



**LAHDEN AMMATTIKORKEAKOULU**  
*Lahti University of Applied Sciences*

# Challenges in entering Vietnamese market for companies in the sharing economy

LAHTI UNIVERSITY OF APPLIED  
SCIENCES  
Faculty of Business Studies  
Degree programme in International  
Business  
Thesis  
Spring 2015  
Bao Dung, Le

Lahti University of Applied Sciences  
Degree Programme in International Business

LE, BAO DUNG: Challenges in entering Vietnamese market for companies in the sharing economy

Bachelor's Thesis in International Business, 72 pages, 9 pages of appendices

Spring 2015

ABSTRACT

---

The past decade has witnessed the birth of tech giants like Airbnb, Uber, TaskRabbit, RelayRides, etc., who are redefining our traditional marketplace and the way we consume. When the financial crisis took place in 2008, many people were forced to change their habits of consumption and look for a way to make ends meet. These tech giants provide a great alternative highlighting access over ownership. Now people can satisfy their short-term needs with resources found from other individuals without having to own the things themselves. The term 'sharing economy' was generated from that and is becoming universally popular.

In Vietnam, such a concept is, however, quite unknown. The ultimate goal of this thesis, therefore is to discover the possible challenges that companies in the sharing economy have to overcome if they decide to pursue the Vietnamese market.

To best serve the purpose of this thesis, both quantitative and qualitative research methods are adopted. Primary data collection such as in-depth interview, survey and the author's own experience and observation as well as secondary data collection from books, articles, journals and previous research are applied.

This thesis starts with an introduction to the concept of sharing economy and then continues to research the macro environment of the Vietnamese market. The next part studies a case company in the sharing economy and its current situation in Vietnam and finally a survey is conducted among consumers in Ho Chi Minh City to explore their opinions and interest as well as raise their awareness on the subject.

The findings of this study indicate that the main challenges in entering the Vietnamese market that companies in the sharing economy might face has to do with bureaucracy and corruption, the lack of laws specific to the industry, the unawareness of the sharing economy, trust issues as well as the level of technological skills and payment preference from the Vietnamese customers.

Key words: sharing, sharing economy, collaborative consumption, peer to peer economy, Vietnam, challenges

## CONTENTS

1	INTRODUCTION	1
1.1	Background	1
1.2	Thesis objectives, research questions and limitations	4
1.3	Theoretical framework	5
1.4	Research methodology and data collection	9
1.5	Thesis structure	12
2	THE SHARING ECONOMY	14
2.1	The concept of sharing – What is sharing economy?	14
2.2	Origins	15
2.3	Principles	17
2.3.1	Trust and reputation	17
2.3.2	Access over ownership	18
2.3.3	Transparent and open information	18
2.3.4	No wasted value	19
2.4	Driving forces	20
2.4.1	Technological driving forces	20
2.4.2	Societal driving forces	21
2.4.3	Economic driving forces	22
2.5	Sharing economy systems	23
2.5.1	Redistribution markets	23
2.5.2	Product service systems	24
2.5.3	Collaborative lifestyles	25
2.6	Big players in the market	25
3	THE VIETNAMESE MARKET	29
3.1	Country overview	29
3.2	PESTEL analysis of Vietnam	30
3.2.1	Political factors	31
3.2.2	Economic factors	31
3.2.3	Social factors	32
3.2.4	Technological factors	33
3.2.5	Environmental factors	35
3.2.6	Legal factors	36
3.3	The sharing economy in Vietnam	36

4	INTRODUCTION TO CASE COMPANY – I LIKE LOCAL	38
4.1	Company overview	38
4.1.1	Concept and product	39
4.1.2	Vision and principles	41
4.1.3	The team	42
4.2	Current situation	43
5	CASE COMPANY’S ANALYSIS	44
6	CUSTOMER STUDY	48
6.1	Data collection techniques	48
6.2	Data analysis procedures	49
6.2.1	Information on the survey sample	49
6.2.2	Level of technological skills and knowledge	51
6.2.3	Awareness and opinions on the sharing economy	54
6.3	Survey findings	64
7	CONCLUSION	67
7.1	Findings	67
7.2	Validity and reliability	68
7.3	Recommendations and suggestions for further studies	69
8	SUMMARY	71
	REFERENCES	73
	APPENDICES	85

## LIST OF FIGURES

FIGURE 1. GDP growth rate of EU28 and the U.S. from 2006 to 2013 (Eurostat 2015a; The World Bank 2015a) .....	1
FIGURE 2. Unemployment rate of EU28 and the U.S. from 2006 to 2013 (Eurostat 2015b; The World Bank 2015b). .....	2
FIGURE 3. Sharing economy sector and traditional rental sector projected revenue growth (PwC Analysis 2014).....	3
FIGURE 4. Macro environment forces affecting a firm (PESTEL and two other factors Ethical and Demographic) (Jurevicius 2013) .....	6
FIGURE 5. SWOT analysis model (Shata 2015).....	8
FIGURE 6. Direction of reasoning in induction and deduction (Kananen 2011) ...	9
FIGURE 7. Research choices (Saunders et al. 2009).....	10
FIGURE 8. Research methodology .....	12
FIGURE 9. Thesis structure .....	13
FIGURE 10. The percentage of people who use the internet from 2006 to 2014 (internet.org 2014) .....	20
FIGURE 11. Smartphone users and penetration worldwide (eMarketer 2014) ....	21
FIGURE 12. Redistribution markets (Botsman 2010) .....	23
FIGURE 13. Product service systems (Botsman 2010).....	24
FIGURE 14. Collaborative lifestyle (Botsman 2010) .....	25
FIGURE 15. Vietnam Political Map (Maps.com 2011).....	29
FIGURE 16. Households with computers per 100 households (Ministry of Information and Communications 2014).....	33
FIGURE 17. Number of mobile phone subscribers per 100 inhabitants (Ministry of Information and Communications 2014) .....	34
FIGURE 18. Internet users per 100 inhabitants (Ministry of Information and Communications 2014).....	34
FIGURE 19. I Like Local's homepage (I Like Local 2015d) .....	38
FIGURE 20. I Like Local's concept (I Like Local 2015d) .....	39
FIGURE 21. I Like Local's browsing page (I Like Local 2015g) .....	41
FIGURE 22. SWOT analysis of I Like Local.....	44
FIGURE 23. Distribution of respondents' age .....	50
FIGURE 24. Distribution of respondents' monthly income.....	50

FIGURE 25. Distribution of respondents' level of comfort in utilizing internet-capable devices .....	51
FIGURE 26. Distribution of level of respondents' satisfaction of purchasing goods and services online .....	53
FIGURE 27. Distribution of types of payment methods used.....	53
FIGURE 28. Distribution of respondents' preferences on type of payment me ...	54
FIGURE 29. Level of respondents' awareness of companies in the sharing economy.....	55
FIGURE 30. Level of satisfaction from using services of companies in the sharing economy .....	56
FIGURE 31. Level of interest in participating in the sharing economy market....	57
FIGURE 32. Level of interest in the sharing economy in accordance with age ...	58
FIGURE 33. Level of interest in the sharing economy in accordance with monthly income .....	60
FIGURE 34. Reasons for interest in the sharing economy model.....	61
FIGURE 35. Level of likelihood in using some common services offered in the sharing economy market.....	62

## LIST OF TABLES

TABLE 1. PESTLE analysis (Jurevicius 2013; FME 2013) .....	6
TABLE 2. Key figures of Vietnam (General Statistics Office 2014; IMF 2014) .....	30
TABLE 3. Chi-Square Tests showing the relationship between variables Age and Level of interest in the sharing economy .....	58
TABLE 4. Chi-Square Tests showing the relationship between variables Monthly income and Level of interest in the sharing economy .....	59
TABLE 5. Thesis findings .....	67

## ABBREVIATIONS

CEO	Chef Excecutive Officer
GDP	Gross Domestic Product
IMF	International Monetary Fund
NGOs	Non-Governmental Organizations
SPSS	Statistical Package for the Social Sciences
U.S.	United States
UN	United Nations
USD	United States Dollar
VND	Vietnamese Dong



# 1 INTRODUCTION

## 1.1 Background

In 2007-2008, a global financial crisis took the world by storm. Many big financial institutions went bankrupt, stock markets froze and even governments of the wealthiest nations had to issue rescue packages to save their economies from falling into pieces. (Shah 2013.) Figure 1 shows the real GDP growth rate of the EU28 and the U.S. over the years from 2006 to 2012. As can be seen from the graph below, the GDP growth rate of both starts to fall from the year 2007 and reaches its bottom in 2009. From 2009 on, the economy of both seems to be recovering quickly. (Eurostat 2015a; The World Bank 2015a.)

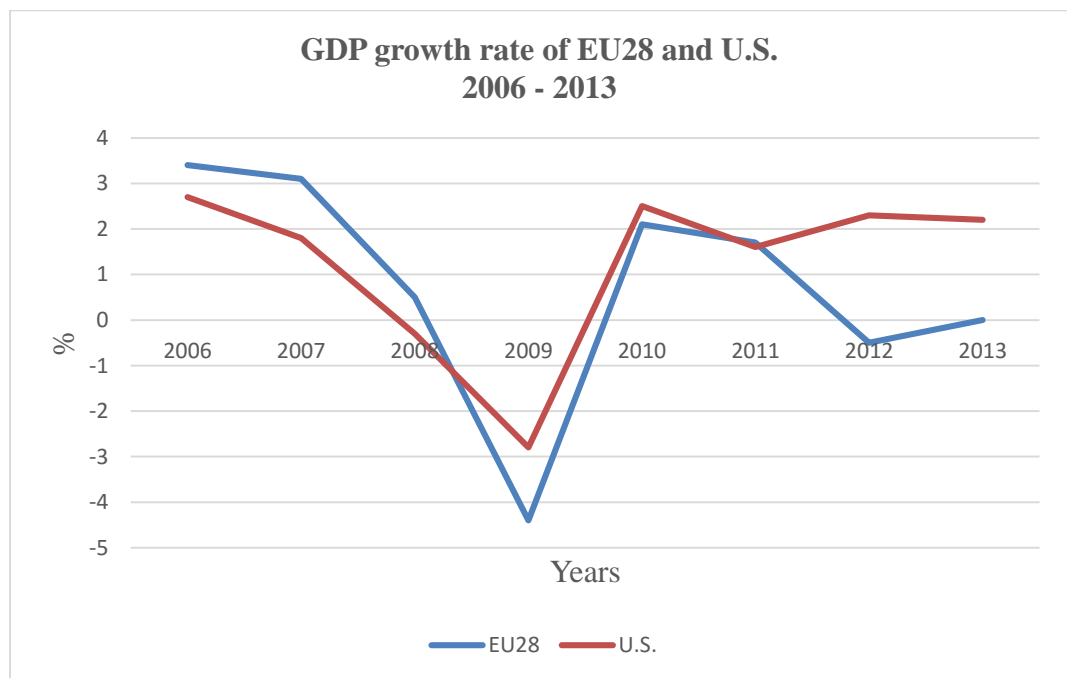


FIGURE 1. GDP growth rate of EU28 and the U.S. from 2006 to 2013 (Eurostat 2015a; The World Bank 2015a)

As a consequence, the world has witnessed millions of people losing their jobs or getting cuts in hours of work and wages (Verick 2009). Young job seekers are even more vulnerable as they are less experienced and have less access to employment opportunities, resulting in a surge in the unemployment rate (UN 2013a). Figure 2 shows the unemployment rate of EU28 and the U.S. from 2006 to 2013. In 2008 and 2009, both EU28 and the U.S. witness a stark rise in the

unemployment rate. However, since 2010, the unemployment rate of the U.S. seems to decrease while that of EU28 continues growing. (Eurostat 2015b; The World Bank 2015b.)

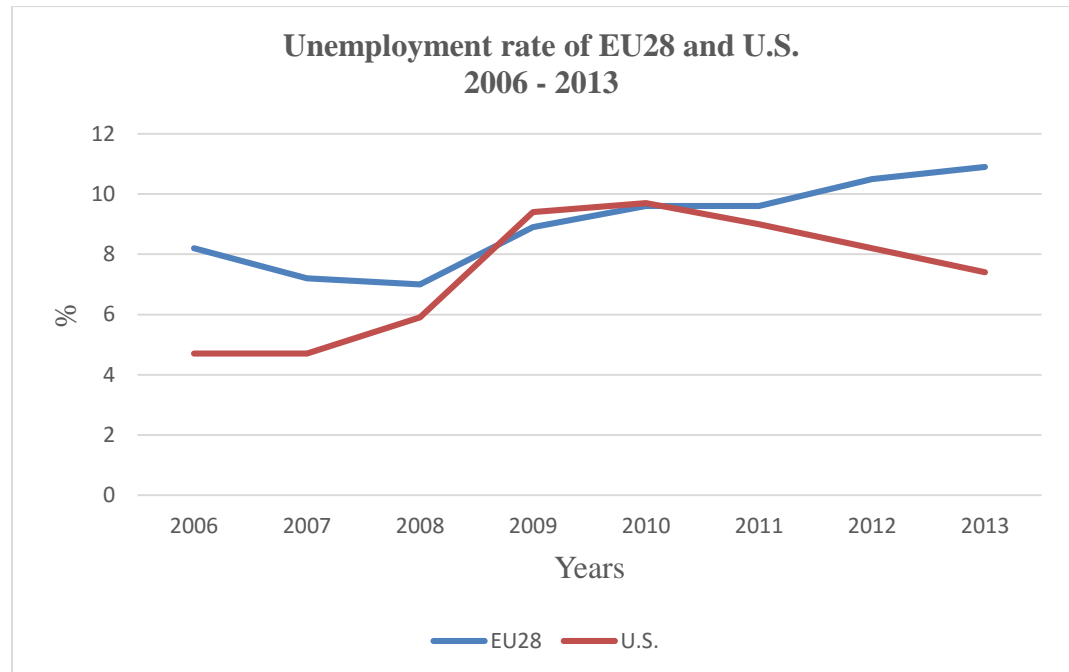


FIGURE 2. Unemployment rate of EU28 and the U.S. from 2006 to 2013 (Eurostat 2015b; The World Bank 2015b).

Ever since the global crisis, the terms sharing economy, peer-to-peer economy or collaborative consumption has gone viral. The 2008 financial crisis has opened a gap to be covered, a problem to be tackled. Seeing such potential, despite the financial crisis, the very first companies that define the term sharing economy like Airbnb, Uber, TaskRabbit, gloveler, Crashpadder, etc were launched in the US and around Europe, turning the sorrow of a collapsing economy into success, helping people make the most out of what they own while enabling a wiser and easier access to goods and services for others. At the time, as many people were tight on the budget, they were forced to change their lifestyles and find a smarter way to make ends meet. (Stephany 2015.)

However, the sharing economy is more than just a trend. In fact, the fast developing technology is here to change our lives. Social platforms like Facebook, Twitter or Youtube have triggered our instincts that have been restrained by

hyper-consumerism, i.e exchanging and sharing. Such opportunity is greatly supporting the growth of the sharing economy in the future. (Botsman & Rogers 2010.)

### ***Sharing economy sector and traditional rental sector projected revenue growth***

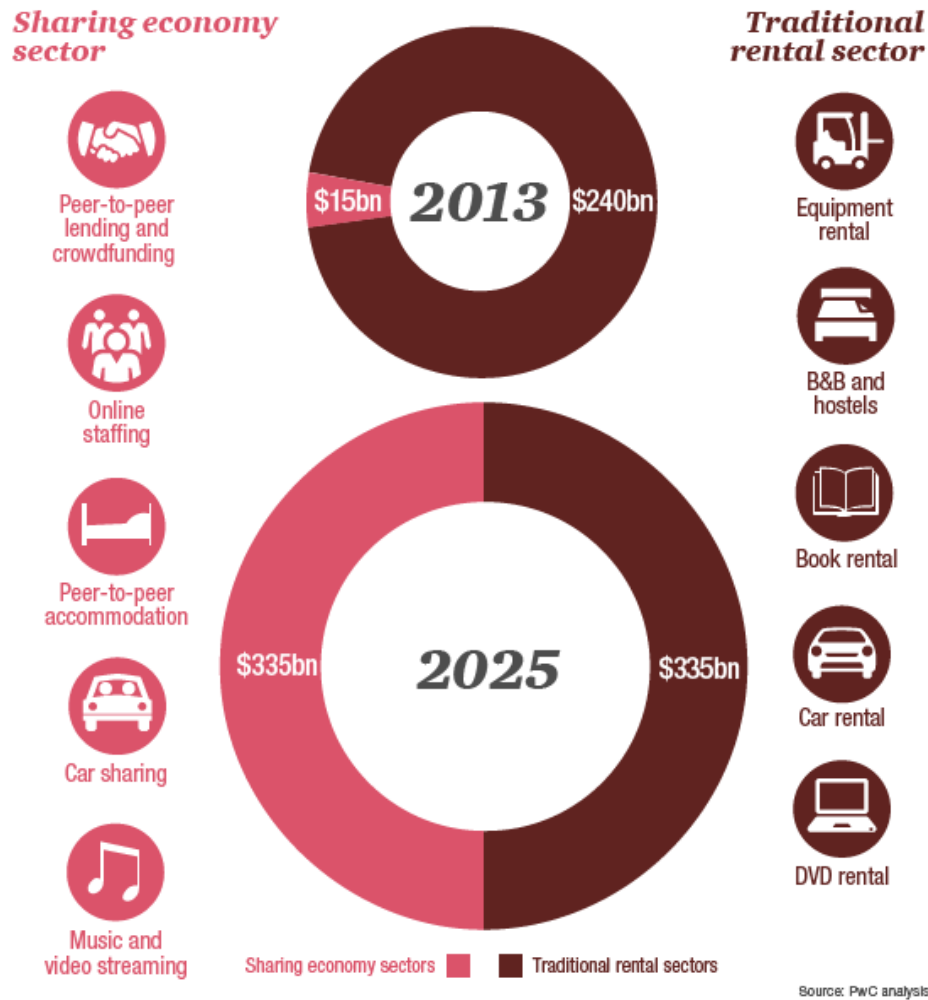


FIGURE 3. Sharing economy sector and traditional rental sector projected revenue growth (PwC Analysis 2014)

Figure 3 shows the revenue growth in 2013 and estimates that in 2025 of the five major sharing economy sectors in comparison to traditional rental sector. The revenue of the sharing economy sector in 2013 is 15 billion USD compared to 240 billion USD revenue of traditional rental sector. However, in 2015, a shift is expected. It is estimated that in 2025, the revenue of the five main sharing

economy sectors will be of the same value with that of the traditional rental sector. (PwC Analysis 2014.)

The Vietnamese market despite being new to the sharing economy, is a potential market. The author came to the idea of the thesis topic after her internship in gloveler GmbH – a German company operating in holiday accommodation sharing service and when witnessing Uber’s first launch in Vietnam in summer 2014, which has been drawing attention and raising controversy. She also found out there were already several accommodation listings on Airbnb, gloveler, Wimdu and some local activities offered on I Like Local, WithLocals websites. Seeing such potential, the author decided to further study the application of the sharing economy model in Vietnam.

## 1.2 Thesis objectives, research questions and limitations

This study aims to provide an understanding of the sharing economy model as well as give an insight into the Vietnamese market for companies in the sharing economy by studying the market and identifying the challenges that lie within.

The author sets the question for the thesis: ***What are the main challenges in entering the Vietnamese market for companies in the sharing economy?***

In order to answer the research question, the following sub-questions are identified to better approach the issue:

- What is sharing economy?
- What are the current conditions of the sharing economy in Vietnam?
- What are the unique features of the Vietnamese market that would influence the adoption of the sharing economy model?
- What is the case company’s current situation in Vietnam?
- What do the Vietnamese customers think about the sharing economy model?

Regarding the limitations of this thesis, in the empirical part, a study will be conducted among consumers in Ho Chi Minh City as it is the biggest and the most

dynamic market in Vietnam.. The author then generalizes the results from the survey. Therefore, it is good to take into consideration that this study might not well reflect the behaviors of customers in countrysides and rural areas.

Moreover, in this study, the focus will be placed on finding out the challenges for the adoption of the sharing economy in Vietnam. As a result, information on how well the market is doing might be disregarded and is not mentioned in this study as it is not relevant to the final goal of it.

### 1.3 Theoretical framework

The study of the Vietnamese market will be done by using PESTEL analysis. PESTEL is a popular and simple situation analysis method to assess the key external factors that would affect a business, namely Political, Economic, Social, Technological, Environmental and Legal factors. These factors help to evaluate the macro environment of a market which cannot be controlled by an organization but can greatly impact its performance. As a result, it is essential to analyze such factors in order to thoroughly understand the overall picture of what surrounds the company. (Jurevicius 2013.)

According to Jurevicius (2013), the aim of a PESTEL analysis is to:

- Find out which are the external factors currently having an effect on the business.
- Detect factors that might change in the near future.
- Stay ahead of competitors by knowing the opportunities and threats caused by these external factors.

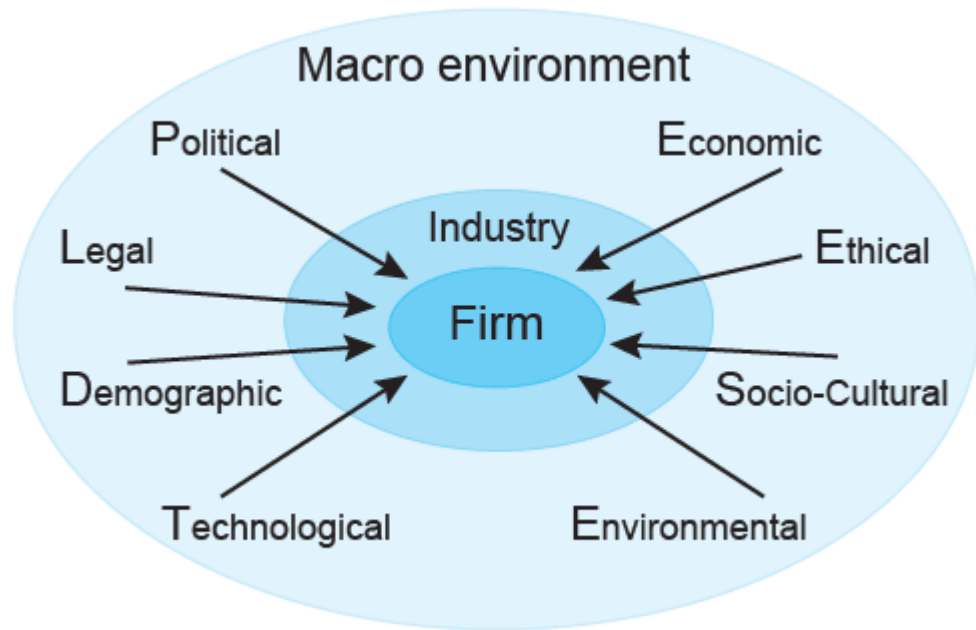


FIGURE 4. Macro environment forces affecting a firm (PESTEL and two other factors Ethical and Demographic) (Jurevicius 2013)

Below is the modified version of a list of sub-factors of each external factors by the author to better serve the purpose of this thesis (original version by Jurevicius 2013).

