the
individuality of each host, playing to traveler’s desires for authenticity and a “local,”
material experience. By doing so, the site benefits from both the lingering economic
effects of a global recession that left many individuals searching for ways to gain extra
income from unused capital, and a larger trend of communal, collaborative consumption-
based economies.

Airbnb is one example of a digitally networked community that both utilizes
existing weak ties and strives to create new ones. Through primarily a means of earning
additional income or finding quirky local places to stay, the rental platforms markets
itself as a means of engendering new communities of belonging, making “one less stranger” through the incredibly personal experience of living in someone else’s home. While the popular critique of Airbnb’s rhetoric may rest on flawed presumptions as to the nature of economic value, such commentary does bring to mind questions as to the real motivation of hosts and guests using Airbnb’s service. Though presumably both sides of the transaction and social interaction acquire economic and personal gain, which contributes more towards participation in this particular sharing economy? Does the motivation behind Airbnb users facilitate a greater sense of trust, trust that encourages additional transactions?

Paula Bialski and Dominik Batorski consider the role of trust formation in the hospitality network in their article “From Online Familiarity to Offline Trust: How a Virtual Community Creates Familiarity and Trust between Strangers.” Couchsurfing is an online community that connects strangers wishing to travel with others willing to host travelers in a similar manner to Airbnb. But unlike Airbnb, there is no financial component of Couchsurfing interactions. Rather than search for particular homes or rooms to stay in while traveling, Couchsurfing users search for specific hosts. Bialski and Batorski note that trust formation occurs more naturally within this digitally networked community because of a selection factor: individuals who are naturally more trusting and believe in the goodness of people are more likely to join the Couchsurfing network. As an online community, Couchsurfing uses similar methods of identity verification to engender a sense trust between users. Phone and email verification, connecting with pre-existing Facebook communities as well as a review system for hosts and guests, work to build reputations and the credibility of users.
Interestingly, Bialski and Batorski connect desire to participate in couchsurfing to “a desire to engage in a practice that promises an alternative to the risk society under an individualistic consumer capitalism—it is a utopian altruism” (183). Here, sharing new experiences by staying in a stranger’s home is presented as the antithesis of traditional capitalist encounters. Couchsurfers are explicitly requested not to engage in financial transactions, and so motivated solely by intrinsic values. By adding additional extrinsic value through a financial exchange, Airbnb increases the incentive to participate in their sharing economy. Globally, the home rental platform has over 550,000 listings compared to the roughly 400,000 active Couchsurfing host profiles (Lawler). By these numbers, it is apparent that adding monetary transactions positively affects user participation.

Within networked information societies, individuals identify with the online community they join. Rachel Botsman and Roo Rogers argue that those communities become a critical motivation to participate in sharing economies (201). While these services, like Lyft, Wikipedia, Airbnb, etc, fill physical and intellectual needs, they also allow their users to feel connected, feeding our “social self” by engendering a sense of belonging. Airbnb in particular has an incredibly thorough, multifaceted approach to building intrinsic value and profiting from the social and physical capital of its users—so far lining up exactly with our definition of a sharing economy.

**Belonging: Communities of Weak Ties**

Airbnb as a site functions so well because of its ability to harness the unique social groups of its users. It exemplifies Lanham’s claim that “use of the Internet replaces strong ties with weak ties” (360). Airbnb is built on the strength of weak ties—like Couchsurfing, it is a point of conversation, growing through recommendations of friends,
neighbors and coworkers in addition to a highly curated, artistic online presence. Despite the decentralized nature of Airbnb’s business model, the company is very intentional about the way its service and brand are presented (Airbnb.com).

The homepage of the site accentuates the community of Airbnb hosts and travelers—as viewers scroll down the page, the second largest blocked photograph following those of popular city listings states “Belong Anywhere: See how Airbnb hosts create a sense of belonging around the world.” By stressing the idea of “belonging,” Airbnb taps into the human desire for connection. Airbnb hosts and users are linked through the digital interface in order to ostensibly connect in person.

