

Editorial: *The Magic of Growth, the New Business Models Offered by the “Crowdsourcing Economy” and Building Trusted Innovation*

We all know that it is not easy to sustain growth as a means to creating value, which matters more than ever in a challenging environment, and that is why it must be actively and continually renewed, being known that it's not always clear how to achieve it. (Atsmon and Smit, 2015) McKinsey's representatives recommend companies to predict their growth momentum by identifying the unique factors that drive their sales and how these factors connect to broader economic developments, and if this is the case to focus on up-and-comers, letting go of businesses that were once important, while taking into account that outperforming the competition takes discipline and a relentlessly granular analysis, on one hand, and on the other hand, especially, a commitment to seek the kind of growth that generates real and sustainable value.

Doing business in ride or in room sharing, in shop and office sharing, (Marchi and Parekh, 2015) the sharing economy players (operating as taxi firms, hotels, restaurants, and utilities) are under pressure of educating stakeholders about the benefits of this kind of economy, proving their role in offering innovative solutions while ensuring consumer protection, establishing the facts around the sharing of the economy's societal benefits, identifying common ground and building alliances, and shaping regulatory frameworks (not just litigating). It is worth remembering that at the level of the European Union (EU), on 25 September 2013, on the occasion of a public hearing in the European Economic and Social Committee (EESC, one of the advisory bodies of the European Commission) the European Sharing Economy Coalition (EURO-SHE) was launched (following an invitation from the European Commission), its declared aim being to create public/private partnerships along the whole value chain of the Sharing Economy and improve dialogue among the EU Sharing Economy Companies, EU Business Associations, and EU Policy Makers. (euro-freelancers.eu, 2015)

Exactly two years later, on 24 September 2015, the European Commission launched its public consultation into the “Regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy”, collaborative economy platforms being included, such as Airbnb, Uber, TaskRabbit and BlaBlaCar, while sharing economy also receiving a dedicated section in the consultation. From the point of view of the competition policy, (Kirrage and Davidson-Kelly, 2015) there is also a link with the sharing economy in what concerns both the so-called “vertical restrictions” between suppliers and platforms or distributors (especially investigations into resale price maintenance), and the possibility of the sharing economy intermediation markets (Lougher and Kalmanowicz, 2015) to become concentrated and dominated by a single market player (the sharing economy platforms, for which data use is key, being two-sided businesses active in intermediation).

Also, in September 2015, we find out from a Briefing of the European Parliament that within the EU context of a fragmented response to the sharing economy (also called shared,

collaborative, peer or access economy), the European Commission is planning to assess the role of platforms in order to see if a new regulatory framework is needed. (European Parliament) This Briefing also reminded, among others, that the sharing economy was described (Botsman and Rogers, 2010) as an economic model driven by network technologies that enables things and skills to be shared or exchanged in ways and on a scale not possible before. On October 28, 2015, Reuters (Guarascio) let us know that as the European Commission launched plans to revamp the EU single market: << *Europe should not shut itself off to “new business models” offered by the sharing economy and companies such as Uber;*” *The EU Commissioner for the single market, Elzbieta Bienkowska, called for “one European approach” to companies such as Uber; The Commission also plans to end diverging prices for consumers based on their country of residence, a further opening up of the retail sector etc.* >>

Allow us just to remember what we underlined this year in the first issue of our Journal, (Purcarea, 2015) namely, that we are entering the third generation of marketplaces, companies like Uber delivering a more end-to-end user experience, while as the digitization of our lifestyles is becoming the norm, “the retail issue” remains a key strategic challenge, digital disruption becoming a constant for retailer marketers, and personalization, convenience and mobile experiences representing true pillars of the modern commerce.

But let us go << Beyond the Rhetoric of the “Sharing Economy” >>, thanks to Edward T. Walker (vice chair of the department of sociology at the University of California, Los Angeles, and the author of “Grassroots for Hire: Public Affairs Consultants in American Democracy”, Cambridge University Press, May 26, 2014). Walker pledges to a better understanding of the “sharing economy” as the “crowdsourcing economy,” by recognizing the sector’s technology and approach without misleading by moralization, by stopping assuming that this sector plays by an entirely different set of rules. On the other hand, two researchers from the Department of Sociology at Stanford University, Paolo Parigi (interested in social networks, trust, and cooperation) and Karen Cook (studies social exchange, social networks, and trust) concluded that: “Internet-mediated interactions tend to become less open-ended and unexpected the more information the community accumulates about its members”. (Walker, Parigi and Cook, 2015)

And coming back to the old good habits, as we are now at the end of 2015, let us finally take the usual look at the (this time) 15th annual *Edelman Trust Barometer* (33,000 people in 27 countries around the world were surveyed on their trust in the institutions of government, media, business and NGOs), highlighting that this year offered key insights into the factors that increase and decrease trust (that institutions must understand and properly build, and is also an important factor in driving market acceptance of new business innovations), and defined *a new formula for building trusted innovation* (Trusted Innovation = [Discovery + Benefit + Integrity]^{Engagement}). The authors (2015 Edelman TRUST BAROMETER) consider that building trust (trust in specific innovations vary) is essential to successfully bringing new products and services to market, and building trust in new business innovations (the pace of change is considered too fast – 51% of respondents) requires that companies demonstrate clear personal and societal benefits

(81% agree), behave with integrity and engage with customers and stakeholders throughout the process. Let us prepare to face the challenges of the New Year 2016 holding that conviction of behaving accordingly, with integrity and engaging with customers and stakeholders throughout the above mentioned process.

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