TABLE 1. PESTLE analysis (Jurevicius 2013; FME 2013)

Political factors	Economic factors
<p>It is advisable to examine the political environment of a country as instability, political turmoil and changes in government policies might have serious effects on any business. (FME 2013).</p> <p>Factors to be considered are:</p> <ul style="list-style-type: none"> <li>• Government stability and likely changes</li> <li>• Bureaucracy</li> <li>• Corruption level</li> </ul>	<p>Organizations need to create and adjust its strategies to better fit in the current situation or future changes in a country's economy (FME 2013).</p> <p>Factors to be considered are:</p> <ul style="list-style-type: none"> <li>• GDP growth rates</li> <li>• Inflation rate</li> <li>• Interest rates</li> <li>• Exchange rates</li> <li>• Unemployment trends</li> </ul>

<ul style="list-style-type: none"> <li>• Freedom of press</li> <li>• Wars and conflicts</li> </ul>	<ul style="list-style-type: none"> <li>• Labor costs</li> <li>• Price fluctuations</li> </ul>
<p>Social factors</p> <p>Without consideration and investments made to study the social and cultural factors of a market, the outcomes might be costly (FME 2013). Below are the factors that need to be particularly paid attention to:</p> <ul style="list-style-type: none"> <li>• Labor force</li> <li>• Lifestyles</li> <li>• Urbanization</li> <li>• Population growth rate and population distribution</li> <li>• Age distribution</li> </ul>	<p>Technological factors</p> <p>The rapid change and development in technology might have unexpected and unpredictable impacts on the organization. (FME 2013). Listed below are the factors that need to be examined:</p> <ul style="list-style-type: none"> <li>• Basic infrastructure level</li> <li>• Legislation regarding technology</li> <li>• Communication infrastructure</li> <li>• Access to newest technology</li> <li>• Internet infrastructure and penetration</li> </ul>
<p>Environmental factors</p> <p>Environmental protection has recently increasingly become an important thing to be considered by organizations as the ‘implications of under-regulated activity are seen today’ (FME 2013). Factors that needs to be studied:</p> <ul style="list-style-type: none"> <li>• Attitudes toward “green” or ecological products</li> <li>• Natural disasters</li> </ul>	<p>Legal factors</p> <p>Legal factors needs to be carefully reviewed as it influences and regulates the way an organizations operates in each certain market (FME 2013). Factors that needs considering:</p> <ul style="list-style-type: none"> <li>• Consumer protection</li> <li>• Competition regulation</li> <li>• Employment law</li> <li>• Industry-specific regulations</li> </ul>

In addition, SWOT analysis will be utilized for the analysing of the case company’s current situation in Vietnam. SWOT analysis is a business strategic

planning method which consists of four elements namely Strengths, Weaknesses, Opportunities and Threats. Strengths and Weaknesses are the internal indicators of a company that reveal its competitive position in relation with its competitors. At the same time, a SWOT analysis allows researchers to assess the organization's Opportunities and Threats, which are created by several external factors that currently have or will have an impact on the organization. (Suttle 2015.)

The purpose of conducting a SWOT analysis is to help raise awareness of an organization on all negative and positive factors from both internal and external sources and best guide itself in its planning and decision-making process. (Hamel 2015a.)

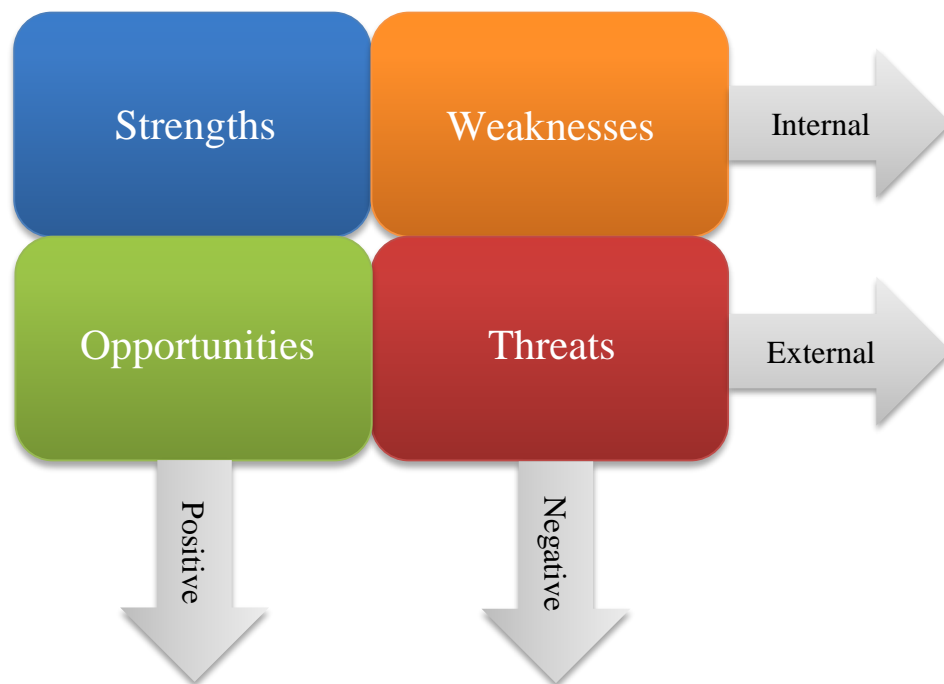


FIGURE 5. SWOT analysis model (Shata 2015)

#### Strengths

Strengths are an organization's own competencies that place it in a better position than its competitors or likely to put it to success. Identifying strengths is important for the organization as it allows them to exploit or take advantage of and further implement these strengths. (Hamel 2015b.)

#### Weaknesses



Weaknesses are the organization's own incompetencies that makes it less competitive towards its competitors or less likely to bring it success. Knowing one's weaknesses helps to better improve oneself and turn them into strengths. (Hamel 2015b.)

### Opportunities

Opportunities is an element that an organization does not have control over. It can be a change in the regulation or a new market's preference that favours the business. Knowing one's opportunities helps in more successful business planning. (Hamel 2015b.)

### Threats

Threats, like opportunities, cannot be controlled by the organization. Threats are things that come from the external environment that cause difficulties or even failures to the business. For instance, an unfavourable change in the law, unstable politics, riots, natural disasters, etc. (Hamel 2015b.)

## 1.4 Research methodology and data collection

There are two methods of reasoning – inductive and deductive reasoning. Inductive reasoning goes from specific to general; that is the generalization or development of theory from observation from the real world. Deductive reasoning, on the contrary, moves from general to specific meaning conclusions are based upon the findings resulting from testing a theory. (Kananen 2011.) The following figure shows the direction of inductive and deductive reasoning:

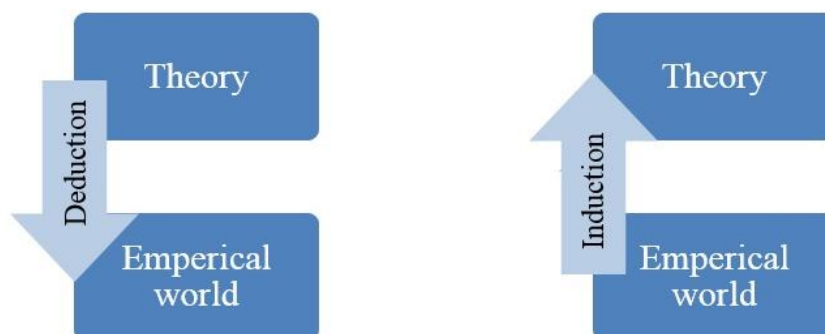


FIGURE 6. Direction of reasoning in induction and deduction (Kananen 2011)

Since the thesis will firstly assume that there exist challenges in the Vietnamese market for companies operating in the sharing economy, the author will study and do research to support this assumption. Therefore, deductive reasoning will be used in this study.

Quantitative and qualitative are the two most common research methods. Quantitative research refers to the use of statistics. While quantitative research's data collection techniques such as surveys or questionnaires generate numerical results, the collected data of qualitative research are non-numerical using methods such as in-depth interviews or focus group. Quantitative research's data analysis methods involve the use of graphs, bars and charts while for qualitative research, techniques like categorizing data are used. (Saunders et al. 2009.)

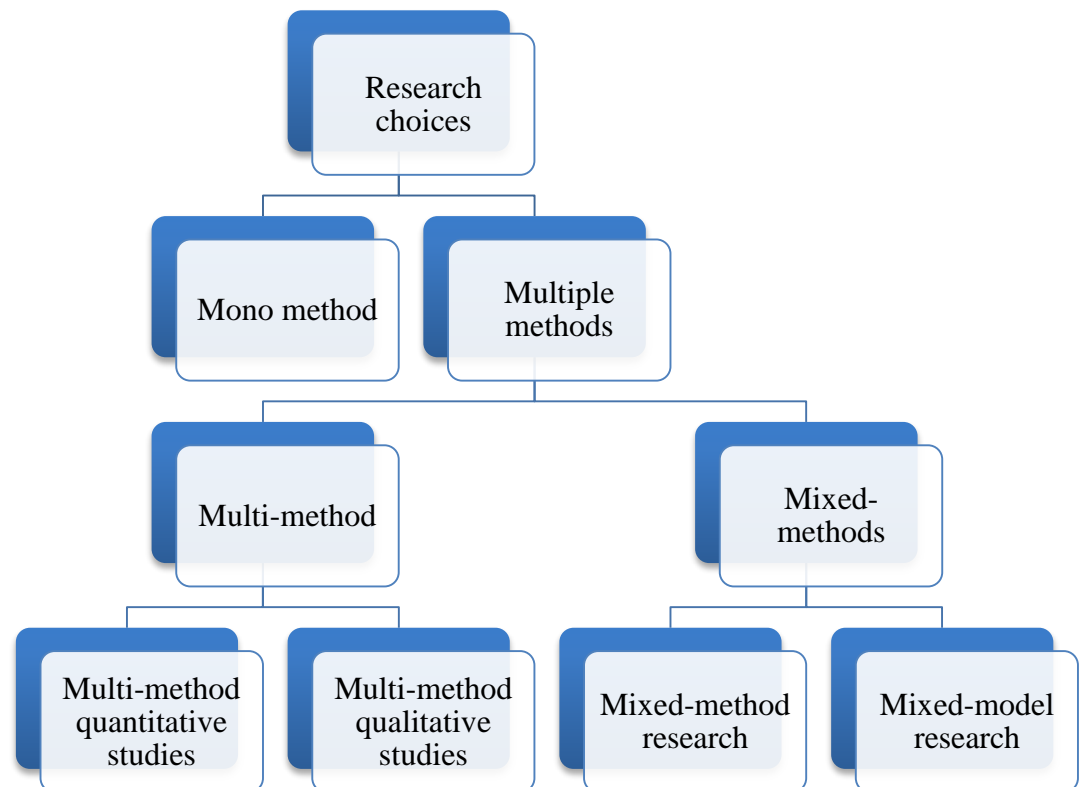


FIGURE 7. Research choices (Saunders et al. 2009)

Figure 7 presents the different research choices (Saunders et al. 2009). Mono method refers to the use of a single data collection technique and the corresponding data analysis method. On the contrary, multiple methods involve the combination of different data collection and analysis procedures, where there

are four possibilities, namely, multi-method quantitative studies, multi-method qualitative studies, mixed-method research and mixed-model research. Conducting multi-method quantitative studies means using different quantitative data collection methods and analyzing the collected data with quantitative data analysis procedures. Multi-method qualitative studies carries the same concept. So with the multi-method, quantitative and qualitative data collection and analysis techniques are not to be mixed. On the other hand, mixed-methods allow researchers to use both quantitative and qualitative data collection and analysis procedures at the same time. With mixed-method research, the results of quantitative data collection techniques are to be analysed with quantitative data analysis procedures and the results of qualitative data collection techniques are to be analysed with qualitative data analysis procedures. However, with mixed-model research, the quantitatively collected data can be processed by using qualitative data analysis methods and vice versa. (Saunders et al. 2009.) In this thesis, the author will use the mixed-method research. An online survey will be launched for customers' study and in-depth interviews will be conducted.

Primary data collection refers to the research of an issue by using procedures or techniques that suit the purpose of the research such as observations, interviews, survey, questionnaires, focus group, etc. These data and findings are increasingly stocked up and made available to be later reused by other researchers, this is called secondary data collection. (Hox & Boeije 2005.) To best serve this study, the author will use both primary and secondary data collection. In the theory part, the primary data will come from the author's personal observation and experience. In the empirical part, questionnaires and in-depth interviews will be conducted to collect primary data beside personal observation. The secondary data are extracted from books, journal articles, reports, previous studies and websites.

### Research approach

- Deductive

### Research methods

- Quantitative
- Qualitative

### Data collection method

- Primary: author's own experience and observation, survey, interview
- Secondary: books, journal articles, reports, previous studies, websites.

FIGURE 8. Research methodology

Overall, figure 8 concludes the research methodology that will be used to carry out this study

## 1.5 Thesis structure

This thesis is divided into five main parts which are the introduction, the theoretical part, the empirical part, the conclusion and the summary. Figure 9 displays the overall structure of the thesis:

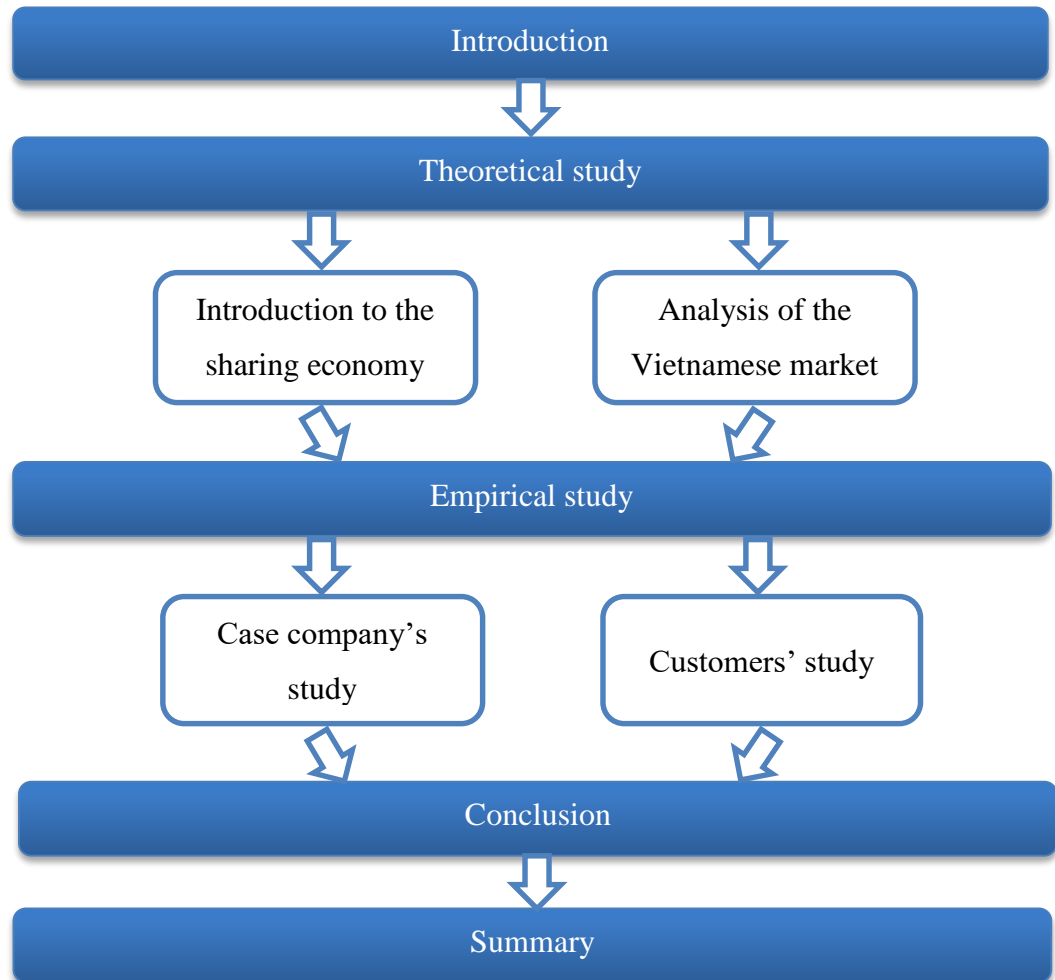


FIGURE 9. Thesis structure

The introduction is written in chapter one where the background of the study, research objectives, research questions, theoretical framework and research methodology will be presented. The theoretical part goes from chapter 2 to chapter 4 where the concept of the sharing economy is explained, the Vietnamese market is analysed and the case company is introduced. The empirical part goes from chapter 5 to chapter 7. In these chapters, the author will study the case company and the Vietnamese customers. The conclusion part – part 7 is presented with the findings of the study and lastly a short summary summarizing the whole study follows after.

## 2 THE SHARING ECONOMY

This chapter gives an introduction to the concept of sharing economy as well as an overview of its origins, driving forces, principles and the most remarkable current players in the market.

### 2.1 The concept of sharing – What is sharing economy?

This sub chapter will firstly inspect the concept of sharing. Afterwards, the ‘sharing’ concept will be put into business context so as to explore the idea of the sharing economy model.

The concept of sharing as described by Belk (2007) is ‘the act and process of distributing what is ours to others for their use and/or the act and process of receiving or taking something from others for our use.’ There are two types of sharing which we can witness in our daily lives; those are called ‘sharing in’ and ‘sharing out’.

‘Sharing in’ is the act of sharing that is created out of kindness or courtesy towards other people or the act of sharing that happens mostly between close people such as family and friends or people who considered themselves as part of a pseudo-family (Belk 1988 & Belk 2013). The concept of ‘sharing out’, according to Belk (2014) is the act of dividing happening amongst, usually, strangers, be it space, products, knowledge or jobs, etc. It does not happen regularly, most likely a one-time act.

Sharing can also include lending or borrowing, which creates ‘debts’ or ‘bonds’. When a person lends out something, they expect the object or something of the same value to be returned by the borrower. Sharing can also be the case of gift giving, which refers to the transfer of ownership of an object, and marketplace exchange, which is also called reciprocal exchange. (Belk 2014.)

According to Belk (2014), ‘collaborative consumption is people coordinating the acquisition and distribution of a resource for a fee or other [non-monetary] compensation.’ The compensation here can be something of equivalent value.

Examples of this can be the sharing of a seat in the car, a space in the apartment, a meal or the swapping of goods, etc.

However, the case of many internet sharing sites like CouchSurfing, ThePirateBay, KickAss or social platforms such as YouTube, Facebook, Flickr, Instagram...is not considered collaborative consumption. These platforms also provide peer-to-peer services, nevertheless, they do not represent the concept of collaborative consumption as there is no compensation involved. Take Couchsurfing (Couchsurfing 2015) as an example, on Couchsurfing, travelers can stay with hosts in their apartments at no cost and money transaction is actually prohibited by the website. The concept of collaborative consumption also eliminates the case of gift-giving as it is rather the 'permanent transfer of ownership'. (Belk 2014.)

Consequently, the definition of collaborative consumption is rather a subset of the sharing concept presented above. It is an act of sharing for a compensation. Belk (2014) calls it the 'pseudo-sharing', he discusses that the 'sharing' label is put on the acts but in fact they are just 'short-term rental activities' as in the case of, for example, ride-sharing or accommodation-sharing.

Collaborative consumption is often called by different names – sharing economy, peer-to-peer economy or collaborative economy. This thesis will mostly refer to the term 'sharing economy'.

## 2.2 Origins

The first appearance of the sharing model dated back in 1995, when eBay was first launched. The eBay internet-based platform provides people with the access to new resource of goods, which is through their fellow users. However, not until late 2000s did the term 'sharing economy' make headlines when startups like Airbnb, Uber, TaskRabbit, RelayRides, etc joined the game. (Reinhart 2014.)

In 1968, Garret Hardin discussed an economic theory called 'Tragedy of the Commons' in his article with the same name, published by the American Association for the Advancement of Science, as a criticism to the capitalist

economic system. In this publication, Hardin points out that if each individual in a community acts solely and rationally on his own interest, disregarding the overall interest of the whole group, the result will be the depletion of the common resource. A typical example of this theory is the story of the herdsmen and the animals. Say, all the herdsmen share a common pasture and each individual is free to raise as many animals as he wants. One man decides to add one more animal to his herd. This is an absolute rational act to maximize his gain. However, what would be the result of each herdsman adding one more animal to the commons? The consequence could be the ruin of the pasture as the larger number of animals will finally eat up the limited grass on the common ground. Similar to this, since the population of the human race keeps growing over years, we will eventually use up inefficiently all the resources available on the planet. (Hardin 1968.) To such point, capitalism, which is up until now the optimal economic model that humans can develop, seems to reveal its weakness. The capitalist economic system is not able to efficiently allocate the resources that we have and as a result an economic model like the sharing economy comes across as an attractive alternative. (Kelly 2014.) The most obvious example is a seat in the car shared to a person who needs it will reduce one vehicle on the street.

The term 'collaborative consumption' was introduced by Marcus Felson and Joe L. Spaeth in the year 1978 in their article 'Community Structure and Collaborative Consumption: A Routine Activity Approach'. However, the concept was topped by Roo Rogers and Rachel Botsman in their book named 'What's Mine Is Yours: The Rise of Collaborative Consumption' published in 2010. As the title, the book discusses the rise of the sharing economy model and the transition in the way we consume from the 20th century into the 21st century (Botsman & Rogers 2010).

When the financial crisis period from 2008 to 2011 hit the world, consumers were forced to look for a more cost-efficient way to have access to goods and services (Stephany 2015). "When the crisis hit there were people in desperate need of alternative solutions", says the co-founder of Airbnb, Blecharczyk. A customer of Airbnb wrote a letter to the company expressing gratitude for how it had helped her and her husband go through the financial crisis; the letter is still kept by Blecharczyk in his phone (Henn 2013):



"Hi Airbnb, I'm not exaggerating when I say you literally saved us. My husband and I just married this past May, after having lost both of our jobs and our investments in the stock market crash last year. We slowly watched our savings dwindle to the point where we didn't have enough to pay our own rent. You gave us the ability to keep our home, travel together and have the peace of mind knowing that we were going to be able to make it through this challenging time in our life."

For the innovative idea and the benefits that it brings to the community during the financial crisis, the sharing economy model was voted as one of the the top 10 ideas that would change the world by TIME, a US magazine in 2011 (Walsh 2011).

### 2.3 Principles

This sub chapter discusses the four most important principles that act as the backbones of the sharing economy. Those are: trust and reputation, access over ownership, transparent and open information and no wasted value.

#### 2.3.1 Trust and reputation

Rachel Botsman in her speech at a TED conference in June 2012 defines reputation as the currency of the new economy. She describes that the peer-to-peer economy is taking advantages of the modern technology to create value from bulding trust amongst people. It is an economy model that strongly depends on personal relationship and reputation. Botsman also comes up with the term 'reputation capital', which she defines as 'the worth of your reputation – intentions, capabilities and values – across communities and marketplaces'. (Botsman 2012.) All sharing platforms like Airbnb (Airbnb 2015a), TaskRabit (Taskrabbit 2015a), RelayRides (RelayRides 2015a), etc rely on a rating and review system that encourages both sides to rate each other; this indicates that the higher the ratings and the better the reviews, the more likely that the person is trustworthy. Organizations are entitled to engage in the community they are serving, learning and maintaining information of them as well as building a

reputation management system that helps build trust among the community. For example, RelayRides claim on their website that they ‘screen each renter against eligibility criteria that are some of the strictest in the industry’ and that they have the right to deny membership of the driver if they violate one of the criteria (RelayRides 2015a).

