Business model change and internationalization in the sharing economy

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ABSTRACT

For over a decade, sharing economy companies ("sharecoms") have been operating on an international stage with novel digital platform-based business models that create and capture value through unique dimensional configurations. However, the relationship between these business models and the international expansion of sharecoms remains under-theorized. This longitudinal study addresses this gap and presents new empirically driven insights. Based on a cross-border, cross-sector case study of six sharecoms, we investigated the evolution of the business model in relation to internationalization. The results showed that multidimensional changes took place within the business models, impacting the sharecoms' internationalization in terms of speed, scale, and scope through circular causality. Moreover, by creating virtuous cycles of business model change and internationalization, sharecoms were able to achieve network effects and unlock value.

1. Introduction

In an era driven by technology and globalization, the development of a firm's business model and its international endeavors often go hand in hand, especially in the case of young entrepreneurial firms, which are both highly innovative and highly international (Onetti, Zucchella, Jones and McDougall-Covin, 2012). One such firm type operates in the sharing economy; referred to hereafter as "sharecoms" (Thornton, Campbell and Owusu, 2019).

Sharecoms are characterized by innovative business models and accelerated internationalization (Parente, Geleilate and Rong, 2018; Thornton and Sandberg, 2020). Their value proposition facilitates access to and redistribution of individual peer-to-peer (P2P) users' tangible and intangible assets delivered via digital platforms (Frenken and Schor, 2017). The asset-light, internet-mediated nature of sharecoms' business models provides them with increased scalability, meaning that they can reach a global audience with low transaction costs and limited capacity constraints (Täuscher and Kietzmann, 2017; Zeng, Tavalaei and Khan, 2021). As such, they can internationalize immediately (Van Alstyne, Parker and Choudary, 2016) and, typically, do so.

According to Teece, *"the right business model is rarely apparent early on in emerging industries"* (2010, p. 187). Sharecoms innovate and develop their business models to align with the flourishing environments in which they operate. This strategy often begins early and proceeds rapidly, similar to their international expansion.

However, despite business models and internationalization being deeply embedded in a firm's overall growth path and profoundly entwined (Onetti et al., 2012), they are mainly researched separately. Rask (2014) highlighted the apparent disconnect between the business model literature and literature on firm internationalization. Bohnsack, Ciulli and Kolk (2021) pointed out the absence of studies on the business model concept in relation to firm internationalization. Rissanen, Ermolaeva, Torkkeli, Ahi and Saarenketo (2019) argued that location has rarely been considered in business model research, meaning that internationalization has been somewhat overlooked. According to Onetti et al. (2012), the lack of attention given to internationalization is the main shortcoming of the existing business model literature. They have called for a better understanding of the application of business models in internationalization studies.

Several studies on the interplay of business models and internationalization should be acknowledged (e.g., Chiva, Ghauri and Alegre, 2014; Hennart, 2014; Cao, Navare and Jin, 2018; Cavallo, Ghezzi and Guzmán, 2019). Moreover, the business model concept has recently gained attention from international business scholars, positioning it as the "*missing link in internationalization theory*" (Bohnsack et al., 2021). However, the relationship between the evolution of the business model and firm internationalization remains an open issue in both managerial theory and practice.

Moreover, little is known about the internationalization of firms with novel business models, such as decentralized models put forward by novel digital technologies. Bohnsack et al. (2021) called for a further investigation. Täuscher and Laudien (2018, p. 320) took a longitudinal perspective and highlighted a lack of understanding of the business models of firms, including sharecoms, calling for a more holistic

approach to understand *"how marketplaces create, deliver, and capture value through their business model configurations."* Thus, the international expansion of firms operating within the sharing economy represents a promising phenomenon for advancing the internationalization theory from a business model perspective.

Therefore, in this study, we sought answers to the following research questions: *(1) How do sharecom business models evolve during internationalization?* and *(2) How do changes in the business model affect internationalization?* The purpose of this study was to explore cases involving sharecoms to extend the existing theory on the relationship between business models and internationalization within a novel context (i.e., the sharing economy). This study departs from the business model literature by describing value propositions, value creation and delivery, and value capture (Chesbrough, 2006; Teece, 2010).

An exploratory qualitative approach based on a multi-case study design was applied (Eisenhardt, 1989; 2021) to investigate the business model changes of six international sharecoms since their founding according to the above value dimensions. A longitudinal, retrospective, and real-time approach was applied to encapsulate the evolutionary aspect of sharecoms' business models and internationalization (McDonald and Eisenhardt, 2020).

Findings of this study contribute to the existing literature in several ways. First, they build on the existing business model literature by addressing the implementation process of change from a multidimensional perspective. Moreover, they highlight the interrelated and interdependent nature of component changes. Second, study findings contribute to the literature on the nexus between business models and internationalization, suggesting a reciprocal relationship. Moreover, the study advances current knowledge by introducing a virtuous cycle of business model change and internationalization, which sharecoms can leverage to attract new users and attain network effects, enabling them to unlock value. Third, this study contributes to the nascent sharing economy research by shedding light on how sharecom business models evolve internationally. Finally, the study provides practical insights for sharecom founders and managers who may find our model useful when developing their business models and international expansion plans.

The remainder of this paper is organized as follows. The next section establishes a framework of the relevant literature, followed by a discussion of the methodological approach undertaken. Subsequently, the study findings are presented and analyzed. Finally, the research is summarized, conclusions are drawn, and implications are presented.

2. Theoretical framework

2.1. Business models

The term "business model" has become a buzzword over the past few decades, used extensively in both academia and practice (Onetti et al., 2012; Zhao, Von Delft, Morgan-Thomas and Buck, 2020; Bohnsack et al., 2021). Although there is a lack of consensus (Budler, Župič and Trkman, 2021), the standard view is that three dimensions prevail within a firm's business model: value proposition, value creation and delivery, and value capture (Chesbrough, 2006; Teece, 2010).

The value proposition *"contains a portfolio of solutions for customers and how they are offered"* (e.g., new products/services, new customer segments). Value creation and delivery *"defines how and by what means firms create value along the value chain using the resources and capabilities of intra and inter-organizational processes"* (e.g., key partners, activities, and resources). Finally, value capture *"defines how value propositions are converted into revenues, that is to say, how firms gain revenues that cover cost and achieve profits that ensure sustainable performance"* (e.g., cost structures and revenue streams) (Clauss, 2017, p. 387).

According to Zott and Amit (2010), a business model can be viewed as *"a system of interdependent activities that transcends the focal firm and spans its boundaries"* (p. 216). They suggest that value can be created and captured through the configurations of these *"boundary-spanning"*

components (Zott and Amit, 2007, 2010, 2017; Zhao et al., 2020; Bohnsack et al., 2021).

2.2. Business models within the sharing economy

While the sharing economy lacks an agreed-upon definition, it can be viewed as an economic system (Parente et al., 2018), with sharecoms providing P2P exchanges of tangible and intangible underutilized assets through digital platform facilitation. Well-known examples of the sharing economy include Airbnb and Uber, which connect private individuals seeking accommodation and transportation with home and vehicle owners, respectively, via websites or apps. To this end, sharecoms are distinguishable from other digital platforms, such as social media (e.g., Facebook) and e-commerce (e.g., Amazon). Facebook is a digital platform that connects individual users but does so for the free sharing of social content (e.g., photos and videos), in contrast to sharecoms that focus on sharing assets for economic benefits (Parente et al., 2018). Amazon operates as an online retailer; its transactions primarily involve the sale of new items through a business-to-consumer, rather than a P2P, model.

The unique value proposition of sharecoms lies in providing individual users with access to each other's assets and, in doing so, unlocking their dormant value (Frenken and Schor, 2017; Parente et al., 2018). Sharecoms seek to build active communities of users locally or globally (Täuscher and Laudien, 2018), ultimately achieving network effects (i.e., when the offering becomes more appealing the more users join) (Zhu and Iansiti, 2012; Guyader and Piscicelli, 2019; Zeng et al., 2021). The digital platform serves as the foundation for such facilitation, with sharecoms utilizing proprietary technology-based resources (e.g., program codes) to efficiently manage and grow their user base (Van Alstyne et al., 2016; Ojala, Evers and Rialp, 2018).

Moreover, sharecoms engage multiple partners in the value-creation process (Ritter and Schanz, 2019). Unlike traditional firms, most sharecom business model activities occur outside organizational boundaries. Thus, the focus is on managing and orchestrating such activities (Parker, Van Alstyne and Jiang, 2016) through a sharecom's digital platform (Teece and Linden, 2017).

2.3. Business model change

According to Teece (2010), a business model should be viewed as changeable rather than static, and a firm should adapt and renew its business model to remain competitive and avoid business stagnation (Cavallo et al., 2019). Over time, a business model undergoes component changes, evolving in terms of value proposition, creation, delivery, and capture (Rissanen et al., 2019).

Various concepts have been used in the extant literature to describe the processes of change, such as business model innovation, adaptation, and evolution (Saebi, 2014; Balboni, Bortoluzzi, Pugliese and Tracogna, 2019). Business model innovation involves making *"novel, non-trivial changes"* that are disruptive and geared toward shaping markets or industries (Zott and Amit, 2007; Amit and Zott, 2010; Teece, 2010, 2018; Foss and Saebi, 2018; Bhatti, Santoro, Khan and Rizzato, 2021). Such innovations can result in the design and creation of new business models or reconfigurations of existing ones, typically affecting multiple components simultaneously (Saebi, 2014; Massa and Tucci, 2013).