As Wellman and Gulia conclude, “if the internet were solely a means of information exchange, then virtual communities played out over the internet would mostly contain only narrow, specialized relationships. However, information is only one of the many social resources that is exchanged on the web” (172). The networked information economy is obviously centered on the exchange of information and even attention as a commodity, but as individuals share information (i.e. about listings and locales on Airbnb), additional social capital is created as well. The strength of these weak-tie relationships often translates to better host and guest experiences. As individuals connect through the information provided by Airbnb, they provide further information about each other, creating a positive feedback cycle that works to reinforce expectations and generate strong reputations as well encouraging a community of reciprocation.

In advertising and promoting a community of belonging and reciprocation, Airbnb uses multimedia in various forms to great effect. The video campaign “Belong Anywhere” features different hosts and guests from around the globe reflecting on their
experience using the service, describing it as “revealing common humanity, ”
“transcending boundaries of race, gender, country” and even providing a “new sense of
self” for its users (“Belong Anywhere”). These radical claims are a stark contrast from
the typical Hilton commercial. It’s visually and emotionally charged, tapping the deep-set
human desire for belonging to market their sharing community. Rhetorically, this
storytelling and host and guest engagement is incredibly compelling.

Crowd-sourced Marketing: Collaborative Consumption in Action

Furthermore, this person-centered advertising both encourages and enacts
collaborative consumption. By doing so, Airbnb continues to align with our definition of
sharing economies where individuals within these digitally networked communities have
relatively high levels of autonomy as both producers and consumers. Airbnb’s marketing
strategy is centered on the stories of its community members, relying heavily on crowd-
sourced content and personal narratives, and then filtering those experiences into visually
appealing advertising that showcases the individuality espoused by its community
members and the connections felt between them. In its 2013 rebranding, the site
implemented several new features, including the “Create Your Own Airbnb” tool that
allows users to design their personalized versions of the bélo logo, designs that Airbnb
can use to promote itself. The decentralized nature of Airbnb makes its marketing
strategy particularly interesting. The system works so well because of its low overhead
and the large number of hosts worldwide—but that same diversity causes challenges in
authoring a consistent brand that can appeal to a wide audience. Airbnb overcame these
issues by filtering the user-created content, offering hosts professional photographs of
their listings, and still maintaining a degree of control over the crowd-sourced material.
One particular example of this is short film “Hollywood & Vines” created through a crowdsourced collection of “vines,” short six and a half second videos posted to the Vine webpage. To create this video, Airbnb used Twitter as a means of direction, encouraging their followers to create videos by giving them specific prompts and then tag their creations with #AirbnbHV and #Shot [Number]. The creative directors amassed nearly 750 submissions and used over a hundred of them in the crafting of their final video. By drawing on the global community of Airbnb users, the company was able to tap into the power of the networked information economy, building on their user’s social capital by engaging them individually. This engagement led to a final product described by reporter Jessica Gioglio as “highly artistic and in no way promotional” and deepened the participant’s sense of investment in the room sharing platform (1). By using the power of the networked information economy to generate content, Airbnb further established its ethos of community and profited from the social networks of its users. Gioglio’s comment is particularly telling—these crowd-sourced projects are seen as art, not promotional materials, and so serve as appeals to pathos for much wider audiences.

In Lanham’s attention economy, where human attention is by far the scarcest resource in a digital sea of information, Airbnb faced several challenges in gaining and maintaining attention. Much like their digital sharing economy counterparts—Craigslist, etc—Airbnb had to reach a certain mass of users to gain the momentum needed for their service to garner attention. But beyond that, the company has strategic digital marketing to increase search visibility, from adding results from their rating system to their Adwords listings, selective content management with an algorithm that allows the most desirable listings to rise to the top, and Google display advertising (Wheeler). In the 2013
book *Spreadable Media*, Henry Jenkins, Sam Ford, and Joshua Green posit that Malcolm Gladwell’s idea of “stickiness,” how effectively a product or idea stays in the mind of the consumer, is no longer as pertinent in our information rich society (13). Rather than strive for information that sticks, businesses need to harness digital marketing to create ideas that spread and go viral. Like Couchsurfing, Airbnb is “sticky” in many senses. It’s a quirky idea—a talking point—but one with tangible payoffs. But as the rapid spread of the home-rental platform can attest, it has high “spreadability” too. These terms “spreadability” and “stickiness” refer the ability for information to be shared, a critical component of our definition of sharing economies.