### 2.3.2 Access over ownership

The sharing economy provides an alternative to the ownership of goods. Customers often buy a product for the value and the experience that it offers rather the product itself, especially for products with high idling capacity like power drill, which, according to Rachel Botsman in her speech at TED conference in 2010, is only used around 12 to 13 hours in its entire lifetime or a movie DVD, which is only played once or twice. The peer-to-peer sharing economy model allows people to gain access to the products at the time that they need and diminishes the urge to own them. Therefore, instead of having to buy the things, people can rent them or rent out their own to other people. (Botsman 2010.)

### 2.3.3 Transparent and open information

Coming back to the issue of trust, how can one be sure that the total stranger they have never met before can be trusted if we are not talking about the rating and reviewing systems mentioned above? Among 18 ‘observable and distinguishable elements’ that establish trust between people stated by Geel (Geel 2011), element number 12 and 19 say:

12. Common interest. For it is mutual trust, even more than mutual interest that holds human associations together. Our friends seldom profit from us but they make us feel safe and significant because we share certain things in confidence. [...] (Geel 2011.)

19. Similarity. [...] Trust between people is based on the perception that efforts between the parties will be reciprocated easier if we are like minded and are from the same culture. (Geel 2011.)

In short, we are more likely to trust people that we perceive to be or to behave like our own selves (Geel 2011). Nowadays, especially in the Facebook age, in order to be able to find out these commons about each other, people feel the need to expose themselves through their online profiles, revealing things such as age, hobbies, interests, professions, etc so that they can decide whether they are going to trust each other. (Jain 2013.)

From the organization's side, transparency in information is a cornerstone. Take Uber as an example, the company specializes in mobile-based ride-sharing (Uber 2015a). Uber's surge-pricing policy last year has caused an outrage amongst its users as the rates were reported to go up to about four times higher. This can be seen as a failure in making information transparent and timely available for its users. However, quickly after that, the CEO of Uber, Travis Kalanick introduced a new function of the mobile application which would predict the end of the surge-pricing period. Such an action has promptly relieved everyone from anger. Take a look at Airbnb's website, the company which provides an online platform for house and living space sharing (Airbnb 2015b), the effort to make information as transparent as possible to its users is seen through pages of policies, terms and privacy, host guarantee, dispute resolution, guiding videos, etc with well-crafted, elegant designs making the experience of going through such information less of a burden for its users. (Alviani 2014.)

#### 2.3.4 No wasted value

The sharing economy seeks to minimize unused value as unused value equals wasted value. Take cars as an example; as stated by Logan Green, the co-founder and CEO of Zimride, in his speech at the Stanford Energy Seminar in 2012, the average idling capacity of a car is around 80 percent. So the actual amount of time when the car is really moving accounts for only 20 percent of its entire lifetime. So instead of sitting idle, the car can be rented out to other people who need it to maximize its capacity. (Green 2012.)

The same logics is applied by TaskRabbit, an online platform that connects people for errands sharing. With TaskRabbit, the idling time and talents that one

possesses are utilized to fulfill tasks for people who are not able perform them. (TaskRabbit 2015b.)

## 2.4 Driving forces

The sharing economy is driven by three market forces: societal, economic and technological drivers (Owyang 2013). This section will discuss these driving forces in details.

### 2.4.1 Technological driving forces

The rapid development of advance technology has fueled the growth of the sharing economy. Companies have been using technology to create platforms for people to connect with each other and facilitate transactions worldwide in a seemingly effortless way. (Finley 2013.) Owyang (2013) found out in his research that 27 out of the most successful sharing companies are using online payment system. Furthermore, there is an increasing percentage of the world's population who now have access to high technology (internet.org 2014). Figure 10 shows the percentage of global population that is connected to the internet over years worldwide.

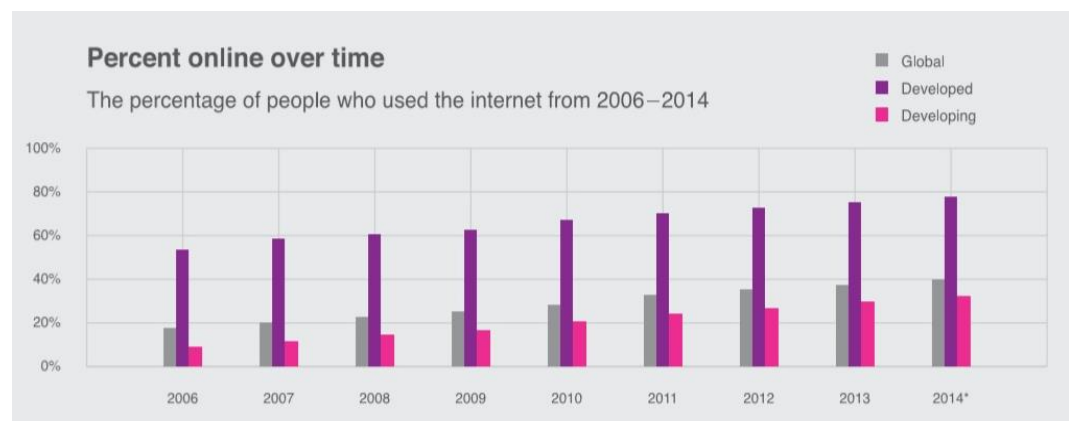


FIGURE 10. The percentage of people who use the internet from 2006 to 2014 (internet.org 2014)

According to the graph above, almost 40 percent of the world population is now connected to the internet. This figure is 76,2 percent in developed countries and

29,8 percent in developing countries. In addition, the number of smartphone users has been growing steadily over the years. In 2014, around 1,31 billion of people own a smartphone and this number is predicted to go up to 1,64 billion in 2015 and finally reach up to one-third of the world's population in 2018. (internet.org 2014.)

The following figure presents the number of smartphone users and penetration from 2013 to 2018 (estimated). The amount of smartphone users has been and is estimated to increase steadily overtime.

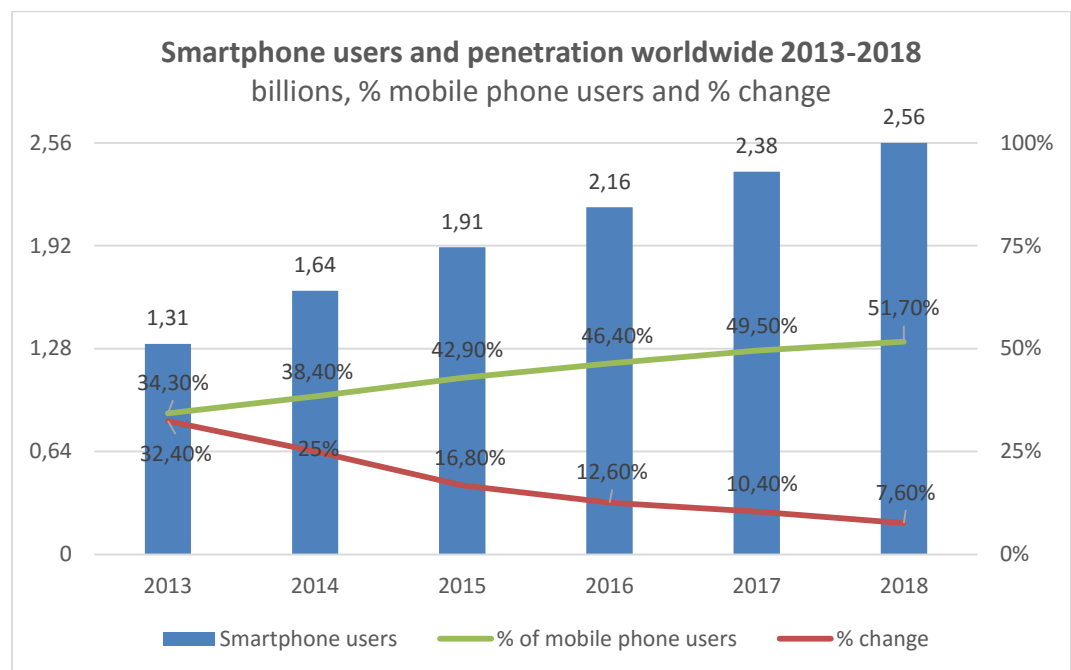


FIGURE 11. Smartphone users and penetration worldwide (eMarketer 2014)

Social network has enabled people to connect freely and communicate directly, changing the way we behave, making us more willing to share our lives to others and at the same time, more tolerant towards other's stories. When people become used to sharing online, there is a likelihood that they will feel more comfortable with sharing in the offline world. (Jain 2013.)

#### 2.4.2 Societal driving forces

That the global population is rising is a fact as 4,3 babies are born every second somewhere in the world (CIA 2015) and people are living longer due to better

living conditions (NIA et al. 2011). It is expected to reach up to 9,6 billions by 2050 (UN 2013b). Rapid population growth leads to diminishing natural resources as we are witnessing nowadays. Gansky (Gansky 2010) describes the situation “Simple math suggests that in order to have a peaceful, prosperous, and sustainable world, we are going to have to do a more efficient job of sharing the resources we have.” In addition, the ongoing urbanization will add millions of people to big cities (UN 2014). According to UN’s report, around 54 percent of the world’s population is living in urban areas as of 2014; this number back in 1950 was 30 percent and in the 2050 will be 66 percent (UN 2014). The denser the population in big cities, the more likely it will facilitate the need for resources and the growth of the sharing economy (Finley 2013).

Another the societal factor that drives the sharing economy is the ‘widespread desire for community’ (Finley 2013). Consumers in the Facebook age often seek to engage in a community or a ‘rich social experience’ (Gansky 2010) rather than dealing with ‘faceless brands’ (Finley 2013). They are becoming more and more interested in getting to know the people behind every transaction they make. (Finley 2013)

#### 2.4.3 Economic driving forces

The economic recession in 2008 has resulted in the sky-high unemployment rate. Consequently, consumers were forced to make do with less (Stephany 2015). They have started to look for ‘what makes them happy and how to best access what they want and need’ (Botsman 2011). By gaining access to the resource, there is no need to pay for the cost of ownership hence giving them more flexibility (Botsman & Rogers 2010). This is a golden time for the sharing economy. Many organizations such as Airbnb (2015b), Uber (2015a), TaskRabbit (2015a), etc were launched to seize the opportunity. Not only do these businesses offer a solution for people to save but also provide them with a whole new way of making money out of the things and talents they possess.

## 2.5 Sharing economy systems

Botsman and Rogers (2010) classify the sharing economy into three clear systems: product services systems, redistribution markets and collaborative lifestyles. This section will discuss and explain these three systems.

### 2.5.1 Redistribution markets

Pre-owned products can be redistributed to somewhere they are needed rather than thrown away. They can be exchanged to other people who want it for money, virtual points for future purchases or other products of same type or same value. Platforms like Swap.com, Swapstyle.com, Zwaggle.com, etc enable their users to swap or sell their unneeded stuff with or to other users who need them as well as swap or buy things they want for a considerably cheaper price. An obvious advantage of redistribution markets is that it supports the reusing and reselling of goods while maximizes their capacity and reduces inefficiency and waste as compared to the traditional ‘doctrines of “buy more” and “buy new”’. (Botsman & Rogers 2010.)

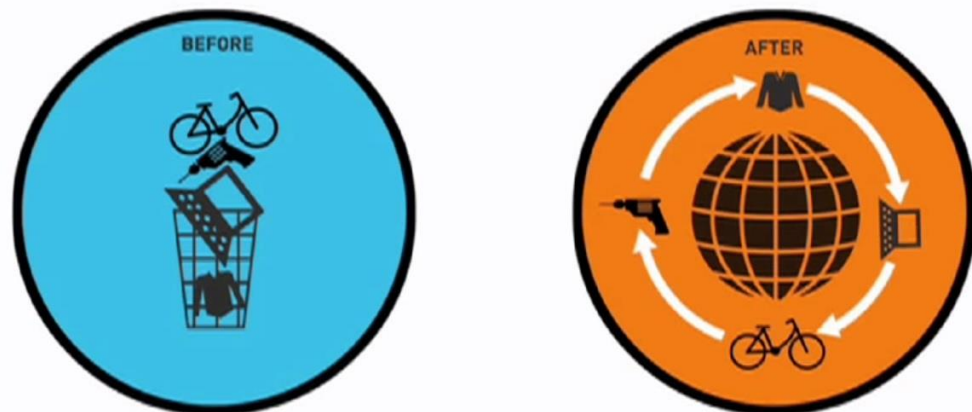


FIGURE 12. Redistribution markets (Botsman 2010)

Botsman and Rogers (2010) also suggest that redistribution markets could be the fifth R of the series – reduce, recycle, reuse, repair and now, redistribute.

### 2.5.2 Product service systems

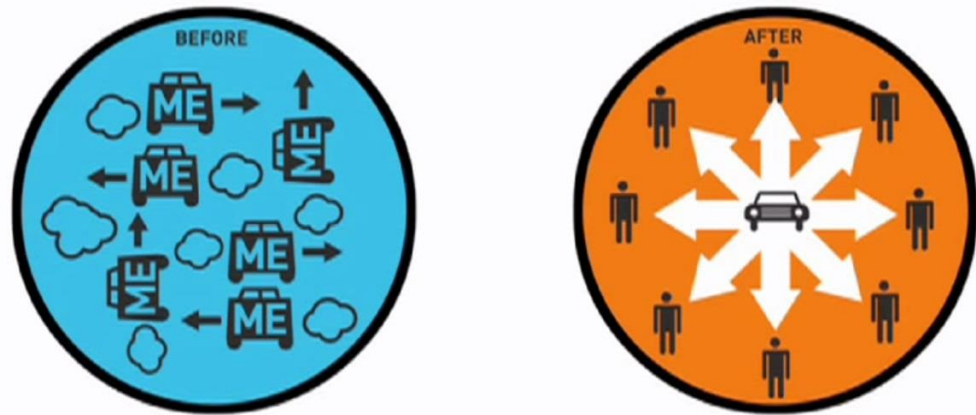


FIGURE 13. Product service systems (Botsman 2010)

Figure 13 explains the ideas behind the product service systems. Instead of each car providing benefits to one single person, now one car can offer its value for multiple individuals, reducing waste and pollution (Botsman 2010). This system enables users to access to the value that the products offer without the need to own them. It is especially beneficial when it comes to products with high idling capacity as mentioned previously like cars, CDs, DVDs, power drills, vacuum cleaners, lawnmowers, etc, in lengthening their life and capacity. The systems also benefit users by freeing them from the responsibility and burden of owning, say a car – the price of the car, repairing costs, insurance, maintenance, roads taxes, tolls, etc thus allow people to make the most out of what they own. (Botsman & Rogers 2010.)



### 2.5.3 Collaborative lifestyles

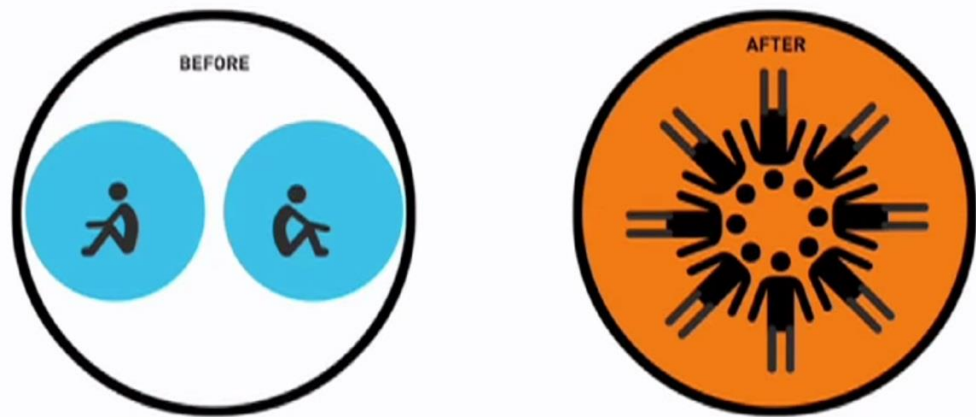


FIGURE 14. Collaborative lifestyle (Botsman 2010)

Not only physical goods but lifestyles, interests and hobbies can also be shared between a local communities like working spaces, tasks, skills, food or meals, etc. Companies who offer these services including Share Desk, Task Rabbit, Neighborhood Fruit, etc. Collaborative lifestyles can also happen in a global scale where people practice peer-to-peer lending on Lending Club and peer-to-peer travelling on Airbnb, I Like Local, Plate Culture, etc. (Botsman & Rogers 2010.)

This system of collaborative consumption require a greater and stronger sense of trust and connectivity since the sharing involves human contacts rather than just exchanging goods and property. (Botsman & Rogers 2010.)

## 2.6 Big players in the market

### *Airbnb*

Airbnb is probably the most popular name in terms of peer-to-peer accommodation rental service. The company was co-founded in August, 2009 by Brian Chesky, Joe Gebbia and Nathan Blecharczyk. It is based in San Francisco, California in the United States. (Airbnb 2015b.)

Airbnb is a trusted community marketplace for people to list, discover, and book unique accommodations around the world — online or from a mobile phone (Airbnb 2015b).

Until now, the company has already had more than one million listings from over 34,000 cities and 190 countries around the globe. On Airbnb, travellers can either book a bed in a dorm, a private room, an apartment, a tree house, a yurt or even a castle. As of now, the total number of Airbnb's users has surpassed 25 million worldwide. (Airbnb 2015b.)

The first international expansion of the company happened in May 2011, when it bought its German competitor Accoleo and opened its first office overseas in Hamburg, Germany, followed by the acquisition of another competitor Crashpadder based in London, UK (Kerr 2012). At the moment, Airbnb has in total 12 offices worldwide (Airbnb 2015c). The newest Airbnb's overseas office is the European headquarters opened in September 2013 in Dublin, Ireland (The Irish Time 2013).

### *Uber*

Like Airbnb, Uber is easily the most well-known name, however in terms of ride-sharing sector. The company was co-founded in March, 2009 by Travis Kalanick and Garrett Camp. It is also based in San Francisco, California in the United States. Uber is originally a mobile-based application that connects drivers and people who need a ride with each other. The application allows its users to request a ride with information of departure place and destination; the request will then be sent to a crowd of drivers nearby. (Uber 2015a.)

By seamlessly connecting riders to drivers through our apps, we make cities more accessible, opening up more possibilities for riders and more business for drivers. (Uber 2015a)

Currently, the company provides its service in 269 cities in 55 countries (Uber 2015b). Uber's first international expansion was in December 2011 with its first service launch outside the US in Paris (Kalanik 2011). However, up until now, the

company has stumbled onto several claims regarding legal issues upon its operations in many cities around the world (Diamandis 2014).

### *TaskRabbit*

TaskRabbit is an online as well as a mobile-based platforms that enables people to outsource small tasks like gardening, cleaning, furniture assembly, minor home repairs, deliveries, etc and get help from the local community by people who are called ‘rabbits’. Users post tasks to be done on the website and announce the maximum amount that they are willing to pay for the jobs. The rabbits, after being checked and ‘thoroughly vetted’, will then bid and whoever wins will get to do the job. (TaskRabbit 2015b.)

TaskRabbit allows you to live smarter by connecting you with safe and reliable help in your neighborhood. Outsource your household errands and skilled tasks to trusted people in your community. (TaskRabbit 2015b.)

The company was founded in 2008 by Leah Busque in Boston, United States. It was first named RunMyErrands then the name was changed to TaskRabbit in April 2010 (Kirsner 2009). Taskrabbit’s first international expansion was the launch of its service in London in 2013. The company announces that it will continue expanding to the greater London due to the increase in demand (Taskrabbit 2014).

### *LendingClub*

LendingClub, just like its own name, is an online peer-to-peer platform for lending and borrowing credits (LendingClub 2015). The company defines itself very thoroughly as:

The world’s largest online marketplace connecting borrowers and investors. We’re transforming the banking system to make credit more affordable and investing more rewarding. We operate at a lower cost than traditional bank lending programs and pass the savings on to

borrowers in the form of lower rates and to investors in the form of solid returns. (LendingClub 2015)

The company was founded in 2006 by Renaud Laplanche and was first launched in May 2007 as a Facebook's application. LendingClub was then developed into a full-scale company after receiving its investment of \$12 million from the angel investors (Barret 2010). LendingClub is based in San Francisco, California (LendingClub 2015). Until now, the total amount of loans issued has reached up to more than 7.5 billion dollars (LendingClub 2015). The company was listed by Forbes at the fifth place as one of America's most promising companies in 2014 (Forbes 2014).

### 3 THE VIETNAMESE MARKET

This chapter will give an overview to the country of Vietnam and its key figures as well as analyze the country's macro environment by using PESTEL analyzing method. PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal factors. News, statistical data and legal information is taken from online newspapers, legal documents, government and international organizations' reports. This part is also written from the author's own experience and observation from her time living in Vietnam.

#### 3.1 Country overview

Vietnam or officially the Socialist Republic of Vietnam is a country located in South East Asia, on the Indochina peninsula. The country is bordered by the Gulf of Thailand and the South China Sea (CIA 2015) or the Eastern Sea as called by Vietnam itself. It is 330967,3 square kilometer in area and has a population of approximately 90,729 million people as of 2014 (General Statistics Office 2014). The neighbor countries include Cambodia to the South West, Laos to the North West and China to the North (CIA 2015).



FIGURE 15. Vietnam Political Map (Maps.com 2011)

The capital of Vietnam is Hanoi, also known as the political center, located in the northern part of Vietnam. The economic center of Vietnam is Ho Chi Minh City, formerly called Saigon, located in the southern part of the country. There are 63 provinces and five municipalities, namely, Hanoi, Hai Phong, Da Nang, Ho Chi Minh City and Can Tho. (Governmental Portal 2015a.)

The country's official language is Vietnamese, written in romanized alphabet. Along with Vietnamese, other languages, which are spoken by other minor ethnic groups are Thai, Mong, Muong, Khmer, Tay, Nung, Chinese, etc (CIA 2015). In the past, when Vietnam was colonized by France, French was spoken by the upper class as a second language. However, as of now, English is becoming more and more popular, taught as a compulsory subject in almost every school. (Nguyen 2012.)

To sum up, some of key figures for Vietnam, retrieved from the Statistical Handbook of Vietnam (General Statistics Office 2014) and IMF (IMF 2014), can be found in the table below:

TABLE 2. Key figures of Vietnam (General Statistics Office 2014; IMF 2014)

<b>Official name</b>	Socialist Republic of Vietnam
<b>Official language</b>	Vietnamese
<b>Area</b>	330 967,3 square km
<b>Population</b>	90,729 millions (2014 est.)
<b>GDP</b>	\$187 848 billion (2014 est.)
<b>GDP per capita</b>	\$2 072,7 (2014 est.)

### 3.2 PESTEL analysis of Vietnam

This sub chapter will study the macroenvironment of the Vietnamese market by using PESTEL analyzing model. All the six factors will be discussed in details and tailored towards their impacts on the application of the sharing economy in the market.