Business model adaptation refers to purposeful changes made in response to environmental conditions in order to align with the environment (Saebi, 2014). Changes to multiple components with *"varying degrees of radicalness"* occur within existing models (Rissanen et al., 2019), and although novelty may be an outcome, it is not a requirement (Saebi, 2014).

Similar to adaptation, business model evolution concerns existing business models and focuses on alterations rather than disruptions (Demil and Lecocq, 2010). Changes may or may not be novel (Saebi, 2014). However, unlike innovation and adaptation, business model

evolution captures the entire spectrum of changes that occur over the lifespan of a firm's business model (Balboni et al., 2019). Changes are made in response to both internal and external factors (ibid.), such as changes in technology (Onetti et al., 2012), shifts in consumer behavior or demands, or the competitive landscape (Teece and Linden, 2017). Such changes can include incremental and continuous adjustments (Saebi, 2014) through more radical redesigns (Demil and Lecocq, 2010), such as improved product/service offerings, strengthened ties with suppliers, and adjustments to operating routines to increase efficiency (Saebi, 2014).

The extent to which a firm changes its business model depends primarily on external influences (Saebi, 2014). Firms operating in relatively stable environments where change is minimal will likely develop their business models organically and incrementally over time (ibid.). Meanwhile, business model changes and evolution have become necessary for those operating within rapidly changing and unpredictable contexts. High-tech, internet-based start-ups, such as sharecoms, are prone to such environments. They can change their business models more quickly than traditional firms because they have *"fewer established assets and procedures to reengineer"* (Teece and Linden, 2017). Moreover, digitalization affords sharecoms flexibility in organizing business activities (Zott and Amit, 2017) and making changes (Ghezzi and Cavallo, 2020).

2.4. Business model change and internationalization

Business model change is often considered a defining attribute of rapidly internationalizing firms (Hennart, 2014). However, little is known about how such changes are made and how they affect a firm's entry into foreign markets (Rissanen et al., 2019).

Dunford, Palmer and Benveniste (2010) posited that, in the case of new ventures, it was unlikely that the business model would be fully formed before starting to internationalize; instead, it would continue to evolve in a processual manner (Teece, 2017). Referred to as *"lean internationalization"* (Rasmussen and Tanev, 2015), firms focus on *"doing over planning"* (Autio and Zander, 2016) to accelerate entry into foreign markets (Van Alstyne et al., 2016).

The existing internationalization literature suggests that business models play an essential role in a firm's international growth (Cao et al., 2018), and research points to a positive relationship between the two. Changes in the business model are widely considered to drive internationalization (e.g., Rask, 2014; Cavallo et al., 2019). According to Chiva et al. (2014), the type of change (radical or non-radical) can influence the degree of internationalization. Similarly, internationalization can improve a firm's ability to change (Cao et al., 2018).

What remains unknown is the dimensions of a sharecom's business model that change, how component changes affect one another, and, more so, how this influences the sharecom's internationalization.

3. Research method

An exploratory case study method was adopted for this study (Eisenhardt, 1989), which enabled the investigation of the contemporary phenomenon of sharecom internationalization in a real-life context. This approach was deemed suitable for answering "how" questions (Ghauri, 2004) about sharecoms' business models, internationalization, and the evolutionary process. Case studies are widely used in studies on the sharing economy, providing the opportunity to make theoretically relevant contributions to a phenomenon that lacks clear understanding, adequate theory, and empirical substantiation (Eisenhardt, 1989; Klarin and Suseno, 2021).

A research design combining retrospective and real-time investigation was implemented to trace the unfolding of the phenomenon (McDonald and Eisenhardt, 2020). The longitudinal investigation permitted further exploration of business model change and internationalization processes (Rissanen et al., 2019).

3.1. Case sampling

Sharecoms were sourced from online databases, directories, and keyword searches. Ultimately, six sharecoms were selected for case studies. Theoretical sampling was used, wherein cases were carefully selected based on the likelihood that the focal phenomenon would occur (Eisenhardt, 2021). Moreover, a criterion was developed to consider both similarities and differences. For comparability, all sharecoms had to (1) possess the key features of a sharecom presented in this study, (2) be active in multiple countries, and (3) have undergone multiple changes in value dimensions within their business models. In addition, diversity was applied, and sharecoms of various ages, sizes, and operation within various industries (see Table 1) were identified, thus allowing for the acquisition of various perspectives and insights, and improvements in the robustness and generalizability of the findings (ibid.).

3.2. Data collection

Interviews were held with either founders or top managers who possessed the necessary knowledge about the sharecom's business model and international endeavors (Ghauri, 2004). One respondent from each sharecom was interviewed, except in the case of the largest sharecom, for which two respondents participated (See Table 2).

Semi-structured interviews were conducted between September 2018 and July 2019. They were deemed suitable for understanding the changes occurring within the sharecoms' business models in relation to internationalization. The interviews took place via video calls, each lasting between 37 and 78 min. They were recorded and transcribed with permission from the respondents.

An interview guide was used, and retrospective questioning was applied to inquire about each sharecom's business model changes and internationalization endeavors since its founding. Respondents were asked to describe their initial business models in line with the research questions. Questions were then posed regarding internationalization (initial and subsequent foreign market entry), followed by an inquiry into the evolution of each sharecom's business model. Respondents were asked to describe the changes made and when they occurred. The interviews concluded with an invitation for respondents to add to any of the questions asked or topics covered.

Information from multiple published sources was gathered between August 2018 and August 2019 to add value to the interview data. Sources included websites, media kits, social media, press releases, industry and government reports, and media coverage, which provided both internal and external perspectives. Such data were used before the interviews to acquire general knowledge about the sharecoms and after the interviews to check and validate the information given by the respondents and reduce the likelihood of misinterpretation (Ghauri, 2004). A second collection period was conducted between March 2020 and August 2021 to extend the timeline and provide an overall picture of the evolutionary process (see Table 2). Multiple sources of information were used for triangulation purposes (Eisenhardt, 1989). Comparing the data helped to establish the facts and reduce the (potential) risk of retrospective bias (Ojala et al., 2018).

3.3. Data analysis

A two-stage analysis was applied to analyze the case study data (Eisenhardt, 1989). First, interviews and secondary data were synthesized to construct chronological narratives of each sharecom with supporting quotations. This strategy helped develop longitudinal explanations for tracking the phenomenon over time (Ojala et al., 2018). In line with the theoretical framework, attention was given to changes in business models and sharecoms' internationalization endeavors, with a view toward tracing the connection between the two. Tables were used to record a timeline of events.

Table 1
Case profiles.

Sharecom	Industry Core business	Established (country, year)	Internationalized	Size		
				Team size	No. of users	Total no. of markets
Boataffair	Boating Boutique boat-sharing platform; services incl. boat rental, boat swopping & boat experiences	Switzerland, 2017	Inception	7 (incl. 2 co-founders)	1500+	60 + countries, worldwide
HomeStay	Travel/Accommodation Platform connecting hosts with guest seeking short & long stay accommodation;'host-present' model	Ireland, 2013	Inception	9 team members	200,000+	160 + countries, worldwide 176 countries
MamazSocialFood	Hospitality Social dining platform connecting tourists (guests) with local hosts offering dining experiences	France, 2019	Inception	8 (incl. 3 associate partners)	30,000+	70 + countries, worldwide
OLIO	Food sharing Neighbourhood sharing app for surplus food (+non-food items)	England, 2016	Within 1st year	Approx. 30 (incl. 2 co-founders)	Approx. 2,000,000	35 + countries, worldwide
TrustedHousesitters	Pet care/accommodation/travel Platform connecting home and pet owners with care-orientated sitters,'pet care + cost-effective travel'	England, 2010	Inception	55 (incl. founders)	70,000+	140 + countries, worldwide
Withlocals	Tourism Platform connecting travellers/tourist with locals offering unique private tours and activities	Netherlands, 2013	Inception	48 (incl. founders)	Approx. 120,000	50 + countries, worldwide

Following these chronologies, data were rigorously and systematically coded using a combination approach (Ghauri, 2004). Starting with predetermined codes derived from the existing literature and presented in the theoretical framework, business model changes were coded by component. The codes included product/service, customer segment, partnership, and revenue stream. Codes were grouped into categories based on the following three value dimensions: proposition, creation and delivery, and capture. For example, the statement, *"We went from offering home dinners to tours and activities,"* was coded as a product/service change and consequently categorized as part of the value proposition dimension.

The sharecoms' internationalization was also coded. Various codes were derived from the data and subsequently grouped into three categories representing aspects of the sharecoms' internationalization: speed (lag from the start to the first foreign market entry and subsequent entries), scale (extent of a firm's operations within a given market, in terms of, for example, locations, listings, user numbers), and scope (geographical spread). For example, the statement, *"We really started to take off in the US with more people joining the platform,"* was coded as an increase in userbase and grouped under the "scale of

internationalization". In statements such as *"We really very quickly moved to other countries — in the first year, the first months, actually"* was coded as rapid internationalization and added to the "speed" category.

The two sets of codes were then combined and analyzed to establish the relationship between business model changes and internationalization. For example, the statement from an interviewee, *"More boat owners are joining from different countries every day because it's really a new scheme,"* was coded as a business model change that triggered internationalization. The explanation, *"Having a large global presence attracted interest, which led to the partnership,"* was coded as the degree of internationalization influencing business model change. *"Going 'open source' enabled us to expand into new markets… and the increase in users and coverage then prompted us to make further developments to the app in order to be able to scale more worldwide",* was coded as a reciprocal sequence of events. Tables were used during the data-coding stage for both the presentation and analysis.