The freedom to participate and use one’s own information to create a verbal and visual reflect the freedom critical to human coordination in Austrian economic thought. In Airbnb’s sharing economy, individuals are still highly motivated by price as a way to encourage human action. Reflecting what Lachmann and other Austrian economists posit, Airbnb as a site exemplifies the complexity of markets in disequilibrium. While obviously individual transactions are created—small instances of equilibrium—the site is constantly shifting as hosts and guests enter and leave the system, movement depicted visually through the Airbnb “World” function that allows visitors to see the movement of these guests check-ins, and the creation and dissolution of host listings, as small lights scattered in varying across the globe in real time. These stunning visuals both encourage guests to jump on the bandwagon and join the countless other guests using Airbnb worldwide and indirectly show the market’s disequilibrium and constant flux.

Considering the role of attention in Airbnb’s online sharing economy, it is critical to note the difference between Airbnb the company and the individual Airbnb hosts and
guests. Previously I discussed the way Airbnb as a company works to make the most of its interface users’ scarce attention—through well placed visuals, intuitive search engines, and intuitive layouts—but the ways in which Airbnb hosts encourage attention is remarkably interesting as well. The relationship between hosts and company is symbiotic in numerous ways, most obviously because without a critical mass of hosts and users, the room sharing service would lack efficiency, and also in the methods and scope of their advertising. Airbnb hosts benefit from the company’s exponential growth and the company itself profits from additional the grassroots publicity spread by hosts and guests. While popular conception of sharing economies tends toward the idea that these economic systems are purely peer-to-peer, our definition doesn’t make that unnecessary distinction. Sharing economies include peer-to-peer interactions, but most are facilitated by digital platforms created by firms. Airbnb as a platform allows individuals to connect that wouldn’t have the centralized means to do so before—the relationship between firm and individual is deeply symbiotic. To this end, the advertising efforts of the crowdsourced vine short film, “Stories” feature, and the “Wall and Chain” animated short film each serve as excellent examples of this collaboration, garnering massive amounts of attention through the interaction of company and community members.

The “Wall and Chain” short film is one collaboration of many that Airbnb has with their guests and hosts. The animated film is based on a true story sent in from an Airbnb guest, Cathrine, about one of her experiences with the home-rental platform. Cathrine’s father Jorg had been a West Berlin border guard, and when she took him back to Berlin to see its changes for the better, they had a truly remarkable experience. Arriving at the Airbnb rental in East Berlin, Jorg was shocked to find that their host was
the border guard who served across from him on the East side nearly twenty years before—through their stay, he was able to find catharsis and healing through community. In the film, Cathrine tells her story accompanied by simple animation, illustrating the sense of belonging that Airbnb is so adamant their service provides.

The videos created by the Airbnb marketing team and community of users are frequently reciprocal efforts that showcase the sharing economy’s focus on building camaraderie and understanding between their hosts and guests—the “World of Belonging” New Year’s 2014 video is yet another example that highlights the bond shared by Airbnb users, the company’s challenge to their users to do one random act of kindness, and the growth from 2,000 guests worldwide on New Year’s Eve 2009 to 550,000 guests on New Year’s Eve 2014. These advertisements are both highly artistic and visually stimulating, and multimodal and interactive, encouraging viewers to share them with their social networks and become more active on the site themselves.

*The Rhetoric of Airbnb’s Digital Interface*

Continuing Marshall McLuhan’s famous argument “The medium is in the message:” rhetorical analysis of any media must include discussion of its form and how this form enables meaning. When discussing the role of form in the function of social media sites, University of Salzburg lecturer Volker Eisenlauer’s 2013 book, *A Critical Hypertext Analysis of Social Media*, provides a particularly useful framework for rhetorical analysis. By examining both the “social network site and the text actions that members perform within and via the network,” we are able to distinguish the unique arguments created by Airbnb’s layout and digital interface (Eisenlauer xiv).
Individuals within the Airbnb community become storytellers, to explore their unique differences and shared common humanity. By using a storytelling format instead of more traditional, Airbnb hosts recognize the inherent draw of stories for people. These individuals are micro-entrepreneurs, listing their spare rooms and homes for economic profit, but also sophisticated rhetors, encouraging attention for their listings through stimulating combinations of text and visuals. Through the short thirty second videos shown on users’ personal pages, as well as bio sections, users are encouraged to provide insight into their personalities. These hosts and guests are asked to share what makes them unique, but also recognize their more fundamental similarities. Airbnb becomes more than just a way to make extra cash—it’s a lifestyle, a social movement, and this is emphasized throughout the site from the opening videos to the many pages dedicated to personalizing individuals’ Airbnb experience. The opening text on the “Create Your Own Belo” page exemplifies this creative community well:

