

Institutional Work of Sharing Platforms and Incumbents in Brussels: Comparing the Ride-Hailing and Hospitality Industry

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Abstract. *The rise of sharing platforms has sparked research on how the new businesses have impacted established institutions. While research has extensively examined platforms' role as institutional entrepreneurs, more attention is needed on other actors, to gain a clear view of how sharing ecosystems operate. Our study addresses this gap by exploring and comparing institutional work of both sharing platforms and incumbents in the Brussels segments of ridehailing and hospitality lodging. Through case studies based on data from content analysis we explore the disparities in institutional tactics and their implications for governance from 2009 to 2022. Our findings reveal that each ecosystem has unique dynamics, with ridesharing facing more controversy and conflict than homesharing, where tensions are more subtle. The findings also shed light on how actors' institutional work has reshaped governance in both sharing segments.*

Keywords. *Institutional work, Uber, Ridehailing industry, Airbnb, Hospitality Industry, Brussels Capital Region*

1 Introduction

The advent of sharing platforms about 15 years ago has sparked scholarly and public debate on how they seek to transform established institutions (Acquier et al., 2020; Mair and Reischauer, 2017; Martin, 2016). Several studies have focused on the tactics that sharing platforms developed to shape the institutional agenda to their benefit. At the core of the studies is platforms' role as an institutional entrepreneur in businesses such as homesharing (Ferreri and Sanyal, 2018; Uzunca and Borlenghi, 2019), ride- and carsharing (Bond, 2015; Martini, 2017; Pelzer et al., 2019; Vaskelainen and Münzel, 2018), bike sharing (van Waes et al., 2020; Winslow and Mont, 2019) or a mix of sharing economy businesses (Li and Schoenherr, 2023; Tseng and Chan, 2019; Uzunca et al., 2018; Zvolska et al., 2019a, 2019b). A few studies have highlighted institutional responses of traditional incumbents against new sharing platforms (e.g., Weber et al., 2019; Distelmans & Scheerlinck, 2024), while other studies have analysed the impact of sharing platforms on the incumbent performances (e.g., Chang and Sokol, 2022; Nakamura et al., 2024). A key motivation that engages platforms for institutional work is to increase legitimacy, while incumbents rather seek to safeguard already attained legitimacy (Battilana and D'Aunno, 2009; Lawrence et al., 2013; Lawrence and Suddaby, 2006; Pacheco et al., 2010). Some studies have focused on multiple actors within sharing ecosystems (Boon et al., 2019; Lehmann et al., 2022), indicating a gap in understanding multi-actor perspectives. Now that the sharing economy has come of age, such a multi-actor perspective may help to understand the dynamics and strategic responses by the various actors across different sharing economy segments in terms of institutional work, and what that means for urban governance. Using Lawrence and Suddaby's (2006) framework of institutional tactics, which encompasses 18 distinct tactics, we explore how firms seek to create, maintain or disrupt institutional norms. This approach sheds light on both discursive and non-discursive aspects of actors' tactics and unveils their underlying motives and objectives. Aligned with our objective to understand the multi-actor dynamics, we aim to address the following research questions: (1) 'How does the meaning and purpose of institutional work differ between sharing economy platforms Uber and

Airbnb and their incumbent counterparts in Brussels ride-hailing and hospitality?'; and (2) 'What are the differences in tactics employed by platforms and incumbents in attaining or maintaining legitimacy?'. We develop case studies based on data from content analysis, to identify the meaning of institutional work, and the tactics revolving around that work. The longitudinal approach helps to understand how both ecosystems differ in terms of interactions between actors in the urban context of Brussels. The subject area is highly relevant due to the controversy of sharing economy that has revolved around sharing economy operators in Brussels. In addition, Brussels decision making closely interferes with national and EU governance, due to its central location in Europe and the particular political system of Belgium. This short conference paper focuses mainly on the results of the study. In the following section we briefly introduce the methodology. After that section, we present the case studies of ridehailing and hospitality lodging in Brussels, including a comparative analysis. The last section provides discussion and conclusion.