During the case narrative write-ups and data coding, attention was paid to the relationships between component changes in the business model and between the changes and sharecoms' internationalization. Thus, we were able to understand how events and relationships evolved

Table 2
Data collection overview.

Sharecom	Data collection		
	Interviews *(respondent)*	Secondary data collection	
		1st round *(Items, pages + sample sources)*	2nd round *(items, pages + sample sources)*
Boataffair	*Co-founder*	*11, 13* *Forbes, website (incl. blog posts, press releases), Facebook, LinkedIn, Instagram*	*14, 19* *International Yacht Radio, website (incl. blog posts, press releases), Facebook, LinkedIn, Instagram*
HomeStay	*Managing Director (operations & partnerships)*	*7, 10* *The Times, website (incl. blog posts), Facebook*	*4, 4* **Website (incl. blog posts), Facebook*
MamazSocialFood	*Co-founder*	*4, 5* *Website (incl. blog posts), Facebook*	*3, 3* *Online Founder interview, website (incl. blog posts), Facebook, Twitter*
OLIO	*Head of International Expansion & Business Development*	*15, 21* *Simpleweb, website (incl. blog posts, media kit, press releases), LinkedIn, Facebook, Instagram*	*19, 24* *Forbes, website (incl. blog posts, press releases), LinkedIn, Facebook, Instagram*
TrustedHousesitters	*Managing Director; Chief Marketing Officer*	*8, 11* *EU-Startups, website (incl. blog posts, press releases), LinkedIn, Facebook*	*8, 9* *Housesitting Magazine, website (incl. blog posts, press releases), LinkedIn, Facebook*
Withlocals	*Chief Executive Officer*	*9, 14* *EU-Startups, website (incl. blog posts, media kit, press releases), LinkedIn, Facebook, Instagram*	*12, 16* *Lonely Planet, website (incl. blog posts, press releases), LinkedIn, Facebook, Instagram*

and fully address the research questions. This stage also allowed for case familiarization and pattern emergence (Eisenhardt, 1989) and provided a basis for the following collective case examination.

Subsequently, a cross-case analysis was conducted. Case data from all six sharecoms were compiled into tables and carefully compared to identify generalizable patterns (Eisenhardt, 2021). The cumulative data also linked the empirical evidence to the emergent theory. The process was iterative, whereby the literature was revisited along with the case data, mainly when new patterns emerged (ibid.). Thus, findings could be positioned within and linked to the existing body of knowledge, thereby increasing their validity and reliability. Based on these empirical findings, a theoretical model was developed.

4. Empirical findings

The findings showed that all the sharecoms internationalized from the outset. In some cases, sharecoms launched internationally; for example, Boataffair went live in three countries simultaneously, while others (e.g., OLIO) started in their home markets before moving into new ones. The head of International Expansion and Business Development explained, *"After we launched the app here [England], we really very quickly moved to other countries. In the first year — the first months actually — we were in Sweden and the US… in California, and also in Mexico."*.

In most cases, founders/managers said that internationalization was necessary for the value proposition: *"It's partly baked into the product… we combine travel with pet care"* (chief marketing officer, TrustedHousesitters); *"We did it from the get-go because we had to… boat rentals and boat swapping works better if you go international from the beginning because people travel"* (co-founder, Boataffair). In most cases, the sharecoms designed their business models with global intent (Rasmussen and Tanev, 2015). *"Anyone can access the website anywhere; we cater for all currencies,"* said the chief executive officer of TrustedHousesitters. Meanwhile, the managing director of HomeStay said, *"The platform was available in multiple languages from day one. That was necessary, as our customers are international."*.

The findings also showed that the sharecoms started to make business model changes early on (Teece, 2017). Changes ranged from nonradical (Demil and Lecocq, 2010) to radical (Saebi, 2014; Massa and Tucci, 2013) and were influenced by both internal (Ritter and Schanz, 2019) and external factors (Teece and Linden, 2017; Laamanen et al., 2018). In most cases, the changes were made within the first few months. OLIO's co-founders reported taking a "lean start-up" approach (UpEffect, 2017), comprising a quick and low-cost way of testing their food-sharing idea — a *"slightly bizarre 'proof of concept' involving WhatsApp!"* (OLIO, n.d.). As the sharecoms evolved, they continued to make changes to increase value for their users, thus sustaining growth.

Early stage changes were typically geared toward gaining traction and reaching a critical mass. TrustedHousesitters' chief marketing officer explained, *"In the early days, it was really about getting out there, promoting the concept and building a global community of members. And we really learned from them and developed our service as we went."* Boataffair's co-founder told that they started small: *"We listened to our little community, we learned, we made changes and kept building and creating momentum. And we're now growing at a very interesting pace, with new countries going live every week, … we have boats in those countries now and we're happy about that traction."* He added, *"We could have more boats by now boats if we wanted to, but we want to build a quality platform, which is transparent and creates a lot of value for people. We want to 'nail it before we scale it'."* The chief executive officer of Withlocals said, *"To build a sustainable business, it's about finding the right balance between demand — the travelers — and supply, the local guides. It`s not too difficult to grow your inventory, but if you have too many hosts on your platform and don't give them enough bookings, they run away. So, in a way, of course, we want to grow quickly, but we have to do it sustainably."*.

Soon after its launch, OLIO made a series of business model changes, including new product/service offerings, partnerships, and customer segments, which led to a rapid increase in app downloads and food items being shared. Homestay made significant changes to its business model within the first few months, facilitating the acquisition of hosts more quickly.

In most cases, business model changes were not a precondition for internationalization, although they positively impacted international growth. The most notable changes were in value proposition and value creation and delivery. New product/service offerings and partnerships were the most significant changes, triggering accelerated foreign market entry and expansion within existing markets (typically by establishing activity in new locations; for example, new user acquisition on the supply and demand side and additional listings/inventory). More radical changes were found to have the most substantial impact on sharecom internationalization (Chiva et al., 2014).

Frequent changes in business models have enabled sharecoms to leverage entry into new markets, creating synergies and adding value to the entire global network. For example, in the case of Mamaz Social Food, partnering with third-party travel operators allowed it to build demand in the US market quickly and, in turn, add value for its existing network of hosts worldwide. Similarly, by introducing its boat-swapping scheme, Boataffair could enter multiple new markets and acquire members it would otherwise not reach (i.e., those in countries where
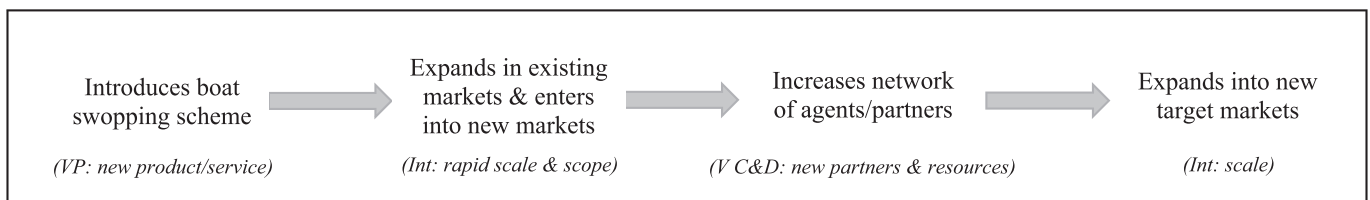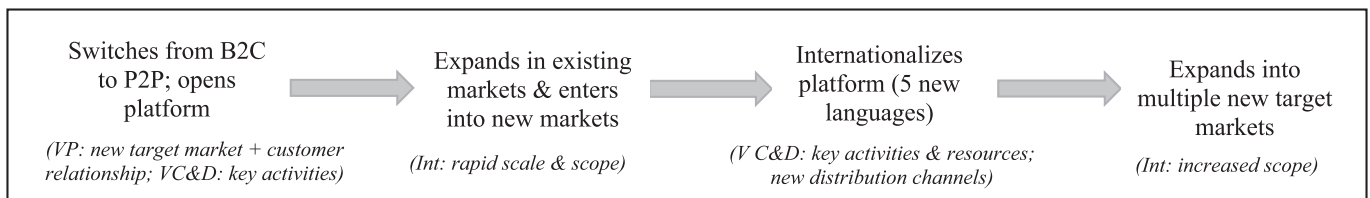

Fig. 1. Boataffair's sequence of reciprocity.

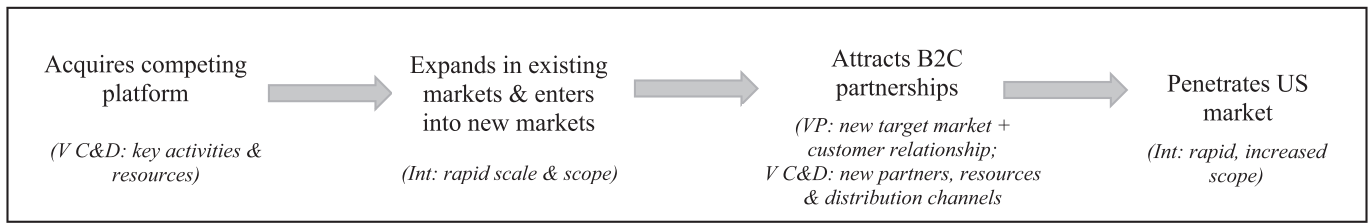**Fig. 2.** Homestay's sequence of reciprocity.

Acquires competing platform		Expands in existing markets & enters into new markets		Attracts B2C partnerships		Penetrates US market
(V C&D: key activities & resources)	→	*(Int: rapid scale & scope)*	→	*(VP: new target market + customer relationship; V C&D: new partners, resources & distribution channels*	→	*(Int: rapid, increased scope)*

Fig. 3. Mamaz' sequence of reciprocity.