“Airbnb started in 2008, with a logo created in two hours and a big idea: to invite the world home. Today, millions of Airbnb guests worldwide have traded standard lodging for memorable stays in distinctive homes—including tree houses, castles and yurts. Generic is not our style. Together we created a movement, and it's time our symbol reflects our shared identity. But the Airbnb experience is too diverse and distinctive to be represented by a traditional logo or a one-size-fits-all shape. So we’re handing over the keys. We’re giving creative control to the travelers and hosts who create Airbnb every day” (Create Your Own Belo page).
If in the internet age we all become attention economists and rhetors in our own right competing for the truly scarce resource of human attention, then competition continues in digitally networked economies as well (competition that is characterized by the “purposeful alertness” described by Austrian economists). Both individual hosts and Airbnb as a platform itself compete with other lodging services for the attention of travelers. Lanham’s argument that we as individuals become master manipulators of attention holds true. Hosts on Airbnb use the site’s colorful, picture-heavy layout to craft the best possible image of their space. By highlighting the unique features of their rental through detailed names and visually engaging photographs, they draw attention to their own spaces. While the layout of individual listings is standardized by the site, users have a certain level of autonomy in the way they chose to portray their listing or personal profile.

To examine the rhetorical practices of individual users, I looked at Airbnb listings in Gunnison, Colorado. Of the 11 listings within city limits, 5 are entire home rentals, 4 are private rooms and 2 are shared rooms. The average rental price was $106, and I used cloud mapping software once more to visualize the language used most frequently by hosts in their home descriptions. Naturally, words describing local landmarks appeared with the most frequency. But the next most frequent words were surprising. If Airbnb is indeed centered on building community, we would expect words with communal connotations to be highlighted. Instead, the word “private” appeared high on the list, with impersonal space descriptors following closely behind. Words like “friends,” “family,” and “relax,” appear in much smaller magnitudes. However, when considering the review hosts and guests left each other, these communal associated words appear more
frequently as guests rate their hosts with the same frequency as they rate their lodgings. Out of all 93 reviews, only one was critical (and it was addressed by the host in a following comment) and one was an automated reply caused by a canceled reservation. While not all Airbnb listings in a particular city have a 97% positive feedback rate, this is a clear example of the “belongingness” Airbnb as a site tries to sell. On their economic reports, Airbnb argues that Gunnison’s example is not atypical. The home-rental-platform encourages travelers to stray off of the beaten track, spending money in communities not typically affected by tourism, and enabling hosts to earn income from unused resources in their homes while engendering greater feelings of community and intrinsic value. This is intrinsic and extrinsic value that motivates participants in our definition of a sharing economy. It’s clear to see that Airbnb continues to fulfill the descriptors of this definition.

*Economic Impact & Externalities: Is It a Sharing Economy?*

So far, we’ve explored the ways Airbnb uses digitally networked individuals to leverage their specific knowledge and social capital to form weak-tie relationships and facilitate collaborative consumption motivated by intrinsic and extrinsic value. In this, and Airbnb guests and hosts’ use of language and visuals to manipulate attention, encourage human coordination, and reach specific audiences, Airbnb clearly fulfills the definition of a sharing economy created in this paper.

But before we end our discussion, to what extent is digitally networked sharing economy living up to its community-based rhetoric? Sharing economies are becoming more and more ubiquitous in contemporary American society. But with the widespread popularity of “micro-entrepreneur” based programs such as Lyft, Airbnb, TaskRabbit and others comes legitimate concern as to the connotation of these interactions. As home-
sharing platform, Airbnb encourages the perception of its business as a community of unique individuals connected by their shared humanity, yearning for adventure and diverse human interaction. The progression of Airbnb’s slogan from “Live like a local” to “Belong Anywhere” to their recent twitter campaign “One Less Stranger” clearly illustrates the shift in their perceived priorities. Initially, Airbnb was marketed as a method for experiencing new places as local inhabitants do, but as the sharing economy grew in popularity to a greater emphasis on the human connection facilitated through sharing someone’s home.