2 Methodology

We collected data through qualitative content analysis using press text data from prominent Belgian and Brussels local newspapers, and a leading business magazine. The use of press text provides valuable insights into the diversity of tactics being used. Previous studies on institutional work (e.g., Boon et al., 2019; Pelzer et al., 2019) have shown that actors within the sharing economy ecosystem frequently use media platforms to articulate institutional concerns and influence public opinion. We employed Boolean search operators for both ridehailing and hospitality lodging in Brussels. To analyse ridehailing, we used 'Uber AND Brussel' and 'Uber AND Bruxelles' respectively for Dutch and French language sources. We collected a dataset of 2,284 articles from January 1, 2014 (Uber's introduction in Brussels) to June 30, 2022. Filtering out irrelevant articles resulted in 642 useful articles specifically focused on ridehailing. To analyse the hospitality lodging segment, we employed search terms 'Airbnb AND Brussel' and 'Airbnb AND Bruxelles', resulting in 578 articles from January 1, 2009 (Airbnb's introduction in Brussels) to December 31, 2022. After excluding irrelevant articles beyond the study scope, 369 articles remained. A thorough reading and coding process of the useful texts has led us to identify 480 quotes for both the ridehailing and hospitality industry. First, we categorized the quotes into activities of institutional work, including both discursive and non-discursive content, conveyed by sharing platforms and incumbents to address institutional and governance-related matters. Second, we labelled the activities with tactics, as defined in theories of institutional work. Tactics that lacked theoretical backdrop were conceptualized in a more inductive way, which allowed for a more exploratory approach.

3 Results

This section presents the findings of our data analysis. We delve into the activities of institutional work of both platforms and incumbents. Finally, we compare ridehailing and hospitality lodging.

3.1 Uber's institutional work

We distinguish four categories of institutional work, looking at content addressed by Uber to attain specific institutional or governance outcome or to convey messages with an institutional agenda. First, Uber directed a majority of its institutional work to governments and regulatory entities. By requesting consultations and by lobbying the Brussels government, Uber sought to adapt regulations to its benefit. With the press as main stage for employing its discursive strategy, Uber highlighted the outdated character of existing regulations in Brussels ridehailing. Uber also lobbied at EU level, to convince EU commissioners of the benefits of Uber services for urban mobility and living. Second, through rhetoric aimed at enforcing innovation Uber emphasized the benefits of ridesharing and clarified its app-based concept. Claiming they are not a taxi company but an innovative technology company using a mobile application, Uber portrayed its business as main solution for traffic congestion and facilitator of sustainable cities. Rhetorical strategies were used to shape public opinion and image building. Third, Uber built alliances with several stakeholders, more specifically competitors (to have stronger negotiation power), airlines (to offer discounts on rides to the airport), and local taxi drivers (by proposing them to ride for Uber along with their classic job of taxi driver). Building alliances as a business strategy

has thus served to increase legitimacy and public recognition. Fourth, through discursive strategies of cognitive emotion, Uber put the Brussels government into a negative light, by stating that the city was not listening to the needs of the inhabitants. Such discourse was combined with claims that Brussels inhabitants were embracing their services and wanted Uber to stay in the city.

3.2 The taxi industry's institutional work

The taxi industry used to a large extent discourses of institutional work to raise concerns over regulation and legislation. Calling for fair competition, the taxi industry stressed that they had to play by the rules, while Uber failed to comply with regulations. Like its digital competitor, the taxi industry employed discourses, be it rather by threatening the Brussels government if regulatory demands would not be answered. Through cognitive emotion work, taxis expressed their satisfaction about Court rulings against Uber. Taxis also voiced negative sentiments against actors such as Brussels Airlines, who collaborated with Uber, or against the government's unclear stance on Uber's legal status. Institutional work by the taxi industry is also reflected in industry dynamics. The industry's prompt launch of booking apps, similar to Uber's technological apps illustrates how taxis have adapted to Uber's business model.