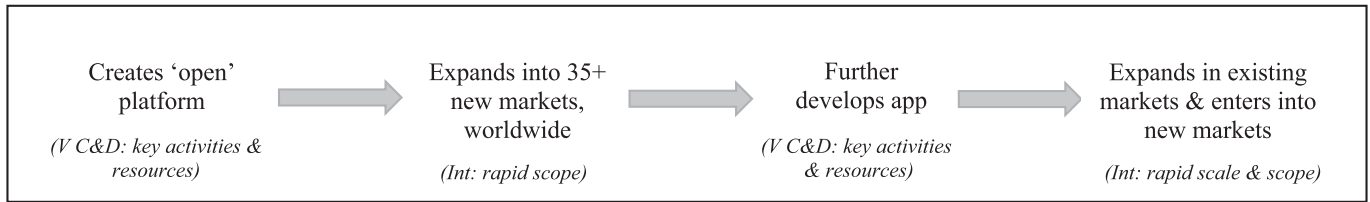| Creates 'open' platform		Expands into 35+ new markets, worldwide		Further develops app		Expands in existing markets & enters into new markets
(V C&D: key activities & resources)	→	*(Int: rapid scope)*	→	*(V C&D: key activities & resources)*	→	*(Int: rapid scale & scope)*

Fig. 4. OLIO's sequence of reciprocity.

renting is prohibited). In doing so, the sharecom created more value for its community.

Study findings also revealed a reciprocal relationship between business model changes and internationalization (Chiva et al., 2014; Cao et al., 2018). Though component changes influenced international expansion positively, internationalization also impacted sharecoms' ability to develop their business models (Cao et al., 2018). Markedly, sharecoms that reached a critical mass could leverage this achievement to attract investors and partners, leading to more business model changes.

The study findings indicated that such reciprocal relationships often develop into a chain of self-reinforcing events. Such events fuel each other and facilitate accelerated growth and user acquisition, permitting sharecoms to unlock value through network effects. Examples of such reciprocity sequences were discovered in all six sharecoms.

When Boataffair introduced its pioneering boat-swapping scheme, it was able to tap into its existing community of boat owners, *"Boat owners know boat owners, and so we could harness those connections to very quickly expand worldwide"* (co-founder, Boataffair). Before the scheme went live, the platform had sign-ups from boat owners in Australia, New Zealand, Spain, the US, Sweden, and Switzerland, and 200–300 boat owners attended the launch. Since the boat-swapping scheme was more inclusive than the boat-rental side of the platform (fewer restrictions

regarding laws and insurance), more boat owners were willing to participate, which helped the sharecom reach a critical mass and develop network effects quickly. The popularity of the new scheme, in turn, prompted the sharecom to increase its network of agents to exploit the new markets that had opened up to them, enabling it to continue building its global membership portfolio (Fig. 1). Further international growth exposed the sharecom to more opportunities, including several lucrative partnerships, which enabled it to sustain further growth and development. (See Table 3 for further details of the sharecom's business model changes and internationalization).

When Homestay pivoted its business model — opening up its platform and allowing hosts to join directly —, it quickly grew its inventory in multiple markets worldwide, adding value to the sharecom's entire global operations and enabling network effects to develop. In turn, the impetus for more change was underway, with the aim of serving users more efficiently and sustaining network effects. The sharecom added additional languages to its platform, which fueled further growth within the targeted markets (Fig. 2). A continual increase in users globally has led to further prospects for sharecoms, including investment funding, which has fueled greater internationalization and additional business model changes. (See Table 3 for further details of the sharecom's business model changes and internationalization).

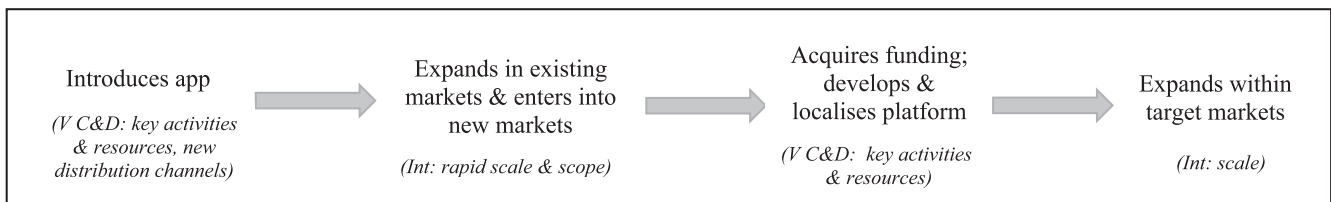After acquiring a competing platform, Mamaz Social food quickly

Introduces app		Expands in existing markets & enters into new markets		Acquires funding; develops & localises platform		Expands within target markets
(V C&D: key activities & resources, new distribution channels)	→	*(Int: rapid scale & scope)*	→	*(V C&D: key activities & resources)*	→	*(Int: scale)*

Fig. 5. TrustedHousesitters' sequence of reciprocity.

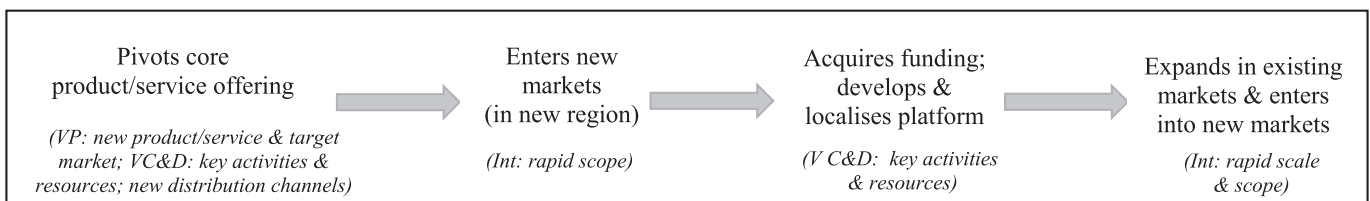| Pivots core product/service offering		Enters new markets (in new region)		Acquires funding; develops & localises platform		Expands in existing markets & enters into new markets
(VP: new product/service & target market; VC&D: key activities & resources; new distribution channels)	→	*(Int: rapid scope)*	→	*(V C&D: key activities & resources)*	→	*(Int: rapid scale & scope)*

Fig. 6. Withlocals' sequence of reciprocity.

Table 3
Sharecom business model change and internationalization.

Sharecom	Timeline: business model changes and internationalization				
(yr. est.)	Change	Component, (Value proposition: VP, VC&D, VC)	*Internationalization*	Aspect of internationalization	
Boataffair (2017)	**2017 -** Added 'experiences' to the platform - The sharecom added a new 'experiences' page to the website where "*Not only can boat owners & yacht managers list their boats, but they can also now showcase what they can offer, what you can actually do on the boat. So that could be a sunset cruise or romantic getaway, or even a wedding*", "*We want people to get more out of their boat, we want people and the renters to have a fantastic experience on the water, it's all about 'the experience'. And that's why we've created our 'first in class' page as well, and there's really no dedicated platform or place where they can do that.*" "*There is so much that people can do on those boats and there's no way of saying that. We realized there was more value to unlock and so we added this. And this is something that hasn't been done yet in the boating industry*", (Co-founder) Led to further changes: "*Because of this [experience page],we're evolving, and we are starting to target a new type of client. It not only private individual and families its now businesses too. For example, we have a boat owner with a yacht in London, on the river Thames, and you could hold your team meeting there or your corporate retreat*". "*We really listened to the boat owners, listened to their complaints and what they want, and it wasn't too hard to add the page. So together we are unlocking much more value for all – win, win!*" *(Co-founder).*	New product/service offering, (VP) New customer segment, (VP) Strengthened customer relationships, (VP)	- The 'experiences' page aided the sharecom in quickly attracting new users in extant locations (home and foreign markets). - Increase from 20-30 listings in 3 countries, to 500-600 listings in 28 countries, worldwide within a year.	*Speed, scale, scope*	
	2018 – Added boat 'swopping' to the platform "*We did our research, we conducted a survey and we asked boat owners if they would rent out their boats and we found that whilst many liked the idea but were unwillingly because there was issue such as insurance and legislation to deal with, and in some countries, we found out that its prohibited to rent out your boat*". "*This was a bit of a pivot .We found boat owners were really keen to swop their boats, and there's no really big platform doing that, so we saw that gap in the market. It doesn't dilute the core offering, it's really scalable and has no limitations. It's a non-commercial transaction and the barriers to entry are much lower than the renting side*", *(Co-Founder).*	New product/service offering, (VP)	*The introduction of the scheme accelerated Boataffair's international growth with the yacht owners and their networks providing instant access to a wider, more global audience (Forbes, 2019).* "*It's really growing, more boatowners are joining from different countries every day because it's really a new scheme… just one day ago, we had the newest member join from Brazil, Rio de Janeiro*", *(Co-founder).* - Doubled member numbers within first few months (from 500-600 to almost 1000), spanning 40 locations within 30 countries worldwide. - Membership numbers doubled again within one year of scheme launching (2000 members); countries active in also more than doubled (60+ countries).	*Speed, scale, scope*	
	Prompted further changes: "*We spoke with the boat owners, took the time to really understand their wants and needs, take it all into account and really work with them to build something great, *" *(Co-founder).* **-** Within the first year of launching the scheme, the sharecom introduced a new subscription-based revenue model, specifically to facilitate the boat swopping members & support the community.	Strengthened customer relationships, (VP) New revenue stream/model, (VC*)*			
	2018 - Started working with commission-based agents "*We are utilizing their [local agents], local knowledge, and they are building us up in those places more intensely*", (Co-Founder). Led to further changes:	New partners, (VCD)	- Through utilization of local agents, the sharecom is able to focus on building up supply and demand in extant markets and new specific foreign markets e.g., Brazil & the US.	*Scale, scope*	