### 3.2.1 Political factors

The Socialist Republic of Vietnam is one of the five remaining single-communist party states in the world together with China, North Korea, Cuba and Laos (Rosenberg 2015). The Communist Party of Vietnam officially came into authority since 2, September 1945 in the North and expanded to the South, at that time was a Capitalist State, in 30 April 1975 (Governmental Portal 2015b). The Communist Party keeps the political environment relatively stable since there has been few riots. The most recent and serious event was the violent anti-China protest that burnt down several factories due to China's deployment of its oil rigs in the conflicted waters happening in summer 2014 in some major cities (BBC 2014). Other than that, the government tries to dismiss most people's protests which leads the author to the point of freedom of speech. According to Human Right Watch Organisation, the situation of Vietnam's human rights deteriorates significantly and remains a major problem for the country. Press is strictly controlled and censored by the government. (Human Rights Watch 2014.) Bureaucracy and corruption remain at a high level despite the government making effort to apply solutions. In 2014, Vietnam ranks at 119 in 175 countries being reported in Corruption Perceptions Index (Transparency International 2014). Such factors clearly have an uncontrollable impact on any business especially foreign and non-state-owned organisations.

### 3.2.2 Economic factors

Vietnam's GDP per capita is 2072,7 USD. The country falls in the lower-middle income group (IMF 2014). Its GDP growth rate in recent years has been circling around 5 to 6 percent and even 7 percent before the economic crisis in 2008, making it one of the most dynamic emerging economies in East Asia (The World Bank 2015a). As a result, it is safe to say that Vietnam is a potential market for any business. The country's inflation rate as measured in 2013 is 6,6 percent, which has been a progress compared to the sky-high two-digit number, i.e 21,3 percent in 2011 (The World Bank 2015c). The exchange rate of USD to VND and Vietnam's interest rate last measured is 21565 VND and 6,5 percent, respectively (Trading Economics 2015). The country's unemployment rate is reported to be

around 2 percent in many recent years (The World Bank 2015b), which is quite low. However, approximately 9,8 percent of the population still lives in poverty as of 2013 (General Statistics Office 2014).

### 3.2.3 Social factors

Vietnam has an abundant labor force. In 2013, the number of people in working age is 53,748 millions, accounting for more than half of the population (General Statistics Office 2014). However, the labor force is still under-skilled. Many Vietnamese workers still lack of skills such as: language, technical and behavioral skills. Foreign firms also find it hard to recruit Vietnamese managers, directors, leaders, etc for their companies. Top positions cannot be fulfilled due to the lack of advanced management skills and essential knowledge in law and financial fields. (Vietnam Briefing 2014.)

The lifestyle of Vietnamese people can be described as relaxed, informal and closed to each other. This is one of the things that companies in sharing economy can take advantage of. However, there exists a social issue that can heavily affect such businesses since it is one of the most important principle of the peer-to-peer economy – trust. In recent years, the media has been continuously exposing crimes, rapes, frauds and robbery, which also happened in the past but recently has gained much better attention. Consequently, as friendly as they may appear, most Vietnamese might not necessarily trust each others.

Population growth rate of Vietnam is around 1 percent in the most recent years (The World Bank 2015d). Most people locate in Hanoi and its surrounding areas and Ho Chi Minh City down to the southernmost part of the country. The average population density of Vietnam is almost 300 people per square kilometer (General Statistics Office 2014). Only 33 percent of the population is living in urban areas, which means most is still living in countryside and rural areas, which have rather limited technological facility (CIA 2015). As a result, sharing economy companies might find it difficult to expand their customer base as it heavily depends on high technology.



### 3.2.4 Technological factors

In 2012, the total number of desktop computers and laptops in use is 6 980 353, which means of every 100 inhabitants, there are around 7,86 computers. These numbers in 2009 are 4 880 800 and 5,63 respectively. (Ministry of Information and Communications 2014.)

The number of households with computers in every 100 households from 2008 to 2012 is shown in figure 16:

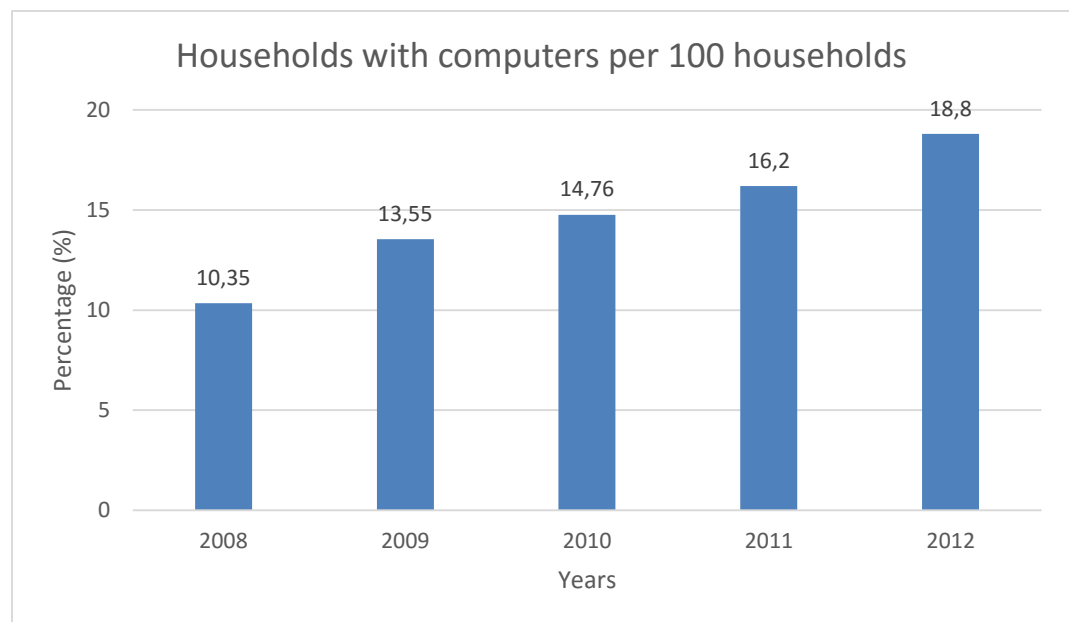


FIGURE 16. Households with computers per 100 households (Ministry of Information and Communications 2014)

The number of mobile phone subscribers in 2013 is 123 735 557, which is approximately 138 percent of the population (Ministry of Information and Communications 2014). The next figure shows the number of mobile phone subscribers per 100 inhabitants from 2009 to 2013:

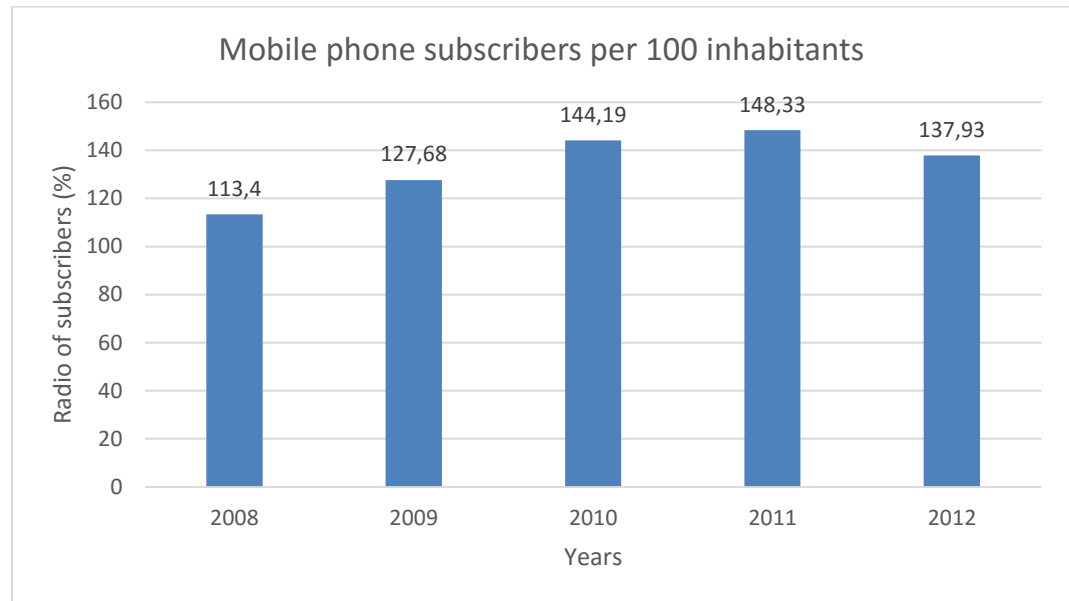


FIGURE 17. Number of mobile phone subscribers per 100 inhabitants (Ministry of Information and Communications 2014)

A number of 33 191 166 people meaning around 37 percent of the population is connected to the internet in 2013 (Ministry of Information and Communications 2014). Vietnam is ranked 18th in the world for the number of internet users and 20 percent of the total internet users have already made purchases online (VECITA 2014). The number of internet users per 100 inhabitants from 2009 to 2013 is displayed in the following figure:

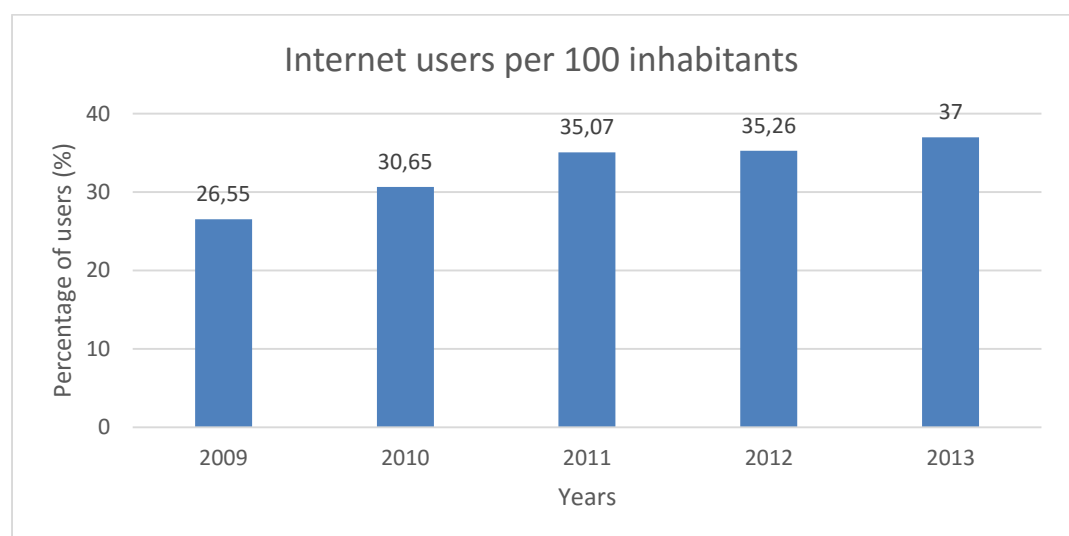


FIGURE 18. Internet users per 100 inhabitants (Ministry of Information and Communications 2014)

The government has approved many plans and projects that support information technology and telecommunications in Vietnam in recent years such as:

- Prime Minister's decision on 'Approving the strategy on Vietnam information and communication technology development till 2010 and orientations toward 2020' (No. 246/2005/QĐ-TTg, published on 6, October 2005) (Legal Normative Documents 2005).
- Prime Minister's decision on 'Approving the scheme to early make Vietnam a country strong in information and communication technologies' (Decision No. 1755/QĐ-TTg, published on 22, September 2010) (Legal Normative Documents 2010)
- Project 'Improvement of computer usage and public Internet access ability in Vietnam' launched on 26, December 2011 in Hanoi (Ministry of Information and Communications 2011)

The information technology in Vietnam is developing rapidly and is actively supported by the government. However, it is still at its early stage. (Costello et al. 2010.) The percentage of population connected to the internet is still relatively low. The number of people who already made transactions online stands at 20 percent (VECITA 2014) meaning a large number of internet users are not quite familiar with purchasing products or services online. These factors could become a disadvantage for companies in the sharing economy, which is heavily technology-based.

### 3.2.5 Environmental factors

Hanoi is the most polluted city in Vietnam and is among the most polluted cities in Southeast Asia due to high population density and excessive transportation (New America Media 2012). Pollution remains an unsolved problem for both citizens and the government. However, people in Vietnam are more and more aware of the surrounding environment (Pham & Rambo 2003). The most recent viral event regarding environmental awareness was the peaceful demonstration both off- and on-line against Hanoi's authority's decision to cut down 6700 old trees to replant with a new kind without consulting its citizens (RFA 2015).

Nevertheless, according to the author's observation, despite the growing awareness of people on such visible environmental issues, most do not acknowledge how important the surrounding environment is in their everyday activities. So most likely, people will not pay attention to the environmental benefits that the sharing economy would bring.

Natural disasters rarely hit most parts of Vietnam. Cities along the coastline located in the middle part of the country, on the contrary, are constantly ruined by storms and floods.

### 3.2.6 Legal factors

The general legal environment in Vietnam is regarded by investors as complicated. Investors report that the Vietnamese legal framework is 'severely deficient in transparency, consistency and dependability'. Unpredictable and unstable legal environment is the top concern for both local and foreign investors in Vietnam. (The World Bank and PPIA 2000.)

Currently, in Vietnam there is not yet any law or regulation regarding the sharing economy. Tax obligations of companies as well as security and safety of customers in the sharing economy remain a challenge. (Online Newspaper of the Government 2014.)

### 3.3 The sharing economy in Vietnam

The sharing economy concept is almost unknown in Vietnam. However, since tech giant Uber entered the market around July, 2014, it has immediately gained attention (Alan 2014). That said, Uber is not the only one in the market. There are already several accommodation listings on Airbnb (2015d) and TravelMob (2015), tour and activity proposals for travellers on I Like Local (2015a), WithLocals (2015a) and Triip.me (s2015a). Nevertheless, according to the author's observation during her time in Vietnam, in the mind of the Vietnamese consumers, the big picture hasn't been drawn. People might know about Uber and Airbnb but have little idea of what the sharing economy is.

The seemingly most popular player in the market is Uber, who has constantly made headlines in the past few months. The Vietnamese consumers seem to welcome the idea of sharing rides due to lower price and fast connection to the drivers. On the other hand, Uber has gathered itself a huge dissatisfied anger from the taxi industry as well as legal pressure from the government as they accuse Uber of not paying taxes and therefore, being illegal in Vietnam. (Phan 2014.) The government claims that Uber is only allowed if they cooperate with officially registered transportation companies (Phan 2015). On the 3 October, 2014, the taxi association of Ho Chi Minh City submitted a petition to the National Assembly demanding the tax obligations, legal and competitive status of Uber to be examined (Ta 2014).

Other companies currently having a share in the Vietnamese market are mostly involved in tourism business such as I Like Local (2015b), Triip.me (2015b) and WithLocals (2015b), which are quite similar in concept. These platforms allow locals to share their daily activities, meals and even self-operating small tours with travellers. Airbnb (2015d) and TravelMob (2015) also have various accommodation listings from many cities around Vietnam. However, such activities, in general, are still happening in a small scale.

## 4 INTRODUCTION TO CASE COMPANY – I LIKE LOCAL

This chapter gives an introduction to the case company – I Like Local, its products and services, vision and mission, its current markets and overall situation as well as its founder and team. Information in this chapter is taken directly from the company’s website and the in-depth interviews with the founder and CEO of the company – Sanne Meijboom.

### 4.1 Company overview

The company’s official name is I Like Local. It was founded in 2013 by Sanne Meijboom. I Like Local is based in Hongkong and operates in developing Asia. The company operates in tourism industry and can be most closely described as tour operators but its concept distinguishes itself from such companies. (I Like Local 2015c.) I Like Local’s official website can be found at [www.i-likelocal.com](http://www.i-likelocal.com). Below is I Like Local’s homepage:

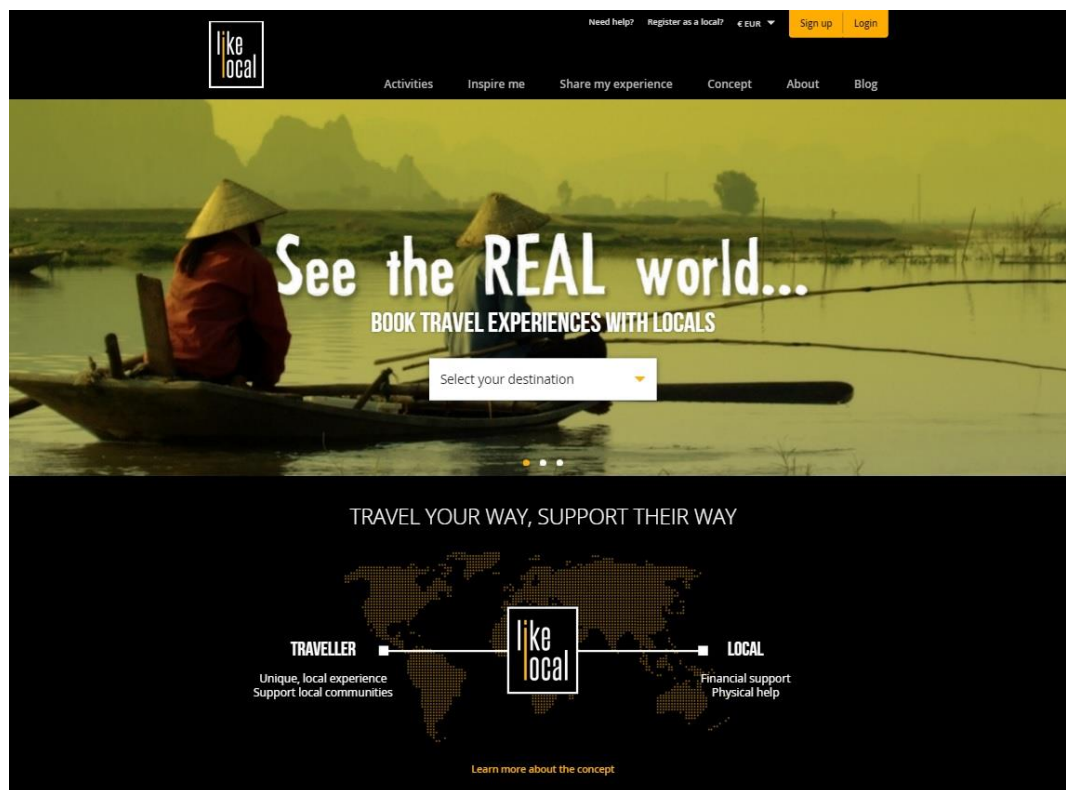


FIGURE 19. I Like Local’s homepage (I Like Local 2015d)

#### 4.1.1 Concept and product

I Like Local, as claimed by themselves, ‘focuses on offering unique, local activities organized by local people in developing countries’ (I Like Local). The company acts as an intermediate for locals and travelers to meet up. To be more specific, I Like Local is an online platform which allows locals to offer to share their local activities, meals or self-operating tours with travelers for a fee. Both locals and travelers can access the platform with simple registrations. Locals with their offers will be checked by the company to see whether they fit their principles and policy. (I Like Local 2015b.)

Figure 20 presents the concept of I Like Local:



FIGURE 20. I Like Local’s concept (I Like Local 2015d)

Currently, I Like Local is offering the six different types of activity, namely, homestay, farmstay, treks and tours, volunteering, food experience and art and culture activities.

Homestays - this type of activity allows travelers to spend their time with local families in their own homes. Homestays provide travelers with authentic experience and in-depth views to locals’ lives and daily activities. As described by I Like Local itself, it is ‘A home away from home’. (I Like Local 2015b.)

Farmstay activities enable travelers to experience an original farm life of local farmers. Travelers stay with locals on their farms, learn and participate in traditional farming activities as well as enjoy local homemade meals. (I Like Local 2015b.)

You can join the farmer family in their day-to-day activities like preparing the land, sowing the seeds, picking fruits or vegetables, harvest other crops or learn to cook their traditional food. (I Like Local 2015e.)

Treks and tours offer travelers the chance to see ‘a place through the eyes of a local’. Locals act as tourguides and take the opportunities to reveal stories and the hidden charms of the places to travelers. This activity brings travelers a unique way to get to know the place from a different point of view and discover the secrets underneath that they might miss out. (I Like Local 2015b.)

Volunteering activities offer travelers the chance to give out a hand to the local community. I Like Local connects people who would like to have a meaningful volunteering experience but do not meet the requirements of the volunteering organizations with the local community that needs their help. (I Like Local 2015b.)

Food experience - this type of activity aims to provide travelers with ‘gastronomic adventures’. Travelers can dine with locals in their own homes, attend cooking classes or go on a food tour with locals to their favourite restaurants. (I Like Local 2015b.)

Activities involving art and culture include ‘join[ing] for a handicraft workshop like painting, dyeing, weaving, woodcarving or simply join on a walk along the historical buildings and monuments of a city or place’. (I Like Local 2015f). Art and culture activities are suitable for travelers who are interested in getting to know the place in a deeper sense by discovering its art, history and architecture. (I Like Local 2015f)

Figure 21 displays the browsing page of some available activities on I Like Local’s website:



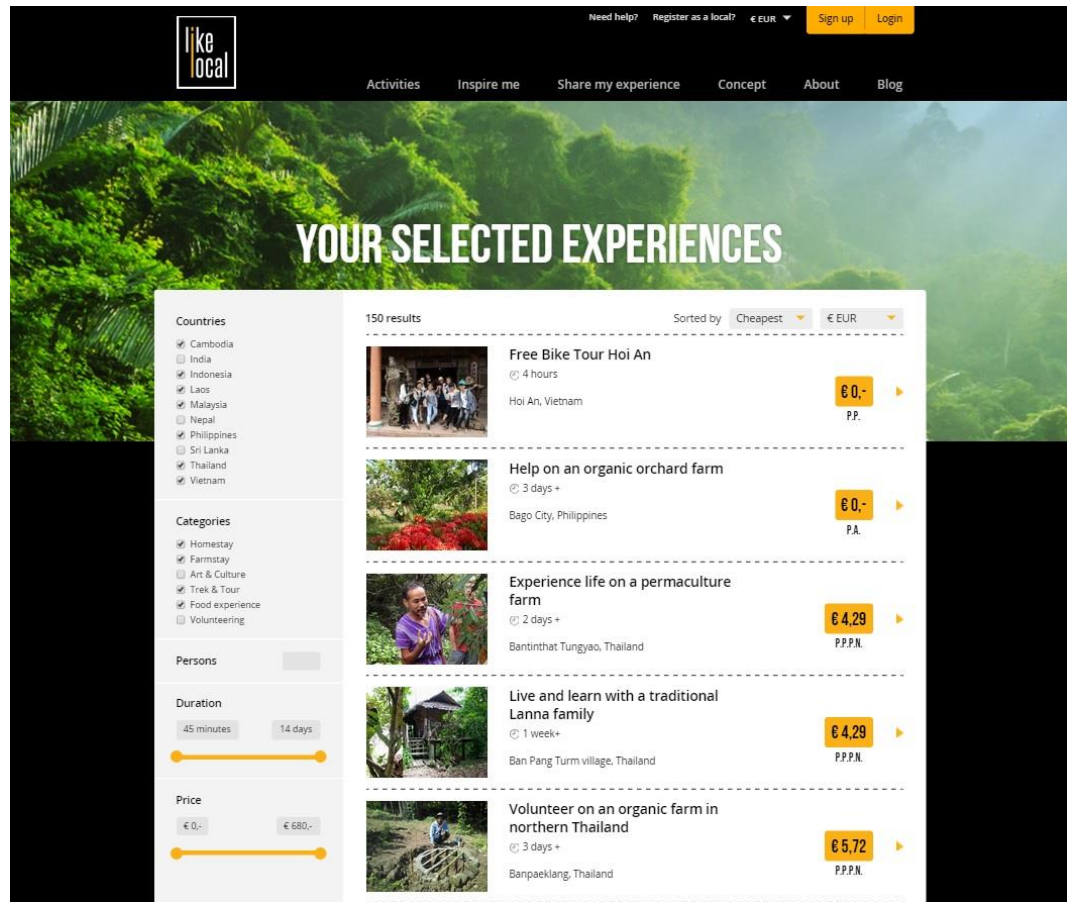


FIGURE 21. I Like Local's browsing page (I Like Local 2015g)

#### 4.1.2 Vision and principles

I Like Local's slogan is 'Travel your way, support their way', which means the company's focus is not solely on making profits but it's also keen on bringing benefits to the locals themselves (I Like Local 2015b). The company claims on their website that:

100% of the money asked by the locals for their activities is directly paid to them; I Like Local doesn't charge them anything. Besides this I Like Local is looking for more ways than just financially support them. (I Like Local 2015c.)

