

# Analyzing the Sharing Economy from an Economic Model Perspective

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**Abstract:** The sharing economy is a new economic model that matches idle resources with the demand side through online platforms to achieve resource sharing and optimized utilization. This article analyzes the sharing economy from the perspective of economic models, mainly including platform economy model, co production economy model, and shared consumption economy model. At the same time, the advantages and challenges of the sharing economy were also explored, such as high resource utilization, creating employment opportunities and improving consumer welfare, as well as challenges such as incomplete laws and regulations, increased security risks, and increased inequality. Finally, the development trends and prospects of the sharing economy were envisioned, such as cross-border integration and innovative development, government regulation and regulatory guidance, user trust and brand building, as well as the importance of international cooperation and market expansion.

**Keywords:** Sharing economy, Economic model, Advantages and challenges.

## 1. Introduction

The sharing economy is an economic model that has emerged in recent years. It matches idle resources with the demand side through online platforms to achieve resource sharing and optimized utilization. It has broken through the boundaries of traditional economic models and changed people's traditional consumption and production patterns. The sharing economy not only brings many conveniences and opportunities to individual users and enterprises, but also has a significant impact on the entire social economy.<sup>[1]</sup>

## 2. Basic Concepts and Characteristics of The Sharing Economy

The sharing economy refers to an economic model that matches, shares, and optimizes the utilization of idle resources with the demand side through online platforms. It eliminates the intermediate links in traditional economic models through the support of internet technology, enabling more efficient flow and utilization of resources in society. The sharing economy has resource sharing: The sharing economy matches and shares idle resources, such as vehicles, housing, skills, etc., with individuals or enterprises in need through online platforms to improve resource utilization efficiency.<sup>[2]</sup>Decentralization: The sharing economy breaks through the intermediate links in traditional economic models, allowing individuals and enterprises to directly trade and cooperate, reducing the costs and limitations of intermediate links. Flexibility and Convenience: The online platform of the sharing economy provides convenient services, allowing users to trade and use shared resources anytime and anywhere through their phones or computers, improving consumers' convenience and selectivity.

## 3. Analysis of the Economic Model of the Sharing Economy

### 3.1. Platform Economic Model

The core of the sharing economy is the construction and

operation of online platforms, which is the foundation for achieving resource sharing and trading. The platform economy model includes platform operation model, fund flow model, and service flow model.

### 3.2. Platform Operation Mode

Platforms typically provide an online platform that establishes trust mechanisms by registering and authenticating users, and achieves functions such as resource publishing, trading, and evaluation. The platform matches user needs and provided resources to promote resource sharing and optimized utilization. The platform operation model also includes promotion and marketing to attract more users and resources. At the same time, the platform needs to establish an effective customer service mechanism, solve user problems and complaints, and improve user satisfaction.<sup>[3]</sup>

### 3.3. Fund Flow Model

The fund flow model refers to how the sharing economy platform flows and allocates funds. Sharing economy platforms typically generate revenue by charging platform usage fees, transaction commissions, or advertising fees. The platform can also collaborate with financial institutions to provide payment and settlement services, ensuring transaction security and fund flow. In terms of fund allocation, the platform can reward or share based on user contributions and participation levels.

### 3.4. Service Flow Mode

The service flow model refers to how the sharing economy platform provides services and ensures user experience. The sharing economy platform needs to establish norms and standards to ensure that the resources and services provided meet the needs and expectations of users. The platform can provide online booking, payment, and evaluation functions to improve user convenience and satisfaction.<sup>[4]</sup>At the same time, the platform needs to actively communicate with resource and demand parties to solve potential problems and disputes, and ensure that the rights and interests of users are protected.

## 4. Co Production Economic Model

### 4.1. Crowdsourcing mode

The crowdsourcing model is to break down tasks and projects into small sub tasks through internet platforms, outsourcing and division of labor to a large user group. Crowdsourcing platforms provide a platform that gathers a large amount of individual creativity and resources, attracting various types of talent to participate, thus completing tasks more efficiently. The advantage of crowdsourcing model is that it can leverage the power of the network to attract talents and professional knowledge from around the world, providing more innovation and solutions.<sup>[5]</sup>

### 4.2. Crowdfunding Model

Crowdfunding model refers to the use of internet platforms to raise funds from a large number of users to support specific projects or startups. The core of crowdfunding model is to support and drive the development of projects through the power of individuals and society. Through crowdfunding, entrepreneurs can directly interact and communicate with supporters, reducing their dependence on traditional financing channels. The crowdfunding model can also help entrepreneurs verify market demand and improve the success rate of projects.

### 4.3. Mass Creation Space Mode

The crowdsourcing space model refers to a shared platform that provides innovation and entrepreneurship space and resources. Crowdsourcing spaces typically provide infrastructure such as office space, equipment, and services, as well as entrepreneurial guidance and resource support. Entrepreneurs can share knowledge and experience in the crowdsourcing space, and engage in good cooperation and communication with other entrepreneurs. The maker space promotes innovation and entrepreneurship by gathering the power and resources of entrepreneurs.