Table 3 (*continued*)

	- Local agents provide additional means through which to reach/communicate with users.	Additional channels, (VCD)		
	2019 - Added B2B model - The sharecom started to engage in B2B activities, working with tour operators, travel agencies, and concierge management service companies.	New partners, (VCD)	- The sharecom's B2B arm of business enabled them to increase operations in multiple countries, globally. - The sharecom's co-founder reported specific plans to develop the B2B side further, focusing on new markets such as Latin America and Asia Pacific (International Yacht Radio, 2020).	*Scale, scope*
	Prompted further changes: - Third party travel agents & operators provide new 'indirect' channels to reach new users (e.g., communication, sales)	New channels, (VCD)		
	2020 - Partnership with luxury travel brand - In mid-2020, amidst the global health pandemic (Covid-19) and in line with changing travel trends for even more private and exclusive travel, Boataffair partnered with Kuoni (Startupticker, 2020). - The sharecom was able to attract the interest of the world-leading luxury travel brand because of its impressive inventory of high-quality private yachts around the world. The partnership saw Boataffair become the exclusive yacht provider to Kuoni's global clientele.	New partner, (VCD)	- The partnership resulted in a 'double-digit' (23%) increase in terms of booking requests, coming from both extant and new locations/markets.	*Speed, scale, scope*
	Led to further changes: - The partnership saw brought a new type of client, *"those who would traditionally book a hotel or a resort, but now want to explore a new type of holiday – a yacht holiday"*, (Co- founder).	New customer segment, (VP)		
	- Expanded channels through which to connect with new users e.g., partner firm's own website & associated channels.	New channels, (VCD)		
Homestay (2013)	**2013 -** Changed from B2C model to open P2P platform - The sharecom initially developed software to provide to language schools, universities & study abroad organizations to manage their own databases of hosts (offline). *"They would be able to manage all their bookings, and then for the times of year when they weren't utilizing those hosts, we could sell them, consumer-facing. So, in return for free software, the idea was those hosts could come onboard Homestay.com".* *"It was a fantastic idea, its great software, but I suppose what we quickly discovered was these entities are quite possessive about their networks. We very quickly sort of looked at that and decided ok, this wasn't going to help us grow inventory and sort of scale internationally. So, after about 6 months we sort of pivoted our model and opened up the platform for hosts to come to us directly",* (Managing Director).	New customer segment, (VP)	- By opening up the platform for hosts to join directly, the sharecom was able to quickly grow its inventory in home and international markets. - Sharecom went from approx. 300 hosts in 20 countries to 15,000 hosts in 30+ countries: triple digit month on month growth. And entered a further 10+ countries entered in following 6-12 months.	*Speed, scale, scope*
	Resulted in further changes: - By targeting hosts directly, the sharecom developed new types of relationships (open, direct), with the new customer segment.	New customer relationships, (VP)		
	- Removed third party agents as a key partner & no longer utilizes the partners' communication/sales channels.	Removed key partners, (VCD) & related channels, (VCD)		
	- Moving from B2B to P2P also created new configurations of key activities e.g., tech. development to support new 'open' platform structure & direct host support (onboarding & maintenance).	New key activities, (VCD)		
	- Change in model created expenses in terms of platform & tech. development and infrastructure.	Cost structure, (VC)		

Table 3 (*continued*)

	2013 - Internationalized website - The sharecom added a Spanish version to its platform, followed shortly after by French, German, Italian & Portuguese versions.	Key activities, (VCD)	- Translating the website into Spanish saw hosts join in a further 5 countries, spanning 4 continents, and translating into other languages saw increased users in existing markets.	*Scope, scale*
	2014 - Added affiliate partner programme - The sharecom launched an affiliates programme for companies to promote homestay accommodations to their customers. "*We have so many great hosts and accommodation listings all over which is an attractive prospect that's let us engage with new partnerships. Our presence in all corners of the world speaks for itself and opens us up to new and exciting things!" (Managing Director).*	New partners, (VCD)	- The programme resulted in 100's of partnerships with various types of organization, increasing the sharecom's presence in more locations (cities & countries), globally.	*Scale, scope*
	Prompted further changes: - Affiliate organizations created new/additional channels through which to connect with users.	Additional channels, (VCD)		
	2014 - Launched 'pop-up' homestay concept - The sharecom introduced an alternative accommodation solution. The 'pop-up' homestay network was designed to solve acute accommodation shortages, mitigate price rises, and to help local communities benefit from large-scale global events. Due to its large global network of hosts, Homestay was able to secure deals with e.g., the Commonwealth Games and World Cup, taking place in 2014 in Scotland and Brazil, respectively, and the 2015 World Meeting of Families, attended by 2+ million, for which Homestay was chosen as the official alternative accommodation provider. (Homestay, n.d.)	New product/service offering, (VP)	- The global initiative enabled the sharecom to build its host network more intensely in specific locations & grow its inventory.	*Scale*
	Prompted further changes: - Afforded opportunities to attract hosts, specifically a new type of host (i.e., short-term, 'one off').	New customer segment, (V P)		
	- Working in collaboration with new partners i.e., event organizers and utilizing their channels to reach users.	New key partners, (VCD); Additional channels, (VCD)		
	- Through the 'pop-up' scheme, the sharecom is able to build stronger communities of local hosts and strengthen relationships.	Customer relationships, (VP)		
	2014 - Investor funding - The sharecom was able to attract investor funding because of its large global presence. - The funding was used to develop multiple new products/services, such as additional language support, new applications, mobile device integration (WYSE Travel Confederation, 2014).	New partners, (VCD); key activities	- The funding enabled the sharecom to expand its network of hosts, and attract new users, globally.	*Speed, scale, scope*
	Resulted in further changes: - Additional language support required additional personnel to fulfil roles.	New key resources, (VCD)		
	- New digital platform & tools integrated into platform (website + app).	New key activities, (VCD)		
	2014 - Acquired competitor - The sharecom was able to attract investor funding because of its large global presence. The funding was used to acquire a German-based homestay lodgings platform, 'homestaybooking.com'. - Homestay's CEO says that the funding and acquisition will *"support the growth of new listings and the community building efforts that will help our hosts succeed and our guests discover and share their incredible new hosted lodging experiences". (WYSE Travel Confederation, 2014).*	New key resources (VCD); New key activities, (VCD)	- The sharecom was able to harness the competitors' 70,000+ registered guests in over 30 countries to rapidly expand its global presence. - The acquisition saw the sharecom double its platform listings and more than triple the number of countries it was present in, bringing the total number of worldwide host listings to more than 30,000, spread across 3000 locations in 95 countries. And whilst already seeing 100% month-on-month increases beforehand, the acquisition further doubled Homestay's booking volume rate growth (WYSE Travel Confederation, 2014).	Speed, scale, scope

Table 3 (*continued*)

	Led to further changes: - The acquisition involved new activities incl., merging data, integration of newly acquired users, platform & tech. development. - Cost of acquisition; costs associated with integrating new data, updating platform etc.	Key activities, (VCD) Cost structure, (VC)		
	2015-2016 – New digital platform integration - The sharecom launched 'Homestay Communicate', a pioneering new digital platform that integrates video call technology into the website and app. The tool enables guests and hosts to speak with each other as part of the booking process, *"bringing evolution to the shared economy travel and accommodation sector"* and *"creating a real point of difference from our competitors"*, says the CEO (Travolution, 2015).	New key activities, (VCD)		
	2018 – New demographic - The sharecom has seen a significant rise in the 'tourist' category of guest, which the Manager Director says is in line with growing global travel trends. This has led to an increase not only in terms of guest but also hosts, which have evolved to include those that are more commercially minded.	New customer segment, (VP)	- The increase in tourist travel has led to new users (guest and hosts) joining the platform in existing and new locations. - By the end of the year, the sharecom had 33,000 hosts across 150 countries.	Speed, scale, scope
	2021 – Website developments & new features - The sharecom redesigned its website to better reflect its sustainability values and recognize its distinct categories of guests, says the Managing Director. - Homestay also introduced a suite of new features to improve their property management platform and assist hosts to manage their online inventory (Homestay, 2021).	New key activities, (VCD)	- By 2021, the sharecom had more than 175,000 guest and 55,000 registers hosts in 176 countries, worldwide, with a total of 1.5 million nights booked.	
Mamaz Social Food (2019)	**2019 - Acquired similar platform** The sharecom acquired VoulezVousDiner and integrated the platform's users and data into its own business model.	New key resources, (VCD)	- Acquisition enabled the sharecom to rapidly enter almost 60 countries & increase its total userbase to 30,000+ guests & 1500 hosts.	Speed, scale, scope
	Resulted to further changes: - The acquisition involved new activities incl., merging data, integration of newly acquired users, platform & tech. development. - Cost of acquisition; costs associated with integrating new data, updating platform etc.	Key activities, (VCD) Cost structure, (VC)		
	2019 - Added B2B model The sharecom's large international network started to attract interest from third party operator leading it to transition from purely P2P to also partnering with businesses. *"We started to get travel agencies contacting us, wanting to find a 'home dinners with friends' type thing. So how it works is they have groups of people, say 10, 20, 40 people, and then we arrange the dinners for them. We split the group into smaller groups of like 4, 5, 8 people and bring them to the different hosts in different cities"*, (Co-founder).	New partners, (VCD); New customer segment, (VP)	- The partnerships led to rapid user (guest) acquisition predominantly within the US market, as well as several other target markets e.g., England and India.	Speed, scale
	Prompted further changes: - The Co-founder says they have now started to focus more on developing a B2B network, comprising mostly traditional and online travel agencies, in order to diversify the sharecom's distributions channels.	New channels, (VCD)		
	2019 - Added cooking classes & food tours The sharecom expanded from just local home dining experiences to locally-hosted cooking classes & food tours as well.	New product/service offering, (VP)	- This enabled the sharecom to attract more users within existing locations and in new locations, in an additional 10 countries, worldwide.	Scale, scope
	Prompted more changes: - The new product/service offerings created opportunities to attract a new type of host .	New customer segment, (VP)		