I Like Local defines three main principles for itself, which are connect, engage and empower (I Like Local 2015b):

- Connect: I Like Local aims to connect international travelers with locals in person, meaning the company attempts to connect them as privately as possible and not through any organizations. (I Like Local 2015b)
- Engage: I Like Local strives to engage its travelers in a local environment and culture by enabling them to ‘eat where the locals eat, learn how the locals cook or take the trails the locals take.’ (I Like Local 2015b)
- Empower: like mentioned before, I Like Local seeks to support the local community by benefiting them directly from their daily activities. (I Like Local 2015b)

#### 4.1.3 The team

I Like Local is a micro-sized company by European standards. It is a start-up based in Hongkong with a current total of seven employees including both trainees and interns. (I Like Local 2015c)

The founder of the company is Sanne Meijboom, a Dutch travelling enthusiast. The idea of a sharing travelling experience platform arose when she was working as a business consultant. (I Like Local 2015c.) Meijboom says:

In a world led by money and short-term vision, I never truly felt I was working on anything valuable. I quit my job and moved to Brazil. There I found a chance to combine my passion for other countries and cultures with my belief in the principles of The Sharing Economy: combining strengths, collaborating and sharing to create more value for more people worldwide. (I Like Local 2015c.)

I Like Local was born after she had talked to many travelers about why they traveled and what memories they remembered the most. She discovered that the moments that were spent together with locals, be it a trip, a party or simply a small dinner, were the moments that truly stayed. With I Like Local, Meijboom wants to bring simple and sustainable values for both travelers and the local community itself. (I Like Local 2015c.)

## 4.2 Current situation

I Like Local is offering, at the moment, six types of activities as mentioned in the previous part. Treks and tours are the most popular activity with more than 150 offers. The company is operating in developing Asia, including ten markets: Cambodia, India, Indonesia, Laos, Malaysia, Nepal, the Philippines, Sri Lanka, Thailand and Vietnam with India being the most active market. The country currently has approximately 60 activities available. (I Like Local 2015g.) Meijboom says they are planning an expansion to developing Africa and South America in the future.

In Vietnam, there are activities mostly in the northern and the middle part of the country. There are currently around 35 available offers, most of which are from the capital Hanoi and Hoi An old town. Treks and tours are also the most active category in the Vietnamese market with about 25 activities. There are, at the moment, no offers in farmstay and volunteering categories. (I Like Local 2015g.)

According to Meijboom, in Vietnam, I Like Local is mainly working with NGOs and small travel agencies rather than individuals. The NGOs and travel agencies help to organize the activities and connect them with locals since it is rather hard to find individuals who can speak sufficient English and handle the activities well, says Meijboom. The company is working to find more individuals and extend the variety of activities in Vietnam, for instant, getting more activities in farmstay and volunteering categories.

## 5 CASE COMPANY'S ANALYSIS

This chapter will analyse both internal and external factors that are affecting the case company by using SWOT analysis method. All information in this chapter is collected through an in-depth interview with the founder and also the CEO of the company – Sanne Meijboom.

The figure below presents the general analysis of strengths and weaknesses as well as opportunities and threats of the case company:



FIGURE 22. SWOT analysis of I Like Local

### Strengths

I Like Local has a clear focus for itself that is to support the local community. While profits is the top priority for many of its competitors, for I Like Local, it is not the only concern. The company wants to make sure that the local community

can benefit directly from the activities that they offer. Meijboom says that they can become quite picky when it comes to choosing partners to work with, for example the NGOs and travel agencies, because they wish to ensure that a relatively good share of what these organizations earn from the activities will come directly to the locals themselves. In addition, while I Like Local concentrates on bringing advantage to the local community, its competitors mostly focus on the travelers as well as earning profits, thus making them more commercial.

Another thing to mention is that in the peer-to-peer market, everyone can make an offer of something with just some simple clicks. Most companies do not require their users to go through any complicated process, therefore the quality cannot be guaranteed. This is what I Like Local tries to avoid. With I Like Local, when a user wants to offer an activity, they will first have to make a proposal to the company and after the assessment, if the activity is suitable, it will then be approved and published on the website. 'We have an extra selection criteria for it' says Meijboom. In this way, I Like Local is able to evaluate each activity as well as control and guarantee the quality of the service.

I Like Local is only focusing on countries that they can actually create value, which is currently developing Asia and in the future Africa as well as Middle and South America. Therefore, they will not attempt to expand their business to Europe or North America. This distinguishes the company from its competitors and makes it more concentrated.

Last but not least, while I Like Local offers a wide range of activities including homestays, farmstays, tours, volunteering, cultural activities and food experience, most of its competitors only provide a certain type of activities, for instance accommodations or homestays, food experience or local tours. This makes I Like Local a complete package of local experience.

#### Weaknesses

Since I Like Local is a startup, one of its main weaknesses is financial resources. The company's budget is not big enough to make investments. Sanne Meijboom

says one of the investments she is looking forwards to making in the Vietnamese market is to hire people on spot to look for more offers from local individuals. This is a more efficient way to have more activities than to search for them online, which is rather difficult and time-consuming.

‘A good team is something missing currently’, says Meijboom. Although she believes that the company has some good interns and trainees, however, it is not the same working with experienced people that dedicate themselves to the company full-time. She describes it as a chicken and the egg story. ‘To build up such a team you need money and for that we need investment. In order to get investment you need to have a proven concept for which you need manpower to create...’, says Meijboom.

### Opportunities

As mentioned above, the NGOs and small travel agencies act as coordinators that can offer the company a lot of things. Working with these organizations is one good opportunity for I Like Local in terms of being connected to locals and finding activities in Vietnam. Other than this, Meijboom has not found any other opportunities in the Vietnamese market that are supporting the company’s business.

### Threats

So far it has been difficult for I Like Local to find local individuals that can directly offer activities on the websites. As mentioned before, the company works mostly with NGOs and small travel agencies who help them to look for these individuals. Locals usually do not have sufficient language skills that allow them to efficiently communicate with foreign travelers and are inexperienced in organizing and performing the activities. Sanne Meijboom gives an example of Thailand. The market is active and quite ahead in comparison with Vietnam. In Thailand, there are already an organized network of many tourism projects and organisations that are training villagers and raising local people’s awareness of this type of service and demand. ‘That’s what I don’t see in Vietnam yet’, says Sanne Meijboom. She points out that the Vietnamese market is still uninformed of

such opportunities and is not ready to respond to the demands yet. Such unawareness also causes the lack of some types of activity like farmstay or volunteering as already mentioned.

Sanne Meijboom also mentions that the level of technology could also be another barrier as most peer-to-peer companies are heavily technology-based. She says local individual might face some technological problems regarding internet or mobile phone connection. However, since the companies do not work with individuals that much but rather organisations who have sufficient technological skills and infrastructure, they have not encountered this type of problem.

Legal issues could also be another threats for the I Like Local in the future or any peer-to-peer companies. They might encounter problems with legislations regarding taxes since they are based overseas and the local individuals participate in the service do not have to pay taxes. Nevertheless, such activities are still happening in a small scale and therefore they are not facing with any legal issues.

## 6 CUSTOMER STUDY

This chapter studies the Vietnamese customers and their awareness of and opinions on the sharing economy. The research is carried out in a quantitative manner. The author conducts a survey and afterwards thoroughly analyses the results of the survey by using different methods such as: bar charts, graphs, pie charts and Chi-square tests.

### 6.1 Data collection techniques

The survey is designed so as to tackle the main issue step by step. It contains 21 questions, including one optional question. The survey is divided into three parts which are presented below:

Part 1: General information (question number 1-5)

Part 2: Level of technological skills and knowledge (question number 6-11)

Part 3: Awareness and opinions on the sharing economy (question number 12 -21)

So as to keep the the survey going, a decription of the sharing economy concept is provided in part three, question 14 in order to equip the respondents with sufficient knowledge on the subject. The scope of this survey is limited to the biggest, the most dynamic and potential market in Vietnam where the resources are decreasing, thus creating opportunities for the sharing economy; i.e Ho Chi Minh City. The survey does not restrict to any educational level, age or income in order to maintain its objectiveness.

The online survey was sent to respondents via E-mails and selected groups and community on social media. Online respondents were also encouraged to forwards the survey to the people they know that fit in the criteria of the survey. Due to the time constraint and distance, the author asked her friends and family living in Ho Chi Minh City to print out the survey and hand out to people around the city. By these methods, the number of invalid reponses due to irrelevant place of residence will be minimized.



The number of responses collected online are 163 and the number gathered on spot by the help of the author's family and close friends are 53. The total number of responses are 245; 12 unfinished responses and 27 cases of unmatching residence location was filtered out, leaving the survey with a number of valid responses of 206.

## 6.2 Data analysis procedures

For convenience, part of the survey will be analysed directly on the website that the author uses to conduct the survey – Surveymoz using its own tools. For more in-dept analysis of the survey results, SPSS software is also utilized.

### 6.2.1 Information on the survey sample

The first part of the survey consists of five questions regarding age, gender, current place of residence, whether the respondents are working at the moment and how much they earn monthly. The figures below show the results collected in the first part of the survey. The figure of current residence is not displayed here as the question only provides yes and no answers to whether they live in the the city or not and author the has filtered out all the responses with irrelevant place of residence.

When it comes to questions about age, 2 people refused to answer. Figure 23 shows the percentage of the rest respondents' age group. A large number of respondents falls into the age range from 18 to 25, i.e 50,98 percent (n=104), followed by 23,76 percent (n=49) of people aged from 26 to 35. This number somehow represents the young population of Vietnam, particularly Ho Chi Minh City. There are more female respondents than male, which are 51,94 percent and 47,47 percent respectively; one respondent is of another gender.

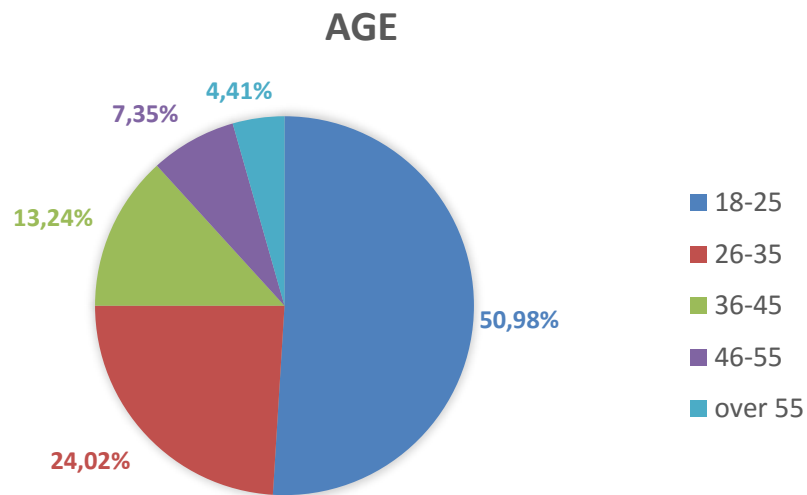


FIGURE 23. Distribution of respondents' age

The next question concerns the respondents' employment status. 73,9 percent (n=145) of respondents are employed compared to 29,61 percent (n=61) that is not currently working. People who are not working at the moment are asked to skip the next question that involved monthly income. Figure 24 presents the distribution of respondents' monthly income

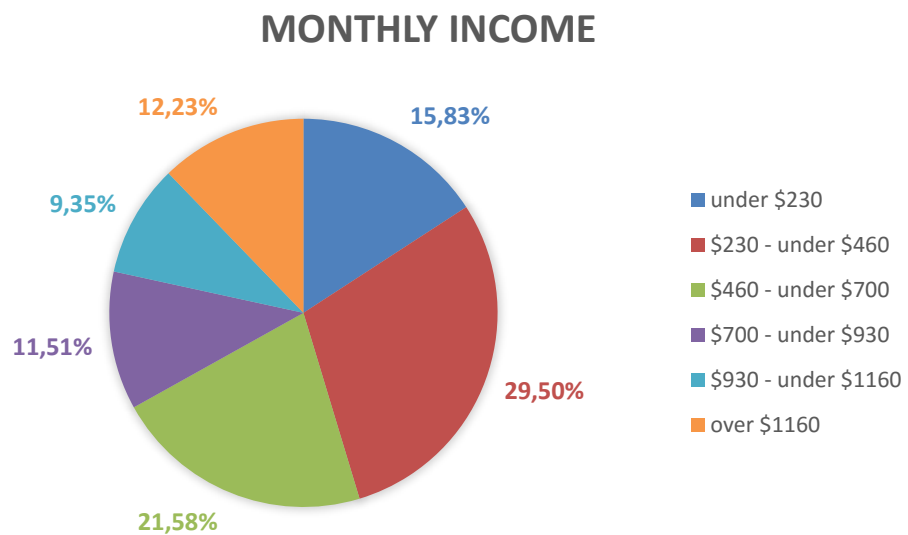


FIGURE 24. Distribution of respondents' monthly income

When it comes to question about monthly income, 6 people refused to answer. As a result, the total responses for this question is 139. The currency was shown in

VND and then converted to USD. The majority of respondents have a monthly income of 230 USD to under 460 USD, i.e 29,50 percent (n=41), followed by 21,58 percent of respondents (n=30) who earn from 460 USD to under 600 USD per month. There are 12,23 percent (n=17) who earn more than 1160 USD monthly.

### 6.2.2 Level of technological skills and knowledge

This section of the survey aims to discover the factors related to technology and usage of online service. The first two questions of the second parts explore whether the respondents are owning or used to own any device that can connect to the internet and how well they can manage them. The result of the first question reports that 95,15 percent of the respondents (n=196) own some kind of internet-capable devices. Respondents who do not possess such devices (n=10) are asked to skip the next question regarding their level of comfort in utilizing these devices. Below is the figure 25 that shows the result of the question mentioned in earlier statement:

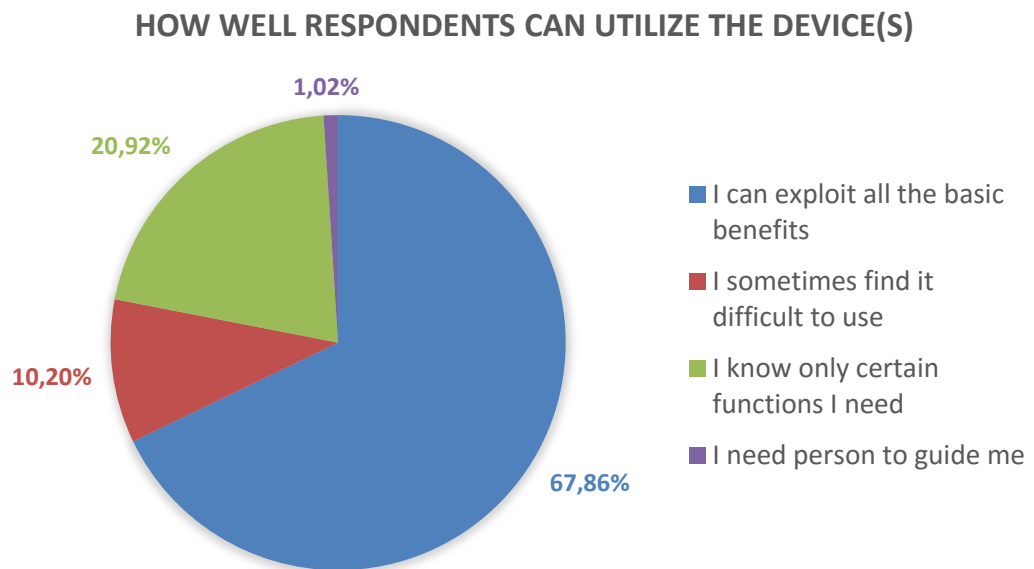


FIGURE 25. Distribution of respondents' level of comfort in utilizing internet-capable devices

The total responses for this question is 196. While 67,86 percent (n=133) of the respondents who possess at least one internet-capable devices are at ease using these devices, a large number of people, i.e 32,14 percent (n=63) are still having difficulty in exploiting all the basic benefits such as support for work and study, reading online newspapers, entertainment, social media, mobile applications, etc. that they offer. As large as 20,92 percent (n=41) of the total respondents only know some specific functions that they need and especially, 1,02 percent (n=2) that still needs a person to guide them to use the devices they own.

The next four questions aim to discover the respondents' interaction with the online market, their satisfaction level of these experiences and their preferences on methods of payment.

The first of the four questions explores whether the respondents have already purchased goods or services through the internet and how often. There is a large number of respondents who have purchased goods or services online, i.e 52,43 (n=108) percent with 17,48 (n=36) percent who have done it many times. Compared to 20 percent – the percentage of the total country's population who have shopped online (VECITA 2014), this is a remarkably high figure. People who have not done so are asked to skip all the rest of questions, i.e the next three questions in this part. As a result, for the next three part, the total number of respondents mentioned is 108.

When asked about the level of satisfaction of those experiences, two persons were not able to provide an answer. 58,32 percent (n=63) of the respondents who have purchased goods or services online say that they are neither satisfied of dissatisfied of the experiences. None of the respondents state that they are extremely dissatisfied. The same figure of 5,56 percent (n=6) was recorded for both 'somewhat dissatisfied' and 'extremely satisfied' answers. Figure 26 presents the level of satisfaction of the respondents after experiencing purchasing goods and services online:

### LEVEL OF SATISFACTION FROM PURCHASING GOODS AND SERVICES ONLINE

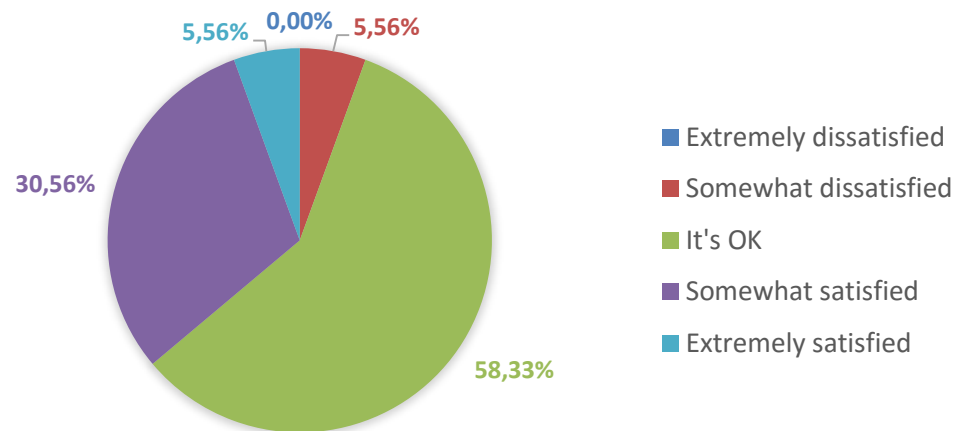


FIGURE 26. Distribution of level of respondents' satisfaction of purchasing goods and services online

The next two figures show the types of payment that the respondents have used to pay for the good or services and their preferences on these payment methods. In Vietnam, according to the author's knowledge, it is common to purchase goods for services online and pay for them in cash on arrival. Usually, the companies have their own delivery system or hire delivery men from elsewhere and the amount of money is paid directly to the delivery men.

### TYPES OF PAYMENT METHODS USED

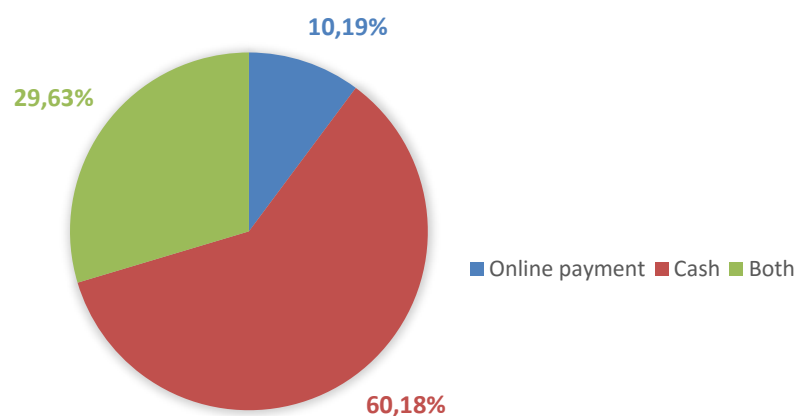


FIGURE 27. Distribution of types of payment methods used

As can be seen from figure 27, more than half of the respondents say that they used only cash to pay for the goods or service that they purchased, i.e 60,19 percent (n=65), 10,19 percent (n=11) say they only used online payment for their purchases while 29,63 percent (n=32) of respondents have experienced both forms of payment.

### PREFERENCE ON TYPES OF PAYMENT METHODS

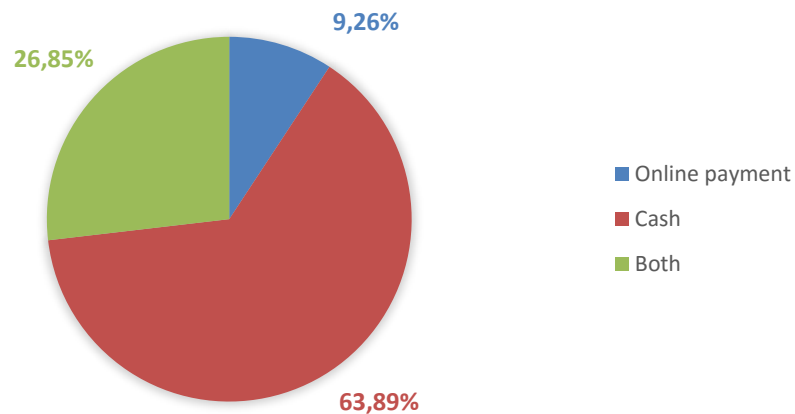


FIGURE 28. Distribution of respondents' preferences on type of payment me

Concerning the respondents' preferences of payment methods, only 9,26 percent (n=10) says they prefer to use online payment while as much as 63,89 percent (n=69) says they like to pay in cash on delivery as shown in figure 28. The rest 26,85 claims (n=29) they are at ease using both types of payment.