The boom of sharing economies in the past five years alone is deeply tied to the growth in internet technologies and social networking that allows for collaborative consumption to take place on a larger scale. The economic reports released by Airbnb bolster the company’s legitimacy. In the global influence section of the report, Airbnb claims that “50% of hosts are moderate to low income, 82% of hosts share only the home in which they live, 47% say that hosting helped them stay in their homes, 76% of travelers want to explore a specific neighborhood, 89% want to ”live like a local,” 76% of Airbnb properties are outside the main hotel districts,” and that “Airbnb guests stay longer (5 days versus 2.8) and spend more on average ($978 versus $669).” These positive statistics are followed with specific city-by-city analyses of additional income brought to each community and influence on traditional tourist markets.

However, those studies are called into question by other analyses: for example, BU faculty Georgios Zervas and Davide Prosperio’s 2014 paper “The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry,” found that in Texas cities, a high distribution of Airbnb listings was inversely correlated with decreased
earnings of lower-priced hotel chains. Their work is followed by other critical studies, like Julia Schor’s “Connected Consumption” McArthur Foundation research and Arun Sundararajan’s 2012 paper “Information in Digital, Economic and Social Networks” that consider the implications on the growth of Airbnb and other sharing economies on industry standards for regulation and municipal laws. Both Schor and Sundararajan address these negative externalities while still lauding the innovative power of these sharing economies in encouraging growth.

Despite these positive features of Airbnb’s peer-to-peer networked model, the increased risk inherent in these transactions cannot be entirely eliminated by adding further ways to authenticate users’ identities. The nice stranger you let into your home could be a polite and responsible guest, or they could throw an orgy and trash your place. The latter was a highly publicized example of an Airbnb exchange gone awry—and following the incident, and several other similar issues with property damage, Airbnb contracted to provide renter’s insurance coverage for up to one million dollars in damages to their hosts. These policy choices further minimized risk, and made participation in Airbnb’s sharing economy more appealing. What’s more interesting though, is the larger societal shift exemplified in popular discourse regarding peer-to-peer networking. Just six or seven years ago, the idea of renting a room from a stranger would have seemed preposterous, dangerous even. Rachel Botsman discusses this further in her 2012 Ted Talk, making the argument that the new currency our digitally networked sharing economy is trust. Her claims reflect the scholarship done by Klein, Benkler, and Fukuyama, and Airbnb’s own claims that it is the relational aspect of their service that encourages people to participate in their community.
The culture of caring individuals is the heart of Airbnb’s sharing economy—or so the company’s marketing department would have people believe. The company and the entire sharing economy have recently come under critique for their rhetorical approach that highlights intangible emotional gains over the actual financial transactions. Noam Scheiber of the *New Republic* writes that Airbnb interactions are “fundamentally economic transactions.” He is seconded by Columbia Journalism Review’s Ryan Chittum, who contends that the sharing economy should actually be called the sublet economy—a more accurate and neutral label. His evaluation of the home-sharing service finds fault with the “airy-fairy rhetoric” that overwhelms the clear cut financial interactions.

But Ryan Chittum and Noam Schieber are just two journalists for popular business publications that question the substantial successes Airbnb has had in the past few years. In spite of a digital interface designed to establish trust and credibility among users, the form of such interfaces doesn’t necessarily work in the way it is intended to. In fact, the photograph-intensive layout of Airbnb has several negative externalities. In their 2014 working paper, Harvard economists Benjamin Edelman and Michael Luca conducted an econometric analysis of price discrimination in Airbnb rentals in New York City, and found that non-black hosts charged approximately twelve percent more than black hosts for similar rental properties. By controlling for location and quality of rental, Edelman and Luca found that the effects of race to be robust, suggesting that price discrimination occurs. As Airbnb restructures its user interface to foster a great sense of community, transparency, and trust between its hosts and guests, it also may inadvertently encourage discrimination. In the recent update of the Airbnb website,
photographs of hosts were enlarged and placed directly below the banner photograph slideshow of the rental property. In doing so, Airbnb hoped to channel the social networking aspect of the site, encouraging guests to rent not just unique housing, but from interesting, engaging hosts. Potential guests shop around for the best deals, homes, and hosts.