Table 3 (*continued*)

	2019 - Added professional chefs to platform *"We now have two sides – the social food part and the exclusive part where we have chefs that have really good skills and give a more exclusive experience. But the social dining part, the regular hosts that's our main business, our main focus and always will be"*, (Co-founder).	New product/service offering, (VP); New customer segment	- Adding professional dining experiences to the platform resulted in 30+ professional chefs hosting dozens of dinners in multiple global locations by the end of the year.	Scale
	Led to additional changes: - 'exclusive' experiences', aimed at private individuals & corporate clients "seeking something a bit more special". - New experience provides new channels of communication i.e., chef's own website/associated outlets.	New customer segment, (VP) New channels, (VCD)		
	2020 - Partnership with Airbnb Partnering with the world-leading accommodation sharing brand, entailed the sharecom offering cooking classes to the accommodation provider's global userbase of travelers, with the aim of becoming the 'Airbnb of home dining' (Kedge Alumni, 2020).	New partner, (VCD)	- Partnering with Airbnb enabled the sharecom to rapidly grow its international presence to 75+ countries.	Speed, scale, scope
	Led to further changes: - The partnership enables Mamaz' to reach a new user group (accommodation seekers/Airbnb users). - Airbnb's platform provides new channels through which Mamaz' can connect with new users (e.g., for advertising, booking etc.)	New customer segment, (VP) New channels, (VCD)		
OLIO (2016)	**2016 -** Added 'non-food' items feature - Soon after launching, in response to user demand and usage patterns, the sharecom added a non-food item feature e.g., toiletries, cleaning products (Simpleweb, 2016a).	New product/service offering, (VP)	The new feature aided the sharecom in attracting new users (both supply & demand side) in extant locations.	Scale
	Prompted additional changes: - The new feature enabled the sharecom to tap into a new customer segment (i.e., people keen to share but not with food items). - A pricing system was introduced for new non-food items *(although this was removed a few months later & items were listed as 'free', with the option to make a charitable donation)*, (Simpleweb, 2016b).	New customer segment, (VP) New revenue model/stream, (VC)		
	2016 - Launched 'Food Waste Heroes' scheme *"The initiative involves OLIO volunteers rescuing food from cafes, restaurants, and grocery stores and then listing the items on the app"*, (Head of International Expansion and Business Development).	New product/service offering, (VP)	- Through new partnerships with local businesses, the sharecom is able quickly acquire a large volume of inventory & attract more users (demand side) in existing locations.	Scale
	Resulted in more changes: - The scheme specifically targets new type of users (business + government) & partners, as well as new 'volunteers' to facilitate scheme.	New key partners, (VCD); New customer segment (VP); New key resources, (VCD)		
	- New 'food safety management system' developed for the scheme & 'hero' training initiated.	New key activities, (VCD); New key resources, (VCD)		
	- The service is free for small businesses, whilst a 'fee per collection' model has been developed specifically for the larger companies involved (OLIO, 2020).	New revenue model/stream, (VC)		

Table 3 (*continued*)

	2016 - Introduced 'open source' strategy - Spurred on by rapid global expansion and increasing global demand for the app, OLIO initiated an *"'open source' strategy to make the app as global and scalable as possible"*. *"… around 10% of OLIO app downloads were coming from overseas, with a number of companies, organizations, individuals and even governments asking for the app to be made available in their countries"*, (Simpleweb, 2016c).	New key activities, (VCD)	- The new strategy resulted in a global roll out into 35 new countries (Simpleweb, 2016c). - The strategy also saw the number of registered users on the platform grow from approximately 100,000 to in excess of 450,000 by the end of 2018 (Head of International Expansion and Business Development).	Speed, scope
	Prompted additional changes: - The strategy created new configurations of key activities e.g., tech. development to support new 'open' platform structure & direct host support (onboarding & maintenance). - The change in model created expenses in terms of platform & tech. development, and infrastructure.	New key activities, (VCD), Customer relationships, (VP) Cost structure, (VC)		
	2019 - Upgraded the app - The sharecom invested in developments including upgrading the back-end technology, adding new features, and refreshing the app's branding (Simpleweb, 2019).	New key activities, (VCD)	- Updating the app helped the sharecom with its plans to scale globally and allowed it to continue its rapid expansion within extant markets & new foreign markets. - By the middle of the year, OLIO had reached 1 million users, worldwide.	Speed, scale, scope
	2020 - Launched 'OLIO Made' In response to the rise in users around the world, and the current economic climate brought on by Covid-19, the sharecom introduced 'OLIO Made' to the app; a new globally-launched initiative that allows the OLIO community to sell sustainable handmade crafts and food (Forbes, 2020).	New product/service offering, (VP)	- The new initiative allowed the sharecom to expand its global network of communities, increase & diversify its inventory, and attract new users. - The new initiative, combined with growing demand for food sharing due to Covid-19, saw the sharecoms' registered user count increase by more than 100%, reaching over 2 million, worldwide.	Scale, scope
	Led to more changes: - The selling of home-made items opened the sharecom up to new user groups (those previously not wanting to share food).	New customer segment, (VP)		
	2021 - Introduced (optional) P2P subscription model - As of beginning of 2021, the sharecom's app was actively being used in 51 countries worldwide (OLIO, 2021a), and in line with its exponential growth, the sharecom introduced a subscription model called 'OLIO Supporters'. This sees P2P users sign up to a monthly or annual plan, with income generated contributing to the running costs of the app and ensuring that the sharecom is self-sustaining (OLIO, 2021b).	New revenue model/stream, (VC)		
TrustedHousesitters (2010)	**2010 -** Introduced membership-based revenue model - In the beginning the sharecom did not generate revenue but it soon introduced a membership-based revenue model to *"create a sense of community and accountability"*, and now accepts payment in all currencies (CEO).	New revenue model/stream, (VC)	- Helping to build trust amongst strangers, the new model saw an increase in new members joining the platform, worldwide.	Scale, scope
	2014 – Website developments The sharecom has made several platform developments since founding, notably the transformation of its website. *"We've been focusing on really making the whole site work to do the job that our members want it to do. So, from something a bit like Gumtree [online classified advertisement website], into the network it is today, with all ratings, reviews, verifications, you know, that comes along with it"*, (CMO).	New activities, (VCD)	- These technological advancements and 'community features' have helped to expand the global network with *"more users joining from different countries, and even ones that surprise us – that are not our primary markets"*, (CEO). - The sharecom has experience rapid growth, and by the end of the year it had over 10,000 members in more than 100 countries. - In 2015, the sharecom experienced 82% revenue growth, and by 2016 had 30,000 sitters and had facilitated in excess of 600,000 nights.	Speed, scale, scope
	2018 - Added an app - The sharecom made significant developments to its platform, launching an iOS app.	New key resources, (VCD)	- Within a few months of launching, the app had 20,000 downloads worldwide (PrivateEquityWire, 2018), and the total	Speed, scale, scope

Table 3 (*continued*)

			number of members reached 50,000, with 2 million sits across 130 countries.	
			- Technological improvements such the app and new web design enabled the sharecom to focus on expansion within the US & Australia (PrivateEquityWire, 2018).	Scale
	Results in further changes: - Adding an app, increased/diversified channels of communication with users. - The app created new configurations of key activities e.g., tech. development to support new app/platform structure.	New channels, (VCD) Key activities, (VCD)		
	2018 - Partnership with multinational airline - The sharecom's sizeable international network of members attracted interest from EasyJet, leading to TrustedHousesitters biggest commercial partnership to date. This sees the sharecom integrated into the airline's website, with customers having the option to sign up as TrustedHousesitters' members when booking a flight.	New key partner, (VCD)	*"With research showing that pet owners are more likely to travel if they have better pet care options, this partnership is helping us to grow our member numbers across multiple countries in Europe", (CMO).*	Scale, scope
	Led to additional changes: - Expanded channels through which to connect with new users e.g., airline's own website & associated channels.	Additional channels, (VCD)		
	2019 - Initiated platform localization & translation - The sharecom's large coverage in English-speaking countries prompted the decision to focus on localization of the language to better serve existing members & acquire new users. This entails *"… adopting a 'local mindset' when it comes to marketing and taking into consideration culture and language nuances", (CMO).*	Key activities, (VCD)	*"The English-language market behaves very differently, take for example the UK and US. So, thing s like tone, spelling etc. can help us to better serve existing members and attract new members within existing markets", (CMO).* *"And then also acknowledging that some countries have a high prevalence of English as a second language, such as Holland* *and Scandinavian countries, so focusing on those markets is quite important for us too", (CEO).*	Scale, scope
	- The sharecom also spoke of plans to translate the site and app into different languages, starting with French and Spanish. *"Internationalization via new languages, is a great route for us", (CEO).*	Key activities, (VCD)	*"In both Spain and France, we already have users that are grappling through in English but actually we can make it much easier for them and attract new members by offering the platform in French and Spanish", (CMO).* *"Making the platform available in French and Spanish also opens us up to multiple new geographic markets, which is great", (CEO).*	Scale, scope
	2021 - Investor funding - As a result of the dramatic global rise in pet ownership fueled by the global pandemic (Covid-19), TrustedHousesitters' membership grew by 25%, with 40,000+ new members acquired. And strong growth helped the sharecom secure $10million in funding which it will use to further its global expansion (EU-Startups, 2021).	New key partner, (VCD)	- The funding will be used to support the sharecom's US growth strategy, more specifically within California (EU-Startups, 2021). - By the end of the year, the sharecom had facilitated over 4 million nights of pet sitting amongst 100,000 members in over 140 countries, worldwide.	Scale
Withlocals (2016)	**2016 -** Launched new product & growth strategy - The sharecom pivoted its business model, shifting its geographical focus; changing its core product/service offering; and renaming & rebranding. *"Back then we were only doing home dinners in Southeast Asia, having a headquarters in the Netherlands, so not the most logical combination, and in the end, it turned out not to be a sustainable business model. So, often we say that our real life started in 2016 because then we made the move to Europe and we also made the move into tours and activities, and that when the whole company took off like a rocket!", (CEO).* Resulted in additional changes: - Acquisition of a new type of hosts (i.e., those offering tours & activities).	New product/service offering, (VP) New customer segment, (VP)	- The pivot enabled the sharecom to rapidly enter into Europe, expanding operations across multiple cities, within multiple countries. - From a presence in 9 countries within Southeast Asia to 15 across Asia & Europe, with 900 hosts with 1200 listed tours in 24 international cities.	Speed, scale, scope