## 5. Shared Consumption Economy Model

### 5.1. Shared travel mode

The shared consumption economy model refers to the joint use and payment of specific products or services by consumers through sharing and leasing. This model can reduce the cost of personal consumption, improve resource utilization efficiency, and also reduce the demand for ownership of goods. <sup>[6]</sup>The shared consumption economy model mainly includes shared travel mode, shared accommodation mode, and shared office mode.

### 5.2. Shared travel mode

The shared travel mode refers to the reduction of travel costs and diversification of travel modes through shared transportation, such as shared bicycles, shared cars, and taxi platforms. This mode provides more convenient and flexible travel options through the support of online platforms. Users can use shared transportation tools and travel resources anytime and anywhere according to their needs, achieving optimal utilization of resources and environmental conservation.<sup>[7]</sup>

### 5.3. Shared Accommodation Mode

The shared accommodation model refers to the sharing and leasing of idle houses or spare space through online platforms. This model achieves resource sharing and utilization by publishing housing information online, allowing tenants to choose temporary accommodation locations. The shared accommodation model not only provides more accommodation options, but also promotes the development of tourism and cultural exchange, providing economic and social opportunities for landlords and tenants.

### 5.4. Shared Office Mode

The shared office model refers to sharing office space with different enterprises and individuals for use. By sharing office space, businesses and individuals can save on office costs, share infrastructure and resources, and also provide opportunities for socializing and collaboration. The shared office model can meet the needs of enterprises of different sizes, provide a flexible office environment, and promote the development of innovation and entrepreneurship.

## 6. Advantages and Challenges of The Sharing Economy

### 6.1. Advantages

(1) High resource utilization rate: The sharing economy improves the efficiency of resource utilization by optimizing resource allocation and sharing utilization. Taking shared transportation as an example, by sharing bicycles, cars and other means of transportation, the idle time of vehicles can be reduced, transportation costs can be reduced, energy can be saved, and environmental pollution can be reduced.<sup>[8]</sup>

(2) Creating job opportunities: The sharing economy model provides individuals with more entrepreneurial and employment opportunities. Through the sharing economy platform, individuals can monetize their idle resources or skills, achieving the co creation of material and economic value. For example, through shared accommodation platforms, landlords can rent out idle houses, driving employment opportunities in the local tourism and service industries.

(3) Improving consumer welfare: The sharing economy improves consumer welfare by providing richer choices and more affordable prices. Consumers can choose more suitable products or services on the sharing economy platform based on their personal needs, and enjoy more convenience and discounts. The sharing economy also improves the reliability and transparency of transactions through user evaluation and trust mechanisms, providing consumers with a better shopping experience.<sup>[9]</sup>

### 6.2. Challenges

(1) Imperfect laws and regulations: The rapid development and innovative model of the sharing economy have brought challenges to existing laws and regulations. Due to the difference between the sharing economy model and traditional economy, existing legal frameworks often cannot fully cover all aspects of the sharing economy, such as labor relations, taxation, insurance, etc. The lack of relevant laws and regulations may lead to disputes and have a negative impact on the development of the sharing economy.

(2) Increased security risks: The sharing economy platform involves the exchange of individuals and resources, which

may pose security risks. For example, there are risks such as traffic accidents and vehicle quality issues in the field of shared travel; There are security and privacy issues in the field of shared accommodation. If the platform and relevant institutions fail to effectively manage and supervise, it may lead to security incidents and disputes, damaging the rights and trust of users.

## 7. Development Trends and Prospects of the Sharing Economy

### 7.1. Cross border Integration and Innovative Development

With the advancement of technology and changes in social needs, the sharing economy model will integrate with other economic models to form new business models. For example, the integration of shared travel with intelligent transportation and autonomous driving technology, the integration of shared accommodation with smart homes, and the integration of shared office with cloud computing and mobile office. Cross border integration and innovation will bring more opportunities and challenges to the sharing economy, promoting the development and transformation of the sharing economy model.<sup>[10]</sup>

### 7.2. Government Regulation and Normative Guidance

The government needs to balance the relationship between innovation and regulation in regulation, supporting the development of the sharing economy while protecting user rights and social equity. The government can formulate relevant laws and policies, clarify operational guidelines and standards for the sharing economy, strengthen supervision of platforms and participants, establish trust mechanisms and dispute resolution mechanisms, and promote the healthy development of the sharing economy.

### 7.3. User trust and brand building

In a fiercely competitive market environment, establishing user trust is the key to attracting and retaining users. User trust is not only about satisfaction with products or services, but also about recognition and dependence on the brand. Building user trust is not only a long-term effort, but also requires continuous improvement and innovation. Brands need to establish a good reputation by actively participating in social media and user groups, interacting and communicating with users, in order to enhance their trust and loyalty to the brand.

## 8. Conclusion

The sharing economy, as an emerging economic model, has been continuously developing and growing in recent years. From the perspective of economic models, the sharing economy has many advantages and potential. In order to further develop the sharing economy, it is necessary to strengthen supervision and regulation, protect consumer rights and personal information security, and promote the organic integration of the sharing economy and traditional economy. Only in this way can the sharing economy truly achieve sustainable development and bring more benefits to the economy and society.

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