3.3 Airbnb's institutional work

We identify three main categories of institutional work employed by Airbnb in Brussels. The multifaceted character is shown in the combination of both discursive and non-discursive tactics, used to communicate and interact with the different stakeholders such as governments, public and industries. Airbnb's institutional work strongly focused on regulatory concerns, addressed to government and regulatory bodies. Engaging in institutional discourses, the platform highlighted the overly strict character of homesharing regulation, thus calling for more leniency. Airbnb employed a rather positive tone in acknowledging the EU member states' endorsement of a unified framework for sharing tax information among platforms. The findings show evidence of industry dynamics, as illustrated by Airbnb's adaption to the hotel industry. Illustrative is the platform's use of professional pictures to promote listings, and its opening up to other types of accommodations such as hotels in line with travel marketplaces like booking.com. Also, Airbnb Experiences illustrates how the platform adapts to the more traditional tour organizations, and underscores how Airbnb has changed its business models, as a strategic response to evolving market demands. Airbnb's institutional work also had an important rhetorical dimension, being designed to enforce platform innovation. Discursive communication focused on explaining the Airbnb concept, highlighting the benefits of homesharing, educating hosts, and stressing that Airbnb is not a competitor to the hotel industry. Furthermore, rhetoric was used to counter public criticism against its business.

3.4 The hotel industry's institutional work

Themes of institutional work by the incumbent hotel industry in Brussels largely revolved around concerns and challenges over regulation and legislation. Hotels pinpointed the need for fair competition, by suggesting a desire for a level playing field. A major concern among hotels, especially during Airbnb's introduction in Brussels, related to taxation and fire safety standards, being stricter for hotels than for homesharing. The hotel industry also called for more controls over Airbnb listings. Through work of cognitive emotion, the Brussels hotel industry expressed ideas for change to influence public opinion. The approach was two-fold. Hotels expressed negative sentiments toward Airbnb, by showing satisfaction with stricter rules for homesharing, established by the Brussels government. More positive sentiment was expressed when hotels accommodated to Airbnb's growing impact on tourism in Brussels. Industry dynamics in the hospitality industry included hotels' industry adaptation to Airbnb's innovation. Illustrative is how hotels have incorporated more local concepts in their services. Examples are the introduction of 'Brusselicious', a concept that offers Brussels products during breakfast or dinner and organises activities guided by locals from Brussels.

3.5 Comparative analysis of ridehailing and hospitality lodging in Brussels

The above analysis enables to compare both the ridehailing and hospitality industry in terms of institutional work, along with the nature of tactics and interactions. Ridehailing and hospitality have in

common that both platforms have strongly engaged in institutional work to reshape and even disrupt regulations. Both Uber and Airbnb engaged in lobbying and negotiations to point at the outdated character of regulations and to urge policy makers toward regulatory changes. Both platforms enforced innovation by highlighting the benefits of their business model and emphasizing their uniqueness. On incumbents side, both taxis and hotels showed a strong and proactive response against platforms' regulatory agenda. Incumbents also emphasized the importance of fair competition and level playing field. Interestingly, ridehailing and hospitality also show differences, when looking at platforms and incumbents. The use of business strategies was more explicit and differentiated in ridehailing than hospitality. While Uber developed strategic alliances to seek collaboration and create partnerships, this practice was less visible at Airbnb. This may be due to the way both ecosystems differ in their customer services. On incumbents side, hotels' cognitive emotions appear more nuanced and accommodative, while the taxi industry used more negative and conflictive rhetoric in response to Uber. Furthermore, as far as industry dynamics is concerned, the absorption of app technology by taxis indicates Uber's dominance. This contrasts with Airbnb and hotels, which have rather converged in terms of market strategies and use of technology to one market.

4 Conclusion and Recommendations

Uber and Airbnb both have sought to disrupt and dominate their respective industries through multifaceted tactics aimed at reshaping regulations and public perception. The longitudinal perspective taken in our research has, however, revealed that ridehailing and homesharing each have evolved differently when it comes to institutional tactics and regulations. Two key differences can be highlighted. First, taxis adopted a more confrontational stance compared to the more nuanced and accommodative approach of hotels. Second, while Uber's dominance is reflected taxis absorption of app technology, the convergence of market strategies between Airbnb and hotels suggests a more balanced competition within the hospitality sector. Since this indicates that not all sharing businesses are the same, we recommend governments to tailor-make their institutional frameworks to the needs of each sharing business for balancing out innovation, consumer interest and fair competition in smart city contexts.

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