Table 3 (*continued*)

- Changed name & rebranded (incl. refining value position, analyzing data, user engagement).	New key activities, (VCD); Key resources, (VCD)		
2017 - Platform developments - The sharecom added multiple languages to its website and launched a new mobile functionality (TechCrunch, 2017).	Key activities, (VCD)	- By the end of the year, the sharecom had more than 10,000 active monthly users on the platform, with booking volumes increasing on average 20% per month since the shift (TechCrunch, 2017).	Speed, scale, scope
2019 - Initiated localization & community strengthening - With a presence in 30 cities across Europe and Asia, the sharecom raised €8 million in funding. This was used to make developments including localization & strengthening of local host communities, as well as to ramp up its global growth strategy (EU-Startups, 2019).	Key activities, (VCD); Strengthened customer relationships, (VP)	- Expanded further within existing markets & entering new markets worldwide (EU-Startups, 2019). By the end of 2019, the sharecom had 500,000+ users and was present in 50+ cities, across 26 countries. - The sharecom also made a significant step in its international expansion by entering the North American market, starting with the launch of nine unique experiences in the city of San Francisco (Withlocals, 2020a).	Speed, scale, scope
Prompted additional changes: - Investment in tech development to support localization & community support.	Key activities, (VCD)		
2020 - Launched 'Withlocals LIVE' - The sharecom innovated its business model, announcing its *"most significant development in its six-year history… moving beyond offline experiences…"*. Taking rapid action in response to the travel restrictions imposed by Covid-19, and after just two weeks of brainstorming and planning, the sharecom pivoted online and launched 'Withlocals LIVE', a first in market initiative (Insider, 2020).	New product/service offering, (VP)	- The initiative started with the introduction of 35 online experiences hosted by 20 locals from 15 cities, worldwide, and this offering grew within days, spanning 10+ countries (Withlocals, 2020b). - The online pivot also led the sharecom to enter new markets. For example, the Head of Growth tells how the sharecom now offers an online experience in Kenya which is a market they had never been in before, in physical (offline) terms (BeABetterGuide, n.d.).	Speed, scale, scope
Led to multiple changes: - Online experiences attracted a new type of user (those that had not previously hosted or engaged in offline).	New customer segment, (VP)		
- New customer relationships strengthened/support to go online.	Strengthened customer relationships, (VP)		
- The sharecom soon expanded into live streaming, developing its own streaming platform to cater for larger, public, group sessions. According to Withlocals' Head of Growth the sharecom built something really cool and quick, using technology to integrate features such as chat and polling, and the option for users to join the live stream for face-to-face interaction with the host (BeABetterGuide, n.d.).	New key activities, (VCD)		
- Withlocals has also partnered with KLM airline on a series of interactive virtual tours around the world, engaging with online communities of travel enthusiasts through customized 'virtual city exploration' delivered via social media (Instagram). By combining resources and user networks, the partnership aims to support local communities, and 'motivate and inspire local tour guides and travelers until travelling is back on track' (Withlocals, 2021).	New partner, (VCD); New key activities, (VCD); new channels, (VCD); Strengthened customer relationships, (VP)		
2020 - Launched 'Withlocals for teams' - The introduced an online experiences platform specifically for corporate clientele. According to Withlocals' Head of Growth, as the live streaming platform for private experiences evolved, the sharecom started to see traction in the B2B segment so they developed a platform providing an array of bespoke online experiences to companies e.g., creative workshops, wellness sessions (BeABetterGuide, n.d.).	New product/service offering, (VP)	Experiences were quickly being offered by local hosts from over 65 countries, worldwide (Withlocalsforteams, 2021).	Speed
Prompted additional changes: - Aimed at a new category - corporate users, incl. international companies such as TripAdvisor and HubSpot who are booking virtual experience for their employees and internal events.	New customer segment, (VP)		

Table 3 (*continued*)

- New platform adds new channels of communication, sales & distribution (through separate, albeit linked, website). Partnering clients also provide additional channels.	New channels, (VCD)		
2020 - Partnership with Lonely Planet - Withlocals expansive global network of hosts made attracted the interest of world‑leading travel publisher and digital media company, Lonely Planet, who were keen to tap into the sharing economy model for travel. This led to a collaboration focused on extending the travel company's global catalogue of 'Lonely Planet Experiences'.	New key partner, (VCD)	- The partnership has brought Lonely Planet in excess of 300 carbon neutral tours, worldwide, and enabled further global growth for Withlocals, resulting in the expansion of tours in 23 cities, from Dublin and Milan to Tel Aviv, Mumbai and Sydney, (Lonely Planet, 2020). - By the end of 2020, the sharecom had a network of 2000+ local hosts in more than 80 cities, covering five continents, increasing to 100+ cities by early 2021 (Withlocals, 2022). - In 2021, the sharecom also continued with its North American expansion plan, launching in New Orleans (BeABetterGuide, n.d.).	Speed, scale
Led to further changes: - Expanded channels through which to connect with new users, e.g., partner firm's own website & associated channels.	Additional channels, (VCD)		

grew its user base in multiple markets worldwide. With a critical mass, the sharecom was exposed to multiple partnership opportunities, which turned out to be highly lucrative, enabling it to obtain a foothold in one of the most attractive markets; the US. This attainment increased the number of users (demand side) and created additional value for the sharecom's network (mainly for its hosts) (Fig. 3). With successful partnerships in the US, the sharecom decided to pursue additional partnerships in other popular markets, and in doing so, stimulated further international growth. (See Table 3 for further details of the sharecom's business model changes and internationalization).

Prompted by its rapidly growing global network, OLIO adopted an open-source strategy, enabling more users worldwide to join the platform. As a result, the sharecom entered 35 new markets simultaneously and acquired a significant increase in users, strengthening localized network effects (local communities of users) and creating new communities. Further, it created synergies and added value to its global operations, raising awareness and engaging more parties (local and national government bodies, businesses, and nonprofits). The success of the open-source strategy and its rapid uptake inspired the sharecom to make further improvements to the app to better serve its community. This effort sparked further expansion within existing markets and entry into new markets (Fig. 4). The result has been more changes, such as new product/service offerings and international growth. (See Table 3 for further details of the sharecom's business model changes and internationalization).

Within a few months of launching the app, the TrustedHousesitters global community of members more than doubled, thus strengthening its network effects and attracting substantial investments used to develop and localize the app. In turn, growth was stimulated in targeted markets (Fig. 5). Continued international growth fueled more opportunities for the sharecom, such as partnerships and more rounds of investment, which were leveraged to propel its international growth strategy, especially in the US. (See Table 3 for further details of the sharecom's business model changes and internationalization).

When Withlocals pivoted its business model, it stimulated entry into a new geographical region and the sharecom rapidly acquired users in multiple new markets. In turn, the sharecom reached a critical mass and increased the value of its growing global network. It was able to leverage its international growth to secure investments, which it used to develop and localize the platform. Such changes provoked further expansion within extant markets and entry into new markets (Fig. 6), subsequently strengthening the sharecom's network effects and prompting platform development and partnerships, which triggered greater internationalization. (See Table 3 for further details of the sharecom's business model changes and internationalization).

5. Discussion and conclusion

In this study, we sought to answer two research questions: *(1) How do sharecom business models evolve during internationalization?* and *(2) How do changes in the business model affect internationalization?* In doing so, new insights emerged regarding how business model change and internationalization relate to one another and evolve. This study also meets the calls for research on sharecom business models (e.g., Täuscher and Laudien, 2018; Bohnsack et al., 2021), aswell as the nexus between business models and internationalization (e.g., Onetti et al., 2012; Bohnsack et al., 2021). Thus, the purpose of this study — to explore cases of internationalized sharecoms over time to enhance the present knowledge of business model changes and internationalization in the sharing economy — has been fulfilled.

