Peer Engagement Behaviors: Conceptualization and Research Directions

Executive Summary

The sharing economy represents a peer-to-peer business model in which individuals (i.e., peer providers) transact directly with other individuals (i.e., peer consumers) through online platforms maintained by third parties, such as Uber, Airbnb, Prosper, and EatWith. Associate Professor Meizhen Lin at Huaqiao University and Professor Li Miao in Spears School of Business at Oklahoma State University state: “The conventional understanding of engagement behaviors based on the business-to-customer business model cannot fully capture the dynamics of engagement behaviors in a peer-to-peer network with spanning boundaries from within the organization to beyond the organization.” The authors introduced the notion of *peer engagement behaviors* to provide a better understanding of this phenomenon and further delineated its managerial implications.

Assistant Professor Wei Wei at University of Central Florida suggests: “Platforms definitely should leverage the ‘strength of the weak ties’ to solidify their customer base and encourage positive engagement behaviors.” She further explains: “Ties between peers are infrequent but can be affect-laden. Such ties reduce uncertainty, provide a trust base and motivate complex knowledge-sharing. Although transient, infrequent and episodic, affect-laden ties are more likely to progress to a stage of engagement.”

Doctoral Candidate Hyoungeun Moon at Oklahoma State University emphasizes the self-regulatory function of peer engagement behaviors in the sharing economy. In the absence of traditional regulatory mechanisms for business such as government-enforced safety standards for taxi services, intermediaries such as Uber need to maintain adequate trust in a market by developing mechanism to guard against low quality, misbehaviors and frauds. For example, Uber uses rider reviews to screen out problematic drivers and also shows drivers’ ratings of potential riders so that riders who behave badly find it difficult to secure a ride in the future.

Lin and Miao caution platforms on the potential spillover effect of peer engagement behaviors. For example, when a peer consumer is not happy about his/her interactions with the owner (a peer provider) of a rented apartment, he/she is likely to post a negative review of Airbnb as well. Furthermore, Airbnb may hold the power to resolve complaints but only possess limited information about what happens between the peers, resulting in power and information asymmetries. Wei and Moon point out: “When a platform relies heavily on self-reported information provided by peer providers and consumers, both parties are inclined to find complaint resolutions partial.”

The authors conclude: “Ultimately, actors in the sharing economy need to recognize that peer engagement behaviors have a distinct *peer focus*, in contrast to a brand or firm focus. The beneficiaries of positive peer engagement behaviors are also dispersed in a network that include peer consumers, peer providers and the platform.” A peer can participate in one transaction as a peer consumer and in another as a peer provider, even simultaneously (*role fluidity*), leading to multiplex, dynamic and reciprocal peer engagement behaviors that are distinctively different from other engagement behaviors such as employee engagement behaviors, customer engagement behaviors and actor engagement behaviors.