But with greater focus on the individual micro-entrepreneurs comes greater chances for bias and prejudice to influence market prices. While the study was unable to analyze consumer demand (judged by the number of views a listing or profile received in comparison to the number of actual transactions), the supply side of listings was considered. In traditional market economies, while brand influences price, personal characteristics of producers generally exerts less influence. Hierarchical firm production models great distance between producers and consumers, both protecting the latter, and some would argue, contributing to the loss of human connection in economic transactions. We’ve come full circle to Law’s critique of actor-network theory for its homogenization of the connections between nodes in a network. The implicit racism found by Edelman and Lucas demonstrates clearly the unequal nature of networked relationship within Airbnb’s digital community.

While there are indeed many areas for concern with the decentralized nature of Airbnb, and sharing economies in general, the popular media critique is fundamentally flawed in its assumption that financial benefits are the sole reason to participate in the sharing economy, or that financial transactions are exempt from rhetoric. Yochai Benkler in his book *The Wealth of Networks*, argues for broadening the economic conception of value to one that includes intrinsic motivations in addition to extrinsic financial
motivation. Similarly, Airbnb is so successful because it combines both financial incentives—extrinsic value—with the intrinsic value from the sense of being part of a larger community. By separating the subjective from the empirical within human economic action, we fall into the age old trap of our discipline. In The Rhetoric of Economics, The Secret Sins of Economics, and How to be Human* *Though an Economist, Deirdre McCloskey addresses this false dichotomy of the rational and subjective experience within the economics field. Rhetoric permeates all aspects of sharing economies—from the advertising done by the companies behind them to the actions of individual user within them. The quick dismissal of sharing economies because of their perceived focus on subjective, intrinsic value is uncannily similar to the traditionally-perceived divide between logical philosophers and emotive rhetors. As economists and social scientists, it is necessary to recognize the value of economic structures in providing both implicit and explicit value, a boon for homo economicus and humans both.

While legitimate concerns for the negative externalities of digitally networked sharing economies exist, the net benefit of these spaces exceeds those costs as evidenced by the skyrocketing number of hosts and guests recognizing the social and economic gain from participation in Airbnb. The real effect of Airbnb in creating a culture of belonging, truly making “One Less Stranger,” would require a study far beyond my limited means and so must remain indeterminate for the time being. But even if financial motivations prove more alluring than the creation of community, it is evident that the digitally networked sharing economy still combines intrinsic and extrinsic value effectively, in a
manner that illustrates the benefits of leveraging networks and social capital to facilitate trust and encourage growth in new markets.

CONCLUSION

After exploring the ways in which Airbnb functions to create a networked community where individuals interact to create weak-tie relationships and engage in collaborative consumption by sharing and renting their homes in peer-to-peer transactions facilitated by the digital interface of Airbnb, it is apparent that in spite of its detractors, Airbnb is clearly a significant part of the sharing economy. Just as in the general definition of sharing economies, Airbnb guests and hosts face an abundance of information and must act to shape their reputation, gain attention, and garner trust: necessary steps for coordination. By crafting their listings and personal profiles to best reveal themselves and through participating in the crowd-sourced artistic creations Airbnb uses to market itself, Airbnb users are able to reach specialized audiences to better use their already-owned material capital. And though contested, the motivation for partaking in Airbnb’s sharing economy is unmistakably a combination of the intrinsic value gained through human connection and the extrinsic financial value generated through the interactions.

In order to continue this positive development however, the value created from these sharing economies needs to be distributed equally (as Julie Schor says, “after all, that is what we ordinarily call sharing”) (11). If Airbnb and sharing economies are more than just means of creating additional income, if they are social movements as their proponents argue, then individuals within these digitally networked economies need to take action to bring the empowering, democratic, and sustainable goals to fruition. As many others have noted, the next five years will drastically shape the influence of
digitally networked sharing economies—there is fertile ground for further study.

Additional consideration of the home-sharing platform from both economic and rhetorical perspectives will allow for a more nuanced analysis of this complex subject.


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