5.1. Theoretical implications

This study has several important implications for the relevant literature on the relationship between business models and internationalization. It comprehensively depicts the circular relationship and highlights its complex and dynamic nature, demonstrating how component changes in a business model can trigger internationalization, which, in turn, can lead to further component changes. Furthermore, sharecoms can achieve network effects by creating self-reinforcing cycles, thus unlocking value.

Focusing on how a business model evolves, we conducted a multidimensional examination and detailed analysis highlighting the connections and interdependencies within the business model in terms of intra- and interdimensional change. In doing so, we are contributing to the business model literature. More precisely, this study expands the current knowledge in two areas that have received little examination: the implementation process of change (Ghezzi and Cavallo, 2020) and patterns of change (Balboni et al., 2019). Through our empirical investigation, we found that sharecoms developed their business models early and have continuously made changes (both radical and nonradical) to various components within their business models. Changes in one component can affect other components, prompting further changes in the same or other value dimensions (see Table 3).

Study findings contribute to international business literature and the internationalization theory, advancing knowledge of the relationship between business models and internationalization. First, while several studies have connected business models to firm internationalization (e.g., Hennart, 2014; Rask, 2014), few have specifically linked value dimensions and internationalization (Cavallo et al., 2019). This study has done so by further relating the type of component change to the value
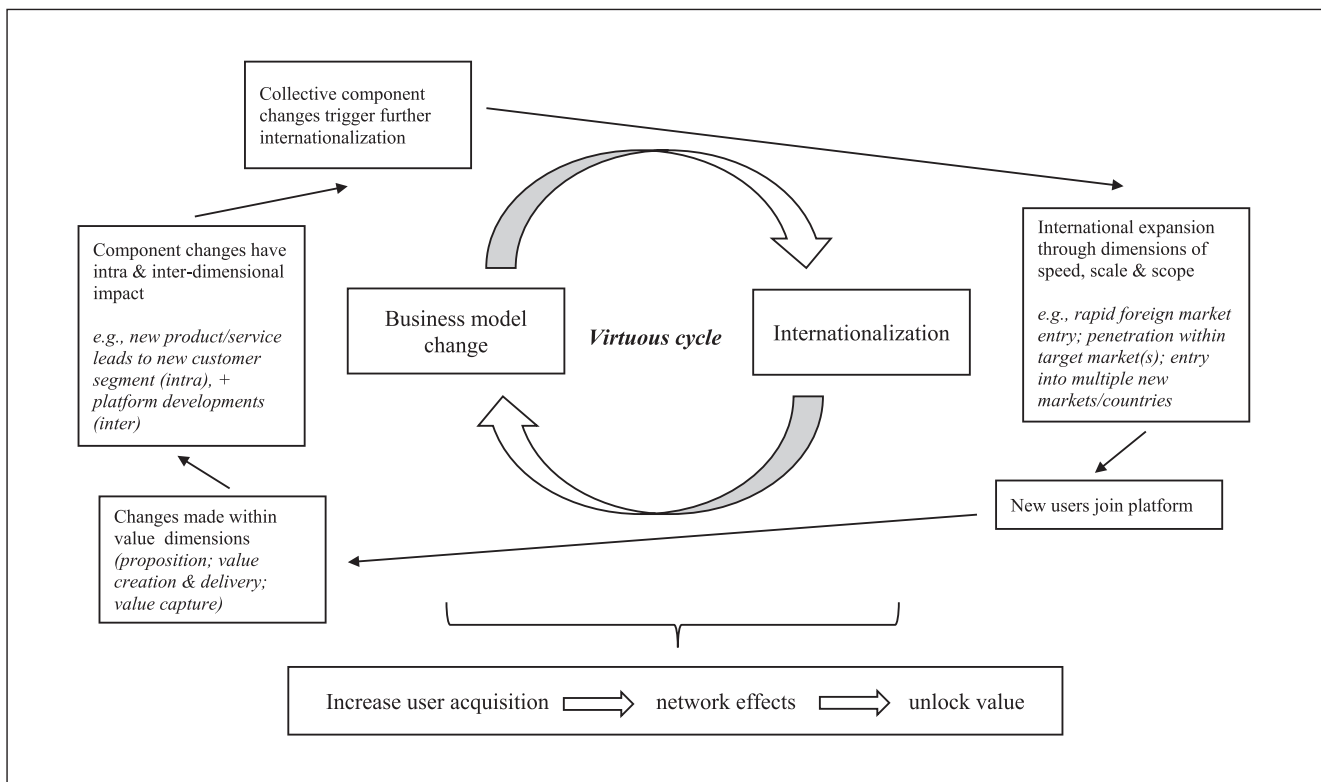
Fig. 7. Virtuous cycle of business model change and internationalization.

dimension with the degree of influence on a sharecom's internationalization. The existing literature does not specify measurements of internationalization, referring only to the degree of internationalization broadly as "low" or "global" (Chiva et al., 2014). In this study, we identified three clearly defined dimensions: speed, scale, and scope. Thus, this study provides substantive insights and theoretical contributions by establishing and applying a multidimensional approach to business models and internationalization (see Table 3).

Second, the standard views in the current literature are that internationalization triggers business model changes, effective international expansion requires significant changes, and expansion via a new business model is challenging (e.g., Rask, 2014; Cao et al., 2018; Cavallo et al., 2019; Rissanen et al., 2019). However, in the present study, we have contested this notion. A sharecom can internationalize with its domestic business model by doing so early and making changes during the process, echoing the notion of lean internationalization (Rasmussen and Tanev, 2015; Autio and Zander, 2016). In many cases, sharecoms intentionally designed their business models for global use from the beginning (Rasmussen and Tanev, 2015). However, while correcting the notion that change is a prerequisite for internationalization, the study findings show that business model changes can stimulate and facilitate subsequent international expansion.

This study has also revealed that internationalization can impact the business model, prompting changes; thus, a reciprocal relationship has been identified. While the existing literature links business model and internationalization concepts through linear causality (i.e., internationalization causes business model changes), circular causality is evident in the case of sharecoms. Extending extant theories, this study has demonstrated how sharecoms can engage in a series of business model changes and internationalization steps that reinforce each other (illustrated in Figs. 1–6), creating what is referred to as a "virtuous cycle." Fig. 7 conceptualizes this. Sharecoms can start creating a virtuous cycle of business model change and internationalization from an early stage once they have initiated international expansion. By moving into one or multiple foreign markets with its domestic or globally intended business model, a sharecom can attract users to its platform. Users can then be leveraged to make changes to the business model (e.g., attract investors and other key partners and provide feedback that can be used to develop a product/service). Such changes can span multiple components and value dimensions and trigger further internationalization, such as penetration into a specific new foreign market or entry into one or more new countries. Then, sharecoms can acquire more users and make further business model changes. With each cycle of events, the chain strengthens and outcomes increase. As a sharecom builds a critical mass of users, it can achieve network effects through which it can unlock its value.

Finally, this study has implications for literature on the emerging sharing economy. While prior research has increased our understanding of the sharecom business model and sharecom internationalization, the connection between them and their evolution remains underexplored. Thus, by taking an integrative approach, contributions are made to advance the current theories on sharecom internationalization.

5.2. Managerial implications

This study has practical implications for sharecom founders and managers. First, by starting with a globally accessible platform, a sharecom can enter new markets more quickly and easily and acquire users. Second, by adopting a lean approach when starting, sharecoms can continue to build, measure, and learn as they go (in both domestic and foreign markets). They can harness their digital platform technologies to quickly test their business models, obtain user feedback, and make changes. Early changes should focus on building a critical mass that can be leveraged to make important changes, increase user value, and sustain growth.

Third, founders and managers should be aware that changing the business model can positively influence international operations, while more internationalization can prompt further changes and trigger international growth. Such a sequence of events can facilitate accelerated and widespread user acquisition, helping to develop network effects and

ultimately create a competitive advantage.

5.3. Limitations and future research agenda

An essential part of any study is the establishment of boundary conditions (Eisenhardt, 2021). A key issue in terms of this study is whether the findings — that is, the reciprocal relationship and consequential creation of virtuous cycles of business model change and internationalization — can be generalized beyond sharecoms.

The theoretical model was developed based on sharecoms, but it can likely be extended to a broader digital platform population. Examples of similar generalized findings across different types of digital platforms can be found in previous studies (e.g., Brouthers et al., 2016; Chen et al., 2019; Ojala et al., 2018), in which sharecoms are investigated collectively with other types of digital platforms, including social media and e-commerce. However, it is unlikely that the findings of this study can be generalized to nondigital firms that operate with traditional business models because — unlike traditional firms —, digital firms (e.g., sharecoms) have greater flexibility to experiment with their business models. They can make changes more easily, test, roll them out, and initiate virtuous cycles more quickly.

While this study captures the evolutionary aspect of sharecoms' business models from inception, they are still relatively young, with three of those studied being five years or younger. Therefore, further research could build on this longitudinal study and follow the sharecoms for an extended period to observe how their business models continue to evolve, how their internationalization ensues, and if any other patterns can be identified. Specifically, examining the longevity of virtuous cycles could provide valuable insights.

As in all studies, alternative theoretical explanations may exist. For example, temporal considerations may be relevant. Perhaps a sharecom's ability to initiate such cycles is influenced by the stage of its lifecycle, and as the sharecom matures, the process becomes more challenging. If the sharecom does not start to make business model changes or internationalize within the first few years, can it be successful initiating virtuous cycles? The potential temporal considerations could make for an interesting study.

Quantitative studies could also be conducted to test the proposed theoretical model. They could also allow multiple variables, such as the effect of the country of origin, to be tested.

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