#### 6.2.3 Awareness and opinions on the sharing economy

This is the last part of the survey, it aims to discover the respondents' awareness of the sharing economy, while providing those who are not familiar with the concept with a general description of the sharing economy. This part was also designed to explore the respondents' interest in participating in this market and collect their opinions on why they are and are not interested.

### AWARENESS OF COMPANIES IN THE SHARING ECONOMY

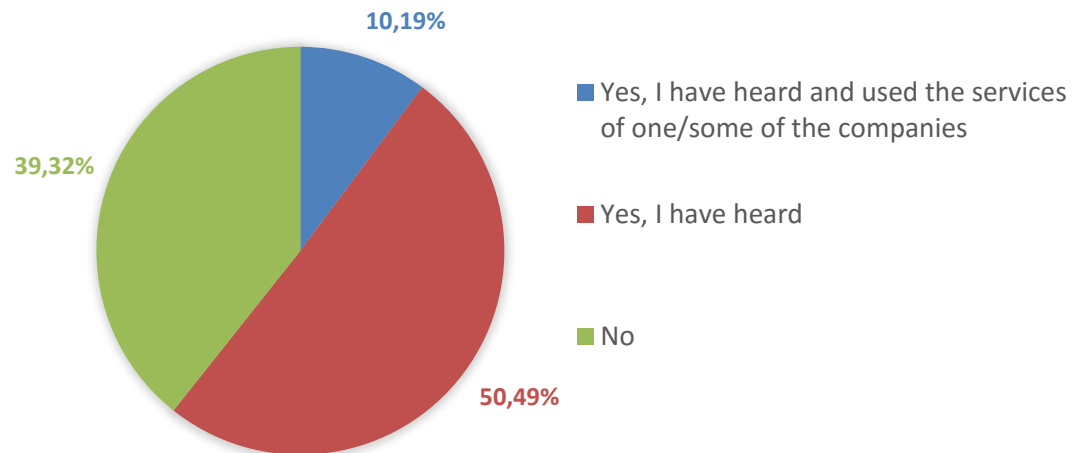


FIGURE 29. Level of respondents' awareness of companies in the sharing economy

Figure 29 above shows how well the respondents are aware of some of the common names, i.e Airbnb, Uber, WithLocals, Zaarly, TravelMob, I Like Local, Triip.me, TaskRabbit, RelayRides, Bla Bla Car, Lyft in the sharing economy market. According to the bar chart, more than half of the respondents, i.e 51,46 (n=106) percent have heard about one or some of the names and 8,74 (n=18) percent have used the services offered by these companies. However, there is still quite a large number of respondents, i.e 39,81 percent (n=82) who are unaware of all the names mentioned above. A total of 89,81 have never tried out the services of any of the company named.

Respondents who have used to the sevices that one or some of those companies offer are then asked to continue, while the rest are asked to skip the next question. Consequently, the population for the next question concerning the level of satisfaction of their experiences are 18.

### LEVEL OF SATISFACTION FROM USING SERVICES OF COMPANIES IN THE SHARING ECONOMY

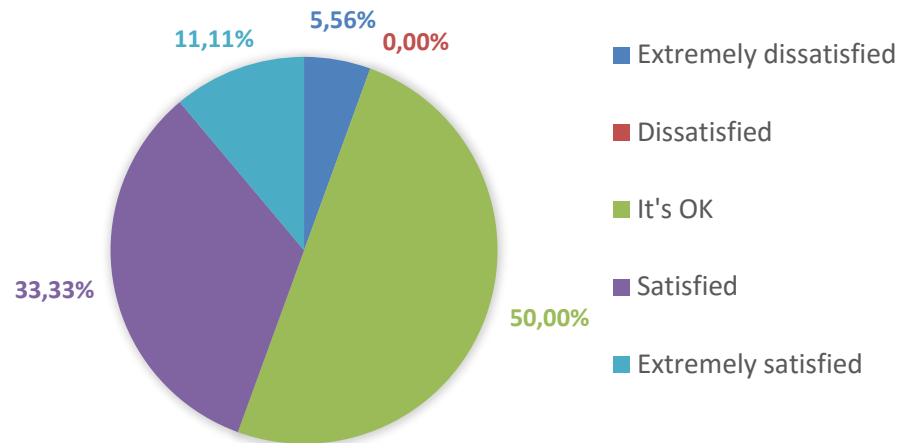


FIGURE 30. Level of satisfaction from using services of companies in the sharing economy

As can be seen from the figure above, half of the the respondents (n=9) are neither dissatisfied or satisfied with the experience, followed by 33,33 percent stating that they are satisfied, which is also a high figure. None of the resspodents say they are dissatisfied but one claims that he or she is emtremely dissatisfied with the experience (5,56 percent).

The respondents are then asked whether they have ever heard about or know the term 'sharing economy'. The statistical result shows 80,01 (n=165) percent saying that they have never come across this concept, while only 7,28 (n=15) percent knows it well. 12,62 (n=26) percent of the respondents say they have heard about this term.

The next question in this part include a short description of the sharing economy concept as to explain and better equip the respondents with sufficient knowledge to continue with the rest of the survey. The description also gives two popular examples of the sharing economy market, i.e Uber and TaskRabbit to clarify and support the theory. Respondents who know well the concept can skip the description. After describing the term, respondents are asked to choose from five



options regarding how interested they are in participating in this economic model. The statistical result is shown in figure 31:

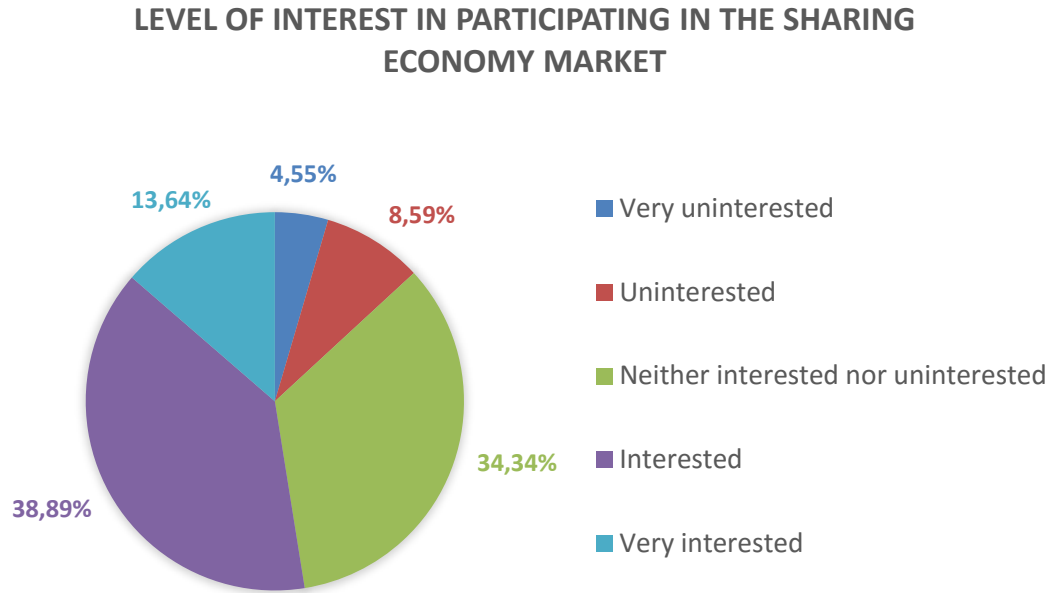


FIGURE 31. Level of interest in participating in the sharing economy market

Out of 206 respondents, 8 refused to answer, leaving the total number of respondents for this question 198. According to the bar chart above most respondents, i.e 38,89 percent (n=77) say they would like to participate in this market, followed closely by 34,34 percent (n=68) stating that they are neither interested or uninterested in trying out the services. Only 4,55 (n=9) percent of the respondents say they are very uninterested.

The author then wants to find out whether there are relationships between age and interest level in the sharing economy model and between monthly income and interest in the sharing economy model; therefore she conducted Chi-Square tests using SPSS. The results are shown below:

TABLE 3. Chi-Square Tests showing the relationship between variables Age and Level of interest in the sharing economy

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22,076 <sup>a</sup>	20	,336
Likelihood Ratio	28,458	20	,099
Linear-by-Linear Association	,059	1	,807
N of Valid Cases	204		

As can be seen from the table above, the level of significant is 0,336, much higher than 0,05. Therefore, the author concludes that there is no relationship between the age and level of interest in the sharing economy model. Figure 34 shows the level of interest for each group of age. The bar chart does not display much differences in the structure of interest level for different age groups.

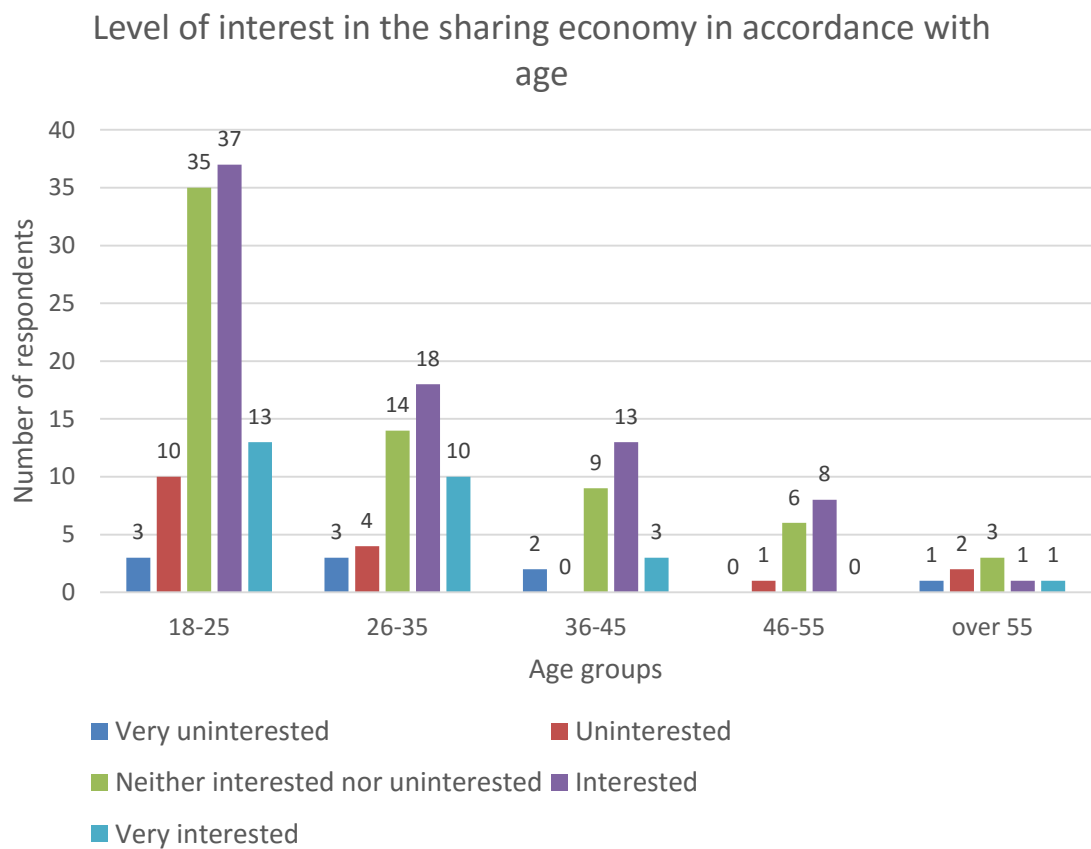


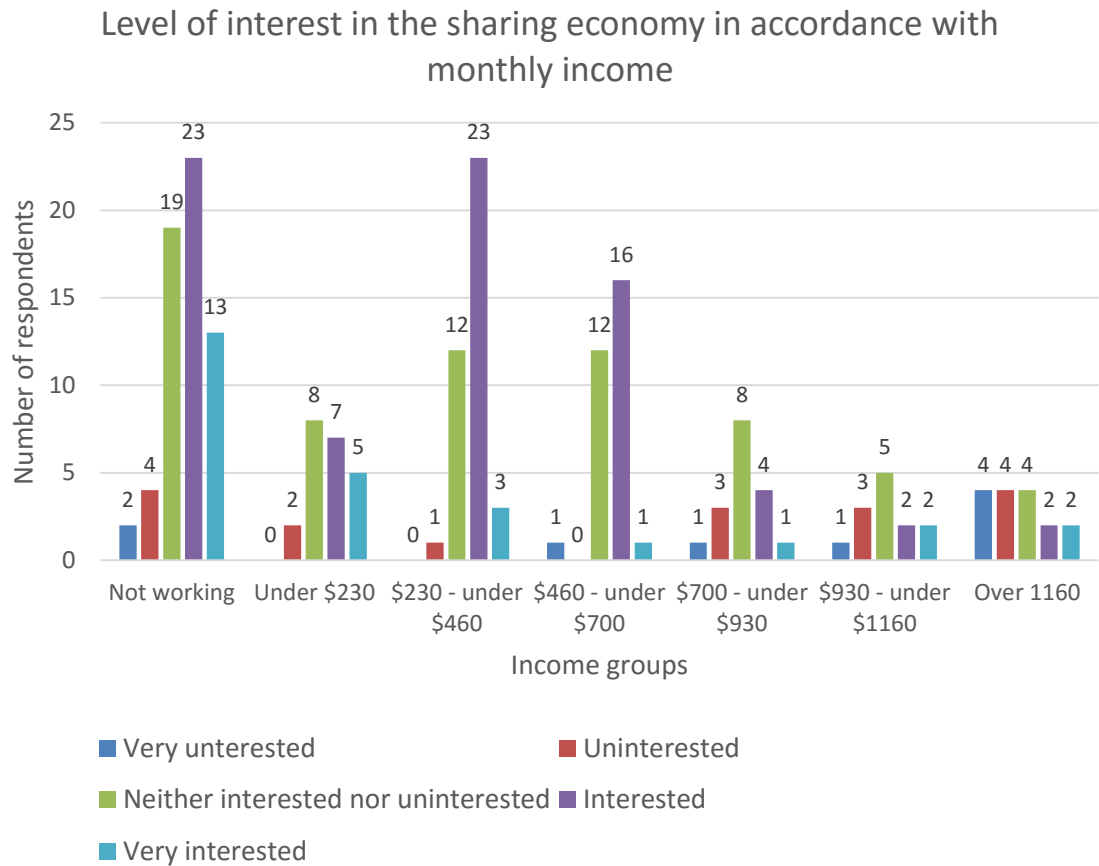
FIGURE 32. Level of interest in the sharing economy in accordance with age

Table 4 below shows the Chi-Square Tests performed to discover the relationship between respondents' monthly income and level of interest in participating in the sharing economy.

TABLE 4. Chi-Square Tests showing the relationship between variables Monthly income and Level of interest in the sharing economy

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60,319 <sup>a</sup>	30	,001
Likelihood Ratio	59,932	30	,001
Linear-by-Linear Association	7,214	1	,007
N of Valid Cases	206		

Since the level of significant is 0,001 and smaller than 0,05, the author concludes that there exists a relationship between monthly income and the level of interest shown in the sharing economy concept. The figure below shows the level of interest for each group of income.



**FIGURE 33.** Level of interest in the sharing economy in accordance with monthly income

As can be seen from the chart, respondents who are not currently working seem to be more interested in the sharing economy model than those in higher income groups. Among those who are working, respondents with monthly income from 230 USD to under 460 USD appear to be most interested.

When asked about the two characters of the sharing economy model that most appeals to them, 8 respondents refused to answer. Figure 37 below displays the results for this question:

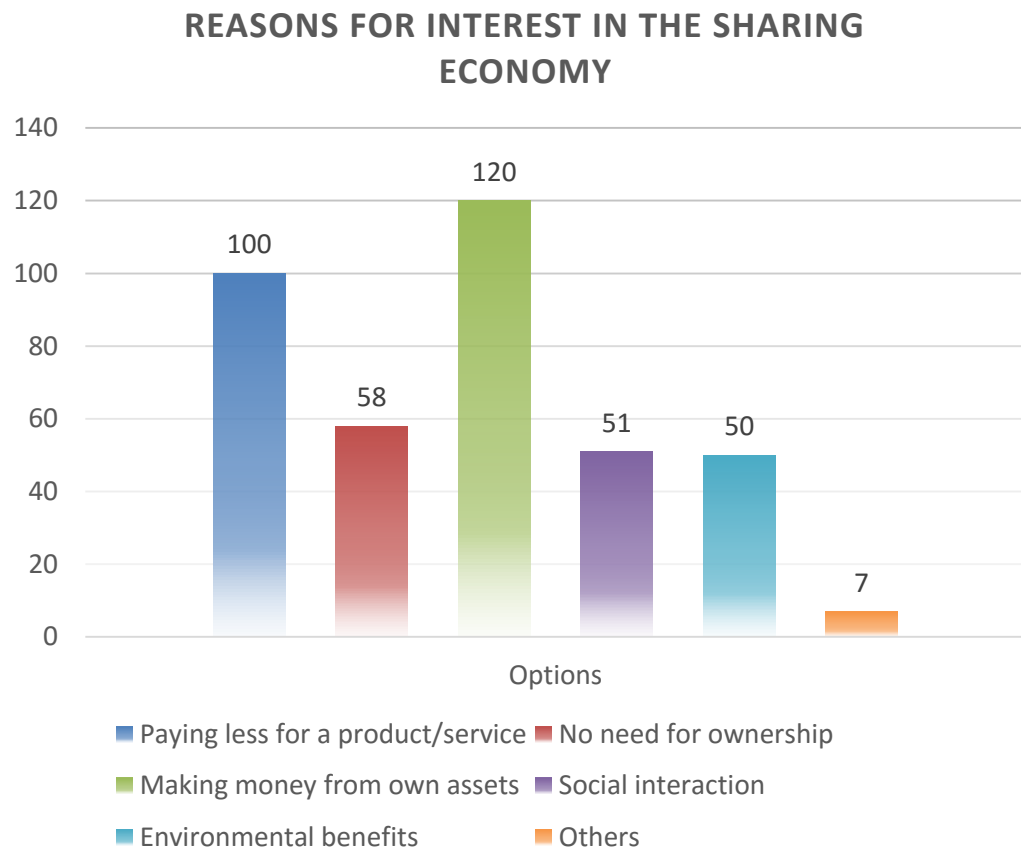


FIGURE 34. Reasons for interest in the sharing economy model

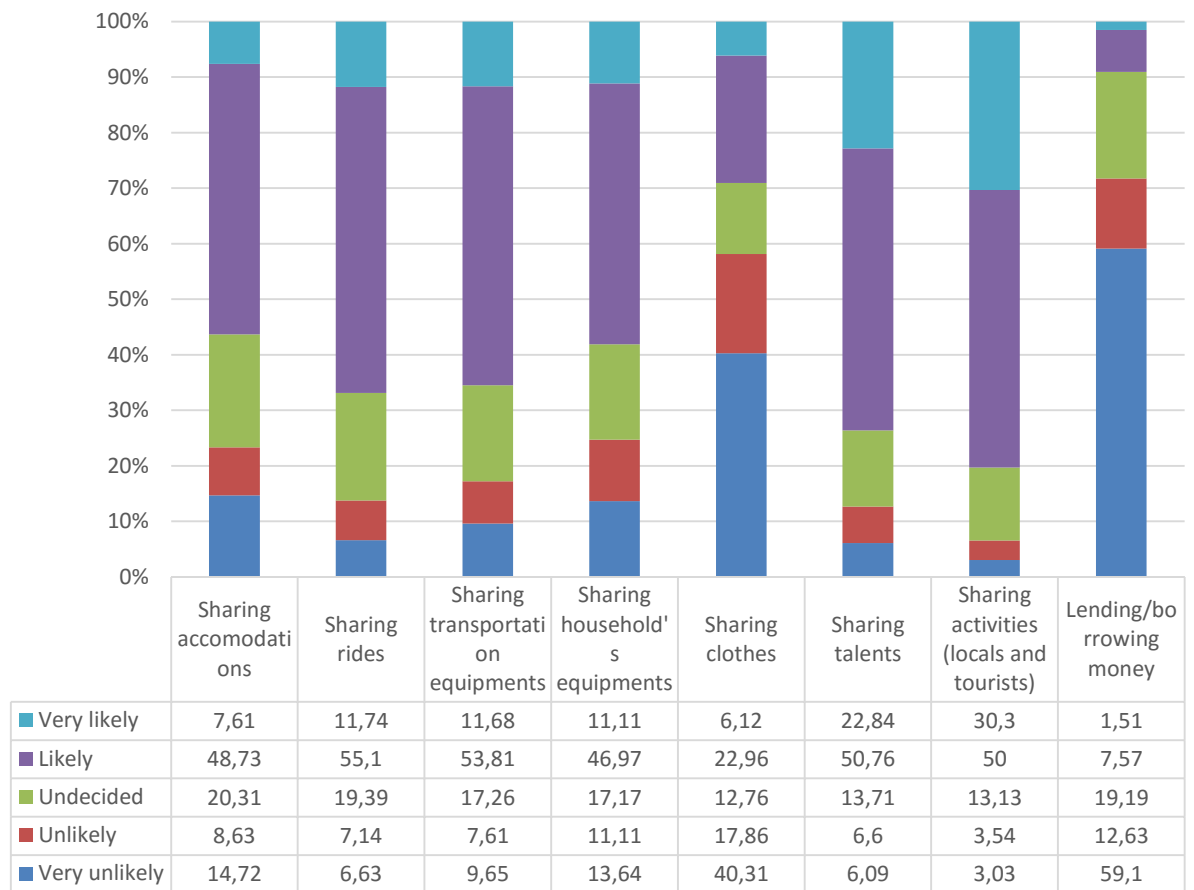
As can be seen from the graph above, the two most appealing characters of the sharing economy are ‘Making money from own assets’ (120 responses) and ‘Paying less for a product/service’ (100 responses), while ‘No need for ownership,’ ‘Social interaction’ and ‘Environmental benefits’ earn less attention but relatively on the same level at 58 responses, 51 responses and 50 responses respectively. 7 say they have other interests. These respondents are asked to shortly describe their their reasons, the author find out the most common reason is to make full use of and cut down on the idling capacity of the resources and the assets they possess.

Digging further into the topic, the next question tickles the most important principle in the sharing economy model – trust. The respondents are asked whether they would trust a stranger in their cars, in their houses or to use their things. The result reveals as little as 6,31 percent (n=13) of total respondents (n=206) say that they will. 22,82 percent (n=47) say they will definately not. Most

respondents, i.e 70,87 percent (n=146) answer that they will have to consider several things before they can decid.

After discovering the level of trust among respondents, the author lists and shortly describes the current services that are being offered by compnies in the sharing economy and requires the respondents to rate how likely they will use these services from ‘Very unlikely’ to ‘Very likely’. The following figure shows the distribution of likelihood for each service:

**Level of likelihood in using some common services offered in the sharing economy**



**FIGURE 35.** Level of likelihood in using some common services offered in the sharing economy market

The total responses for each type of service, i.e sharing accomodations, rides, transportation equipments, household’s equipments, clothes, talents, activities

between locals and travelers and lending and borrowing money online are 197, 196, 197, 198, 196, 197, 198, 198 respectively.

The results reveal that 'Likely' is the most chosen choice for services like sharing accommodations, rides, transportation equipments, household's equipments, talents and activities between locals and travelers. These services also receive a relatively equal amount of votes for 'Likely', which are 48,72 percent (n=96), 55,1 percent (n=108), 53,81 percent (n=106), 46,97 percent (n=93), 50,76 percent (n=100) and 50 percent (n=99) respectively. 'Very unlikely' is the most chosen option for sharing clothes service with 40,31 percent (n=79) of the total responses. This service also comes second in terms of votes for 'Very unlikely', only after lending and borrowing money online, which receives 59,1 percent (n=117). Only 1,51 percent (n=3) of the respondent say they are very likely to lend and borrow money through an internet platform. Service which receives the least 'Very unlikely' and also the most 'Very likely' votes is sharing activities between locals and tourists, i.e 3,03 percent (n=6) and 30,3 (n=60) percent of total responses.

When asked about whether the respondents will, all in all, choose to use service of a company in the sharing economy over a traditional company, 5 respondents did not answer which leaves the question with 201 responses. The result reveals 32,94 percent (n=66) says they will probably do so, 58,71 percent (n=118) says maybe while only 8,46 (n=17) percent of the total says no. Respondents are then asked in the next question to describe shortly the reasons for their choice. The most common reason that the author receive for 'no' answer is that they do not trust strangers and do not feel safe using these services. There is also some responses stating that they are not willing to give up their privacy and that they worry the quality of the service is not as good as those provided by other traditional companies since the owner of the assets are not trained (like Uber drivers, I Like Local locals, Airbnb hosts...). One response says that the environment in Vietnam is not suitable for such services as the laws are not always respected by its government and citizens. The most common reasons for 'Yes' answer are that these services often costs less, they can earn money from what they possess and the model brings better the economic efficiency. Many also say that the sharing

economy model is convenient, it brings win-win situation for both types of users and that they are interested in trying something new.

The last question is optional. Respondents are asked to share their opinions on the sharing economy model. Many say that the sharing economy concept is very new in Vietnam and it needs to be popularized by the players in the field if they want to penetrate the market. Trust issues also have to be covered by the sharing economy companies through insurance and guarantee or the government has to issue specific regulations regarding the protection and safety of consumers. Some state that they are concerned about many traditional companies will go illegal. 'Take Uber as an example, there is a claim going on about Uber that the company doesn't pay any taxes, which is unfair to other normal companies since they offer the same service and pay full tax. Neither does Airbnb, I know there are some 3 star hotels signing up on Airbnb offering room services as basic user, without legal documents. Basically they are tax evaders.' answers a respondent. Despite all of these worries, many respondents find the sharing concept interesting and hope this model will become popular, offering quality services in the near future.

### 6.3 Survey findings

After thoroughly analysing and studying the results of the survey, the author come to some conclusions listed below:

- Nearly 70 percent of respondents are able to exploit all the basic benefits that their internet-capable devices offer them.
- In Ho Chi Minh City, a remarkably high percentage of respondents (over 50 percent) have already shopped online compared to 20 percent of the country's total population.
- People are neither satisfied nor dissatisfied with their online shopping experience.
- Over 60 percent of respondents used and prefer to use only cash on delivery to pay for their online shopping. Online payment methods are not popular in Vietnam.



- A little more than half of the respondents say they have heard of one or some of these names Airbnb, Uber, WithLocals, Zaarly, TravelMob, I Like Local, Triip.me, TaskRabbit, RelayRides, Bla Bla Car, Lyft while nearly 40 percent are unaware of those companies and slightly more than 10 percent have already used the services offered by those companies.
- Half of the respondents who have already used the service by the sharing economy companies are neither satisfied nor dissatisfied with the experience. Nearly 35 percent of the responses say they are satisfied.
- The concept of sharing economy is almost unknown with 80 percent of respondents answer that they have never heard of the term.
- Most respondents after reading the description are interested in participating in the sharing economy model. However, there is also a large number of respondents say they are neither interested nor uninterested.
- There is no relationship between age of respondents and the level of interest for the sharing economy model.
- Respondents who are not working seem to be more interested in the sharing economy. Those who earn better appear to be less interested.
- Paying less for a product or service and making profits from own assets are the two most appealing characters of the sharing economy model.
- Very few respondents say they will trust strangers. A larger number of them still have to consider many aspects of the situation before they decide.
- Sharing activities between locals and travelers are the most favored by the respondents (slightly over 80 percent says they are likely to very likely to participate) among many other common types of service in the sharing economy. Lending and borrowing money online and sharing clothes are the least favored. Sharing accommodations, rides, transportation equipments, household equipments and talents receive the relatively same votes for likelihood.
- Most respondents still have doubts about the sharing economy. However, a large number of them say yes to the concept.
- Trust is the main problem, followed by the unwillingness to give up their privacy and the worries of quality of services.

- Beside the two most favored characters of the sharing economy, better economic efficiency is also an important reason.
- Safety, legal and tax issues concern the respondents.

## 7 CONCLUSION

This chapter concludes the findings of the thesis answers the research questions. Following are the author's own assessment for the validity and reliability of the thesis. Recommendations and suggestions for further studies and a short summary come last.

### 7.1 Findings

After thoroughly studying the subject both theoretically and empirically, the author collects the findings throughout the research and answers the research question and sub questions in this section.

TABLE 5. Thesis findings

<b>What is sharing economy?</b>	People coordinating in acquisition and distribution of a resource for a fee or compensation.
<b>What is the current conditions of the sharing economy in Vietnam?</b>	<ul style="list-style-type: none"> <li>- The term is quite unknown in Vietnam</li> <li>- Uber raises attention and controversy; Airbnb, TravelMob, I Like Local, Triip.me also have a share of the market.</li> </ul>
<b>What are the features of the Vietnamese market that would influence the adoption of the sharing economy model?</b>	<p>Findings from PESTLE analysis:</p> <ul style="list-style-type: none"> <li>- High bureaucracy and corruption rates.</li> <li>- Vietnam is a low-income country which would create opportunities for the sharing economy.</li> <li>- Still 9,8 percent of population lives in poverty.</li> <li>- Labor force is under-skilled.</li> <li>- Small customer base.</li> <li>- Vietnamese have trust issues.</li> </ul> <p>Findings from survey:</p> <ul style="list-style-type: none"> <li>- Still a considerable amount of people has troubles with exploiting technological devices</li> </ul>

	<ul style="list-style-type: none"> <li>- Cash payment preference.</li> <li>- The concept of sharing economy is quite unknown in Vietnam.</li> </ul>
<p><b>What is the case company's current situation and challenges in Vietnam?</b></p>	<ul style="list-style-type: none"> <li>- I Like Local is mostly working with NGOs and small travel agencies.</li> <li>- Difficulties: Vietnamese customers lack of language skills, experience and awareness.</li> <li>- There are not much of opportunities.</li> </ul>
<p><b>What do the Vietnamese customers think about the peer-to-peer economy model?</b></p>	<ul style="list-style-type: none"> <li>- Most are interested.</li> <li>- Lower income and not-working groups are more interested.</li> <li>- Paying less and profiting from own assets are the most appealing components of the sharing economy.</li> <li>- Trust issues is a big problem.</li> <li>- Many worry about safety and quality of services.</li> </ul>

All in all, the author finds out that **the main challenges for companies in the sharing economy in Vietnam** is the lack of a clear legal system, the unawareness and trust issues of Vietnamese consumers, the lower technological skills compared to other markets and the ease of access to and the preferences of Vietnamese for cash payment method.

## 7.2 Validity and reliability

To conduct the theoretical part of the study, the author has considerably taken information from a wide range of sources and collected the most relevant data. Furthermore, she also considers her being born and raised in Vietnam is the best way to observe and fully understand the Vietnamese consumer behaviors.

For the empirical part, both qualitative and quantitative research methods are carried out to best serve the purpose of the study. Survey is used as the data collection method for quantitative research. In quantitative research, reliability is defined as ‘the consistency of the research result’ and validity refers to ‘whether we have researched and measured the right things’ (Kananen 2011). Since the survey was carried out in Ho Chi Minh City - the biggest and the most dynamic city in Vietnam, respondents for this survey may have a slightly different mentality, behaviours and better technological skills. However, according to the author’s own observations, since Ho Chi Minh City has more than often been the first and the main market for many companies as it brings better opportunities, she assumes this will best serve the final goal of the study. The results of the survey may subject to change in the future especially the level of awareness of the respondents on the sharing economy. The age group of the survey is not diffused but rather concentrated on people age from 18 to 35. Nevertheless, the author believes this can somehow reflect the overall age structure of Vietnam or Ho Chi Minh City in particular. For qualitative research, an interview was conducted with the CEO – Sanne Meijboom of I Like Local to discover the company’s situation in Vietnam and what advantages and disadvantages that the company has been facing operating in the Vietnamese market. In qualitative research method, especially applied for interview, the level of trustworthiness will determine the data’s reliability (Golafshani 2003). Since this study is of interest for both parties, the author sees no reasons for Meijboom to lie. Therefore, she considers the data collected to be trustworthy. In terms of validity, the interview was conducted via Skype meeting, the author had the chance to immediately readdress and resolve any confusions that arose. Furthermore, the interview was also recorded for further examination by the author.

### 7.3 Recommendations and suggestions for further studies

The author is well aware that there are limitations in this study; therefore, in this section, she provides some suggestions and recommendations for further research and studies.

The first suggestion is to do more specific research on each sector of the sharing economy for example: sharing accommodations, sharing rides, sharing activities in tourism, sharing talents or sharing physical products as this study looks at the big picture rather than a specific type of service available in the sharing economy. The second suggestion is to study the influence and pressure that will be placed on the other related industries and how they would react to changes if the sharing economy model is adopted in the Vietnamese market in the future. Last but not least, the author suggests a more thorough customer study to be conducted, as mentioned earlier. The results of the survey conducted might be subjected to change in the future, especially now that the survey could have raised a fair amount of awareness from more than 200 respondents.

## 8 SUMMARY

The ultimate goal of this thesis is to figure out the main challenges that companies in the sharing economy might face when entering and operating in the Vietnamese market. The author also explains the concept of the sharing economy to provide a thorough understanding on the subject. The thesis is divided into two parts, which are theoretical and empirical studies. To best serve the purpose of the thesis, both qualitative and quantitative research methods as well as both primary and secondary data collection methods were used to gather information from available sources.

To start off the theoretical part, the author introduces the sharing economy concept, its origin, driving forces, principles and systems. An introduction to some of the biggest players in the field is also given as examples. After providing a thorough understanding of the sharing economy concept, the author continues to study the macro environment of the Vietnamese market. PESTLE analysis was used as a tool to best achieve the goal.

The data for the theoretical part was collected from books, journal articles, reports, previous studies and research, websites and the author's own experience and observation. The empirical part begins with the study of the case company – I Like Local. The author aims to discover the current situation of the company in Vietnam and what kinds of opportunity and challenge they have come across. An in-depth interview was conducted with the founder of the company via Skype. E-mails were also exchanged for more questions and answers. The author then went on to study the Vietnamese customers. A survey was carried out to collect necessary data for the research. Surveymoz data analysis service and SPSS were both used to analyse the results from the survey. The survey was designed to discover the knowledge, interest and behaviours of the Vietnamese consumers regarding the sharing economy.

To conclude this study, the author realizes that there are still many problems existing in the Vietnamese market, which will cause difficulties in the adopting of the sharing economy model. The Vietnamese market has not appeared to be ready for this new type of business. However, like it has always been, the market is

young, dynamic and welcoming to any new and innovative ideas. Therefore, the author believes even though overcoming all of the challenges that were pointed out in this study might not be easy, the future scenes should look rather rewarding for any risk-takers.



## REFERENCES

**Published references**

Belk, R. W. 1988. Possessions and the Extended Self. *Journal of Consumer Research*, Volume 15, 139-168.

Belk, R. W. 2007. Why Not Share Rather Than Own?. *The ANNALS of the American Academy of Political and Social Science*, Volume 611, 126-140.

Belk, R. W. 2013. Extended Self in a Digital World. *Journal of Consumer Research*, Volume 40, 477-500

Belk, R. W. 2014. You are what you can access: Sharing and collaborative consumption online. *Journal of Business Research*, Volume 67, 1595-1600.

Botsman, R. & Rogers, R., 2010. *What's Mine Is Yours: The Rise of Collaborative Consumption*. New York: HarperCollins Publishers.

Felson, M. & Spaeth, J. L. 1978. Community Structure and Collaborative Consumption: A routine activity approach. *American Behavioral Scientist*, 614–24.

Finley, K. 2013. *Trust in the Sharing Economy: An Exploratory Study*. Coventry: Centre for Cultural Policy Studies, The University of Warwick.

Gansky, L. 2010. *The Mesh: Why the Future of Business is Sharing*. New York: Portfolio/Penguin.

Geel, R. 2011. *Strategic Management: The Radical Revolutionary Strategic Management Matrix for Predators*. Johannesburg: Trafford Publishing.

General Statistics Office 2014. *Statistical Handbook of Vietnam*, Hanoi: Statistical Publishing House.

Golafshani N. 2003. Understanding Reliability and Validity in Qualitative Research. *University of Toronto – The Qualitative Report*, Volume 8 (4), 597-607.

Hardin, G. 1968. The tragedy of the commons. *Science*, Volume 162, 1243-1248

Hox J. J. & Boeije, H. R. 2005. Data Collection, Primary vs Secondary. Volume 1, 593-599

internet.org 2014. *State of Conectivity: 2014. A Report on Glocal Internet Access*, California: Facebook.

Kananen, J. 2011. *Rafting Through the Thesis Process: Step by Step Guide to Thesis Research*. 1st ed. Jyväskylä: JAMK University of Applied Sciences.

Kelly, B. 2014. *The Bitcoin Big Bang: How Alternative Currencies Are About to Change the World*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Ministry of Information and Communications 2014. *Vietnam Information and Communication Technology (White Book)*. Hanoi: Information and Communications Publishing House.

Nguyen, N. 2012. How English Has Displaced Russian and Other Foreign Languages in Vietnam. *International Journal of Humanities and Social Science*, Volume 2, 259-266

NIA, NIH & WHO 2011. *Global Health and Aging*, Maryland: NIH Publication.

Owyang, J. 2013. *The Collaborative Economy*, San Francisco: Altimeter Group.

Pham, T. T. V. & Rambo, A. T. 2003. Environmental Consciousness in Vietnam. *Southeast Asian Studies*, Volume 41, 76-100

Saunders, M., Lewis, P. & Thornhill, A. 2009. *Research methods for business students*. 5th ed. Essex: Pearson Education Limited.

Stephany, A. 2015. *The Business of Sharing: Making it in the New Sharing Economy*. Hampshire: Palgrave Macmillan.

The World Bank & PPIAF 2000. *Private Solutions for Infrastructure: Opportunities for Vietnam*. Washington D.C: World Bank Publications.

United Nations 2014. *World Urbanization Prospects: The 2014 Revision, Highlights*, New York: United Nations Publication.

United Nations, 2013. *World Youth Report 2013*, New York: United Nations Publication.

VECITA 2014. *Vietnam's E-commerce Report 2013*, Hanoi: Ministry of Industry and Trade.

Verick, S. 2009. *Who Is Hit Hardest during a Financial Crisis? The Vulnerability of Young Men and Women to Unemployment in an Economic Downturn*, Bonn: International Labour Organization (ILO) and IZA

Walsh B. 2011. 10 Ideas That Will Change the World. *TIME*, 17 March.

### **Electronic sources**

Airbnb 2015a. *Trust & Safety*. [Referenced 2 April 2015]. Available on Airbnb's website: <https://www.airbnb.com/trust>

Airbnb 2015b. *About Us*. [Referenced 2 April 2015]. Available on Airbnb's website: <https://www.airbnb.com/about/about-us>

Airbnb 2015c. *Locations*. [Referenced 2 April 2015]. Available on Airbnb's website: <https://www.airbnb.com/careers/locations>

Airbnb 2015d. *Site Map*. [Referenced 2 April 2015]. Available on Airbnb's website: <https://www.airbnb.com/sitemaps>

Alan 2014. *Saigon, your secret Ubers have arrived!*. [Referenced 2 April 2015]. Available on Uber blog: <http://blog.uber.com/HCMEN>

Alviani, C. 2014. *Uber Learned the Hard Way: Transparency Rules the Sharing Economy*. [Referenced 28 March 2015]. Available on Wired website: <http://www.wired.com/2014/05/uber-learned-the-hard-way-transparency-rules-the-sharing-economy/>

Barret, V. 2010. *Making Personal Loans For Fun And Profit*. [Referenced 3 April 2015]. Available on Forbes' website: <http://www.forbes.com/forbes/2010/1220/investing-lending-club-credit-cards-personal-loans-for-fun.html>

BBC 2014. *Vietnam anti-China protest: Factories burnt*. [Referenced 13 April 2015]. Available on BBC's website: <http://www.bbc.com/news/world-asia-27403851>

Botsman, R. 2010. *Rachel Botsman: The case for collaborative consumption*. [Referenced 10 March 2015]. Available on TED's website: [https://www.ted.com/talks/rachel\\_botsman\\_the\\_case\\_for\\_collaborative\\_consumption](https://www.ted.com/talks/rachel_botsman_the_case_for_collaborative_consumption)

Botsman, R. 2011. *Why do we all own a lawnmower?*. [Referenced 10 March 2015]. Available on BBC's website: [http://www.bbc.co.uk/iplayer/episode/p00gdb3r/One\\_Planet\\_Archive\\_Why\\_do\\_we\\_all\\_o](http://www.bbc.co.uk/iplayer/episode/p00gdb3r/One_Planet_Archive_Why_do_we_all_own_a_lawnmower)

Botsman, R. 2012. *Rachel Botsman: The currency of the new economy is trust*. [Referenced 10 March 2015]. Available on TED's website: [https://www.ted.com/talks/rachel\\_botsman\\_the\\_currency\\_of\\_the\\_new\\_economy\\_i](https://www.ted.com/talks/rachel_botsman_the_currency_of_the_new_economy_is_trust)

Brown, M. 2015. *Airbnb: The Growth Story You Didn't Know*. [Referenced 2 April 2015]. Available on Growth Hackers website: <https://growthhackers.com/companies/airbnb/>

CIA 2015. *The World Factbook*. [Referenced 10 April 2015]. Available on CIA's website: <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html>

Costello E. et al. 2010. *International Marketing Environment Study of Vietnam*. [Referenced 10 April 2015]. Available on Wordpress: [https://eoinccostello.files.wordpress.com/2015/01/global\\_marketing\\_and\\_competitiveness\\_assignment.pdf](https://eoinccostello.files.wordpress.com/2015/01/global_marketing_and_competitiveness_assignment.pdf)

Couchsurfing 2015. *How It Works*. [Referenced 8 March 2015]. Available on CouchSurfing's website: <http://about.couchsurfing.com/how-it-works/>

Diamandis P., 2014. *Uber vs. the Law (My Money's on Uber)*. [Referenced 2 April 2015]. Available on Forbes' website:

<http://www.forbes.com/sites/peterdiamandis/2014/09/08/uber-vs-the-law-my-moneys-on-uber/>

eMarketer 2014. *2 Billion Consumers Worldwide to Get Smart(phones) by 2016*.

[Referenced 13 March 2015]. Available on eMarketer website:

<http://www.emarketer.com/Article/2-Billion-Consumers-Worldwide-Smartphones-by-2016/1011694>

Eurostat 2015. *Unemployment rate by sex and age groups - annual average, %*.

[Referenced 27 April 2015]. Available on Eurostat website:

[http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_a&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en)

FME 2013. *PESTEL Analysis: Strategy Skills*. [Referenced 29 April 2015].

Available on Free Management eBooks website: <http://www.free-management-ebooks.com/dldebk-pdf/fme-pestle-analysis.pdf>

Forbes 2014. *America's Most Promising Companies: Lending Club*. [Referenced 13 April 2015]. Available on Forbes' website:

<http://www.forbes.com/companies/lending-club/>

Governmental Portal 2015a. *Overview on Vietnam geography*. [Referenced 9 April 2015]. Available on the Government's website:

<http://www.chinhphu.vn/portal/page/portal/English/TheSocialistRepublicOfVietnam/AboutVietnam/AboutVietnamDetail?categoryId=10000103&articleId=10000505>

Governmental Portal 2015b. *Vietnam history overview*. [Referenced 9 April 2015]. Available on the Government's website:

<http://chinhphu.vn/portal/page/portal/English/TheSocialistRepublicOfVietnam/AboutVietnam/AboutVietnamDetail?categoryId=10000103&articleId=10002650>

Green, L. 2012. *Car Sharing and Pooling: Reducing Car Over-Population and Collaborative Consumption*. [Reference 13 March 2015]. Available on Stanford

University's website: <http://energyseminar.stanford.edu/node/425>

Hamel, G. 2015a. *Reason to Use SWOT & PESTLE Analysis*. [Referenced 29 April 2015]. Available on Chron website: <http://smallbusiness.chron.com/reason-use-swot-pestle-analysis-40810.html>

Hamel, G. 2015b. *4 Elements of SWOT*. [Referenced 29 April 2015]. Available on Chron website: <http://smallbusiness.chron.com/difference-between-swot-tows-analysis-23169.html>

Henn, S. 2013. *What's Mine Is Yours (For A Price) In The Sharing Economy*. [Referenced 7 March 2015]. Available on NPR's website: <http://www.npr.org/blogs/alltechconsidered/2013/11/13/244860511/whats-mine-is-yours-for-a-price-in-the-sharing-economy>

Human Rights Watch 2014. *Vietnam*. [Referenced 11 April 2015]. Available on Human Rights Watch's website: <http://www.hrw.org/world-report/2014/country-chapters/vietnam>

I Like Local 2015a. *Vietnam*. [Referenced 16 April 2015]. Available on I Like Local's website: <https://www.i-likelocal.com/vietnam>

I Like Local 2015b. *The Concept*. [Referenced 16 April 2015]. Available on I Like Local's website: <https://www.i-likelocal.com/concept.html>

I Like Local 2015c. *About Us*. [Referenced 16 April 2015]. Available on I Like Local's website: <https://www.i-likelocal.com/about.html>

I Like Local 2015d. *Homepage*. [Referenced 16 April 2015]. Available on I Like Local's website: <https://www.i-likelocal.com/>

I Like Local 2015e. *Farmstay*. [Referenced 16 April 2015]. Available on I Like Local's website: <https://www.i-likelocal.com/farmstay>

I Like Local 2015f. *Art and Culture*. [Referenced 16 April 2015]. Available on I Like Local's website: <https://www.i-likelocal.com/art-and-culture>

I Like Local 2015g. *Activities*. [Referenced 16 April 2015]. Available on I Like Local's website: <https://www.i-likelocal.com/activities/#void>

Jain, N. 2013. *Trust, Transparency and Shared Economy*. [Referenced 11 March 2015]. Available on Forbes' website:

<http://www.forbes.com/sites/naveenjain/2013/12/03/trust-transparency-and-shared-economy/>

Jurevicius, O. 2013. *PEST & PESTEL Analysis*. [Referenced 29 April 2015].

Available on Strategic Management Insight website:

<http://www.strategicmanagementinsight.com/tools/pest-pestel-analysis.html>

Kalanik, T. 2011. *We're going Global with Big Funding*. [Referenced 12 April

2015]. Available on Uber blog: <http://blog.uber.com/2011/12/07/were-going-global-with-big-funding/>

Kerr, D. 2012. *Airbnb buys Crashpadder, its largest U.K. competitor*. [Referenced

2 April 2015]. Available on CNET's website: <http://www.cnet.com/news/airbnb-buys-crashpadder-its-largest-u-k-competitor/>

Kirsner, S. 2009. *Small start-up takes an idea and runs with it*. [Referenced 3

April 2015]. Available on Boston website:

[http://www.boston.com/business/technology/articles/2009/07/05/web\\_start\\_up\\_takes\\_entrepreneurs\\_idea\\_and\\_runs\\_with\\_it/?page=1](http://www.boston.com/business/technology/articles/2009/07/05/web_start_up_takes_entrepreneurs_idea_and_runs_with_it/?page=1)

LendingClub 2015. *About Us*. [Referenced 3 April 2015]. Available on

LendingClub's website: <https://www.lendingclub.com/public/about-us.action>

Li, Z. & McKirdy, E. 2014. *Vietnamese protesters target Chinese embassy*.

[Referenced 12 April 2015]. Available on CNN's website:

<http://edition.cnn.com/2014/05/12/world/asia/south-china-sea-drilling-duplicate-2/index.html>

Maps.com 2011. *Vietnam Political Map*. [Referenced 8 April 2015]. Available on

Maps.com: [http://www.maps.com/ref\\_map.aspx?pid=12447](http://www.maps.com/ref_map.aspx?pid=12447)

Ministry of Information and Communications 2011. *Project "Improvement of computer usage and public Internet access ability in Viet Nam" launched in*

*Hanoi*. [Referenced 12 April 2015]. Available on:

<http://english.mic.gov.vn/ICTcountry/news/Trang/Project%E2%80%9CImprovementofcomputerusageandpublicInternetaccessabilityinVietNam%E2%80%9DlaunchedinHanoi.aspx>

New America Media 2012. *Hanoi Most Polluted City in Southeast Asia, Expert Says*. [Referenced 9 April 2015]. Available on New America Media website: <http://newamericamedia.org/2012/03/hanoi-most-polluted-city-in-southeast-asia-expert-says.php>

Online Newspaper of the Government 2014. *Bộ trưởng Thăng: Sao không hợp pháp hóa Uber?*. [Referenced 14 April 2015]. Available on the Online Newspaper of the Government: <http://baodientu.chinhphu.vn/Diem-sang/Bo-truong-Thang-Sao-khong-hop-phap-hoa-Uber/214821.vgp>

PwC Analysis 2014. *The sharing economy – sizing the revenue opportunity*. [Referenced 27 April 2015]. Available on Pwc website: <http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-the-revenue-opportunity.jhtml>

Phan, H. 2015. *Thủ tướng chỉ đạo về hoạt động dịch vụ taxi Uber*. [Referenced 14 April 2015]. Available on the Online Newspaper of the Government: <http://baodientu.chinhphu.vn/Thi-truong/Thu-tuong-chi-dao-ve-hoat-dong-dich-vu-taxi-Uber/224092.vgp>

Phan, T. 2014. *Bộ GTVT: Taxi Uber là hình thức kinh doanh không lành mạnh*. [Referenced 14 April 2015]. Available on the Online Newspaper of the Government: <http://baodientu.chinhphu.vn/Thi-truong/Bo-GTVT-Taxi-Uber-la-hinh-thuc-kinh-doanh-khong-lanh-manh/214735.vgp>

Reinhart, J. 2014. *Why The Success Of 'Sharing Economy' Startups Hinges On Who Owns The Inventory*. [Referenced 26 March 2015]. Available on Business Insider website: <http://www.businessinsider.com/the-success-of-the-sharing-economy-2014-2?IR=T>

RelayRides 2015a. *Trust and Safety*. [Referenced 13 April 2015]. Available on RelayRides' website: <https://relayrides.com/trust-and-safety>



RFA 2015. *Người Hà Nội biểu tình phản đối chính quyền đốn hạ cây xanh.*

[Referenced 10 April 2015]. Available on Radio Free Asia's website:

[http://www.rfa.org/vietnamese/in\\_depth/vn-capital-u-turns-on-tree-felling-after-public-outcry-03202015085007.html](http://www.rfa.org/vietnamese/in_depth/vn-capital-u-turns-on-tree-felling-after-public-outcry-03202015085007.html)

Rosenberg, M. 2015. *Communist Countries.* [Referenced 10 April 2015]

Available on About website:

<http://geography.about.com/od/lists/tp/communistcountries.htm>

Shah, A. 2013. *Global Financial Crisis.* [Referenced 27 April 2015]. Available on

Global Issues website: <http://www.globalissues.org/article/768/global-financial-crisis>

Shata, H. 2015. *SWOT Analysis become SWOC Analysis.* [Referenced 29 April

2015]. Available on Think Marketing Magazine's website:

<http://thinkmarketingmagazine.com/index.php/swot-become-swoc/#sthash.fXq4kPME.dpbs>

Suttle, R. 2015. *Business Management SWOT Analysis.* [Referenced 29 April

2015]. Available on Chron website: <http://smallbusiness.chron.com/business-management-swot-analysis-3338.html>

Ta, H. L. 2014. *Kiến nghị Bộ Trưởng Bộ Giao thông Vận tải về phần mềm UBER.*

[Referenced 14 April 2015]. Available on Ho Chi Minh City Taxi Association's

website: <http://www.taxihochiminhcity.com/thong-bao-hiep-hoi/219/kien-nghi-bo-truong-bo-giao-thong-van-tai-ve-phan-mem-uber.html>

Taskrabbt 2014. *Taskrabbt Leaps in London: Expands to Surrounding Towns,*

*Eyes Greater Uk in 2015.* [Referenced 3 April 2015]. Available on Taskrabbt

blog: <http://blog.taskrabbt.com/2014/11/05/taskrabbt-leaps-in-london-expands-to-surrounding-towns-eyes-greater-uk-in-2015-2/>

Taskrabbt 2015a. *Trust and Safety.* [Referenced 3 April 2015]. Available on

Taskrabbt's website: <https://www.taskrabbt.com/trust-and-safety>

Taskrabbitt 2015b. *About Us*. [Referenced 3 April 2015]. Available on Taskrabbitt's website: <https://www.taskrabbitt.com/about>

The Irish Time 2013. *Airbnb to open European HQ in Dublin*. [Referenced 2 April 2015]. Available on the Irish Times' website: <http://www.irishtimes.com/business/technology/airbnb-to-open-european-hq-in-dublin-1.1526454>

The World Bank 2015a. *GDP growth (annual %)*. [Referenced 27 April 2015]. Available on the World Bank's website: <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

The World Bank 2015b. *Unemployment, total (% of total labor force) (modeled ILO estimate)*. [Reference 27 April 2015]. Available on the World Bank's website: <http://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>

The World Bank 2015c. *Inflation, GDP deflator (annual %)*. [Referenced 27 April 2015]. Available on the World Bank's website: <http://data.worldbank.org/indicator/NY.GDP.DEFL.KD.ZG>

The World Bank 2015d. *Population growth (annual %)*. [Referenced 12 April 2015]. Available on the World Bank's website: <http://data.worldbank.org/indicator/SP.POP.GROW>

Trading Economics 2015. *Vietnam Interest Rate*. [Referenced 12 April 2015]. Available on Trading Economics website: <http://www.tradingeconomics.com/vietnam/interest-rate>

Transparency International 2014. *Corruption by country: Vietnam*. [Referenced 12 April 2015]. Available on Transparency Organisation's website: <https://www.transparency.org/country/#VNM>

TravelMob 2015. *Vietnam Vacation Rentals*. [Referenced 3 April 2015]. Available on Travel Mob's website: <http://www.travelmob.com/vacation-rentals/vietnam>

Triip.me 2015a. *Ho Chi Minh*. [Referenced 3 April 2015]. Available on Triip.me's website: <https://www.triip.me/vietnam/ho-chi-minh/>

Triip.me 2015b. *About Us*. [Referenced 3 April 2015]. Available on Triip.me's website: <https://www.triip.me/about-us/>

Uber 2015a. *About Us*. [Referenced 2 April 2015]. Available on Uber's website: <https://www.uber.com/about>

Uber 2015b. *Cities*. [Referenced 2 April 2015]. Available on Uber's website: <https://www.uber.com/cities>

United Nation 2013. *World population projected to reach 9.6 billion by 2050*. [Referenced 10 April 2015]. Available on the United Nations' website: <http://www.un.org/en/development/desa/news/population/un-report-world-population-projected-to-reach-9-6-billion-by-2050.html>

Vietnam Briefing 2014. *Foreign Companies Report Labor and Skills Shortage in Vietnam*. [Referenced 13 April 2015]. Available on Vietnam Briefing website: <http://www.vietnam-briefing.com/news/foreign-companies-report-labor-skills-shortage-vietnam.html/>

WithLocals 2015a. *Private Tours and Activities in Vietnam*. [Referenced 16 April 2015]. Available on WithLocals' website: <https://www.withlocals.com/locations/vietnam/>

WithLocals 2015b. *What is Withlocals*. [Referenced 16 April 2015]. Available on WithLocals' website: <https://www.withlocals.com/about/withlocals/>

### **Interview**

Meijboom, S. 2015. Skype interview in March 2015. [Referenced 19 April 2015]. Questions available in Appendix 1.

Meijboom, S. 2015. Email interview in April 2015. [Referenced 25 April 2015]. Questions available in Appendix 2

### **Decisions**

Approving the strategy on Vietnam information and communication technology development till 2010 and orientations toward 2020 246/2005/QD-TTg. Available on:

[http://moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View\\_Detail.aspx?ItemID=10749](http://moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View_Detail.aspx?ItemID=10749)

Approving the scheme to early make Vietnam a country strong in information and communication technologies 1755/QD-TTg. Available on:

[http://moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View\\_Detail.aspx?ItemID=10749](http://moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View_Detail.aspx?ItemID=10749)

## APPENDICES

### APPENDIX 1. Skype interview questions

Interviewee: Sanne Meijboom

Position: CEO

Organization: I Like Local, Hongkong, China

1. Can you tell shortly your company's overall current situation? (employees, current markets, its services/products)
2. Can you tell about your company's current situation in Vietnam?
3. Who are the main users of the products or service that you offer in Vietnam?
4. Who are your main competitors in Vietnam? (Threats)
5. What advantages do you think you have over your competitors in Vietnam? (Strengths)
6. What are challenges have you encountered operating in the Vietnamese markets? (Threats) (I think this question already tackles the other barriers if I'm correct)
7. What do you think you can do better to gain bigger market share in Vietnam? (Weakness)
8. What is the possible future for your company in the Vietnamese market? Or what opportunities do you see for your companies in the Vietnamese market? How do you see the future for this industry in Vietnam? (Opportunities)
9. What are the main differences of the Vietnamese market compared to other markets that you have operated in?

## APPENDIX 2. Email interview questions

Interviewee: Sanne Meijboom

Position: CEO

Organization: I Like Local, Hongkong, China

1. What are the factors that come from inside your companies that place you in a weaker position compared to other competitors in general and in the Vietnamese market specifically?
2. What about the Vietnamese market that you think are benefiting your business and the sharing economy in general?
3. What do you think your competitors are doing better than you in Vietnam?

APPENDIX 3. Survey questions

**1. Xin hãy cho biết độ tuổi của anh/chị**

18-25

26-35

36-45

46-55

trên 55

**2. Xin hãy cho biết giới tính của anh/chị**

Nam

Nữ

Khác

**3. Anh/chị hiện có đang đi làm không?**

Có

Không (Xin hãy đi tới câu hỏi số 5)

**4. Xin hãy cho biết thu nhập hàng tháng của anh/chị**

dưới 5 triệu đồng (khoảng \$230)

từ 5 triệu đồng đến dưới 10 triệu đồng (khoảng \$230 đến dưới \$460)

từ 10 triệu đồng đến dưới 15 triệu đồng (khoảng \$460 đến dưới \$700)

từ 15 triệu đồng đến dưới 20 triệu đồng (khoảng \$700 đến dưới \$930)

từ 20 triệu đồng đến dưới 25 triệu đồng (khoảng \$930 đến dưới \$1160)

từ 25 triệu trở lên (khoảng từ \$1160 trở lên)

**5. Anh/chị có đang hay từng sở hữu một chiếc điện thoại thông minh, máy tính bảng, máy tính để bàn, laptop hay bất cứ thiết bị nào có thể kết nối với internet không?**

Có

Không (Xin hãy đi đến câu hỏi số 7 ở trang sau)

**6. Xin hãy cho biết khả năng sử dụng các thiết bị công nghệ này của anh/chị**

**Tôi có thể khai thác hết những tài nguyên và lợi ích mà những thiết bị này đem lại (làm việc, học tập, đọc tin tức, giải trí, sử dụng mạng xã hội, chơi game, sử dụng ứng dụng điện thoại...)**

Đôi lúc tôi cảm thấy có chút khó khăn khi sử dụng các thiết bị này

Tôi chỉ biết sử dụng một số chức năng mà tôi cần

Tôi cần một người hướng dẫn tôi

**7. Anh/chị đã từng mua hàng hay dịch vụ trên mạng chưa?**

Có, rất nhiều lần

Có, thỉnh thoảng/đôi lần

Chưa bao giờ (Xin hãy đi thẳng đến câu hỏi số 11 ở trang sau)

**8. Nhìn chung, anh/chị có hài lòng với dịch vụ mua hàng trên mạng mà anh/chị đã sử dụng không?**

Rất thất vọng

Thất vọng

Cũng được

Hài lòng

Rất hài lòng

**9. Anh/chị đã sử dụng phương thức thanh toán nào?**

Thẻ tín dụng (credit card), thẻ ghi nợ (debit card), Paypal hoặc bất cứ các cách thức thanh toán qua mạng nào khác

Tiền mặt

Cả hai

**10. Anh/chị thích sử dụng phương thức thanh toán nào hơn?**

Thanh toán qua mạng (online payment)

Tiền mặt

Cả hai



**11. Anh/chị đã nghe đến tên của các công ty này bao giờ chưa? - Airbnb, Uber, WithLocals, Zaarly, Travel Mob, I Like Local, Triip.me, TaskRabbit, RelayRides, Bla Bla Car, Lyft?**

Có, tôi đã từng sử dụng dịch vụ của một hay vài công ty này

Có, tôi đã từng nghe qua tên của một hay vài công ty kể trên (Xin hãy đi thẳng đến câu hỏi số 13)

Chưa, tôi chưa nghe qua cái tên nào cả (Xin hãy đi thẳng đến câu hỏi số 13)

**12. Trải nghiệm của chị với (các) công ty này như thế nào?**

Rất thất vọng

Thất vọng

Bình thường

Hài lòng

Rất hài lòng

**13. Anh/chị đã nghe đến khái niệm 'kinh tế chia sẻ' bao giờ chưa?**

Có, tôi biết rõ khái niệm này

Có, tôi có nghe qua

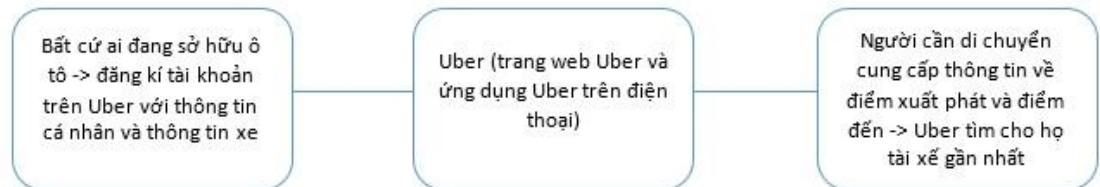
Chưa, tôi chưa từng nghe đến

**14. Xin hãy đọc mô tả sau về mô hình kinh tế chia sẻ để tiếp tục khảo sát. Nếu anh/chị hiểu rõ về khái niệm này, xin hãy bỏ qua mô tả bên dưới.**

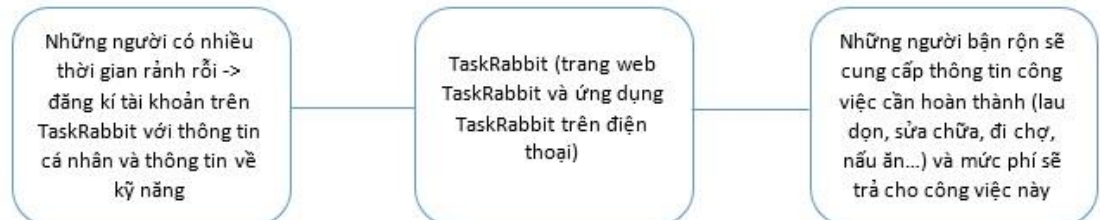
Nền kinh tế chia sẻ có thể được định nghĩa là **mô hình kết nối để những người tiêu dùng có thể tận dụng nguồn lực dư thừa của nhau.**

Những người tham gia vào nền kinh tế chia sẻ có thể cho người khác thuê tài sản hoặc vật sở hữu của mình như các vật dụng sinh hoạt, ô tô, xe máy, phòng trống/nhà trống, năng lực (như lau dọn, sửa chữa các vật dụng, nấu ăn, đi chợ...) với một mức phí. Các công ty hoạt động trong nền kinh tế chia sẻ đóng vai trò như là một nhân vật trung gian, thường là các trang web hay các ứng dụng điện thoại.

Một ví dụ có thể kể đến là Uber. Uber là một trang web và một ứng dụng điện thoại. Hình dưới mô tả dịch vụ mà Uber cung cấp:

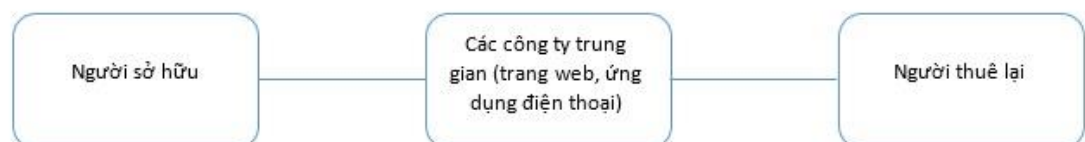


Hay như TaskRabbit, TaskRabbit là một trang web và một ứng dụng điện thoại. Hình dưới mô tả dịch vụ mà TaskRabbit cung cấp:



Ưu điểm của mô hình này là bạn có thể làm ra tiền từ những thứ mà mình đang sở hữu nhưng không sử dụng hết năng suất của chúng hoặc có cơ hội sử dụng một vật dụng gì đó mà không cần phải mua hay sở hữu chúng. Và thường những thứ cho thuê lại từ người khác sẽ rẻ hơn so với từ các công ty truyền thống.

Mô hình nhìn chung của khái niệm kinh tế chia sẻ



**Anh/chị có cảm thấy hứng thú với việc sử dụng dịch vụ được mô tả ở trên không?**

Không hứng thú chút nào

Không hứng thú

Bình thường

Hứng thú

Rất hứng thú

**15. Xin hãy cho biết 2 đặc tính của mô hình kinh tế chia sẻ anh/chị cảm thấy hấp dẫn nhất?**

Trả ít tiền hơn để thuê một vật dụng hay một dịch vụ

Không cần phải mua hay sở hữu tài sản cần dùng (ví dụ như ô tô, không sở hữu đồng nghĩa với không phải trả phí bảo hiểm, sửa chữa, bảo trì...)

Làm ra tiền từ tài sản của mình

Tương tác xã hội (gặp và giao lưu với người khác)

Chia sẻ tài sản đồng nghĩa với ít sản phẩm sẽ được mua hơn, do đó ít tài nguyên được sử dụng hơn và ít chất thải được sản xuất ra hơn, mang đến lợi ích về môi trường

Lý do khác (xin hãy mô tả ngắn gọn):

**16. Anh/chị có tin người lạ không? Ví dụ như trong trường hợp của Uber, anh/chị có tin tưởng người tài xế mình chưa bao giờ gặp? hay trong trường hợp Airbnb, Airbnb cũng giống như Uber nhưng là một trang web cho đăng và đặt phòng trống/nhà trống giữa những người sử dụng (dạng như hotel và hostel); anh/chị sẽ sẵn sàng ở trong nhà của một người lạ hoặc cho một người lạ ở trong nhà của mình? (Đối với người Việt ở nước ngoài, xin hãy đặt mình vào hoàn cảnh môi trường ở Việt Nam)**

Có

Không

Tôi còn phải cân nhắc nhiều yếu tố

**17. Dưới đây là một số dịch vụ đang có mặt trên thị trường kinh tế chia sẻ. Xin hãy đánh giá theo 5 thang điểm về mức độ muốn sử dụng dịch vụ của anh/chị**

Chia sẻ nơi ở (phòng trống, nhà trống)

- a) Không bao giờ
- b) Có thể không
- c) Chưa quyết định
- d) Có thể
- e) Chắc chắn có

Chia sẻ một chỗ ngồi trên xe (chủ phương tiện lái xe chờ, như dịch vụ taxi)

- a. Không bao giờ
- b. Có thể không
- c. Chưa quyết định
- d. Có thể
- e. Chắc chắn có

Chia sẻ phương tiện đi lại (người thuê phương tiện thuê xe từ chủ phương tiện và tự lái xe)

- a. Không bao giờ
- b. Có thể không
- c. Chưa quyết định
- d. Có thể
- e. Chắc chắn có

Chia sẻ vật dụng sinh hoạt (máy xay, bàn, ghế, quạt...)

- a. Không bao giờ
- b. Có thể không
- c. Chưa quyết định
- d. Có thể
- e. Chắc chắn có

Chia sẻ trang phục (quần áo, giày dép, phụ kiện...)

- a. Không bao giờ
- b. Có thể không
- c. Chưa quyết định
- d. Có thể
- e. Chắc chắn có

Chia sẻ năng lực (lau dọn, sửa chữa, đi chợ, nấu ăn...)

- a. Không bao giờ
- b. Có thể không
- c. Chưa quyết định

- d. Có thể
- e. Chắc chắn có

Chia sẻ hoạt động giữa người địa phương và khách du lịch (bữa ăn bản địa, tour du lịch với người bản địa...)

- a. Không bao giờ
- b. Có thể không
- c. Chưa quyết định
- d. Có thể
- e. Chắc chắn có

Vay và cho vay tiền qua mạng

- a. Không bao giờ
- b. Có thể không
- c. Chưa quyết định
- d. Có thể
- e. Chắc chắn có

**18. Anh/chị có sẵn sàng chọn sử dụng dịch vụ của các công ty theo mô hình kinh tế chia sẻ thay vì các công ty truyền thống khác không? Ví dụ như các anh chị có sẵn sàng chọn đi với tài xế Uber thay vì với taxi bình thường không?**

Tại sao không!

Có thể

Không

**19. Xin hãy đưa ra lý do cho câu trả lời của anh/chị**

**20. Không bắt buộc: anh/chị có ý kiến gì về mô hình kinh tế này mà anh/chị muốn chia sẻ?**