


## Chapter 9

# The Online Platform Economy as an Entrepreneurship–Based Strategy for Value Creation: Some Considerations

José Manuel Saiz-Alvarez

 <https://orcid.org/0000-0001-6435-9600>

*Tecnologico de Monterrey, Mexico*

### ABSTRACT

*The Online Platform Economy (OPE) is a part of the Gig Economy defined by the hiring of temporary and highly-flexible workers (freelancers and independent contractors) instead of full-time employees to perform tasks (“gigs”), as well as by using 4G and 5G ICTs-based technologies for crowdwork, crowd-voting, and crowdsolving. These online platform businesses provide businesses and consumers access to low-cost, on-demand labor. But gig workers’ experiences are more complex, as they have access to very flexible, potentially autonomous work. They also deal with challenges caused by the nature of the work, its precariousness, and their relationships with online platforms. This chapter studies OPEs and the Gig Economy. The author defines the concept of the Gig Economy and its importance, and analyzes it through a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. Then, the OPE, as a digital value creator, is studied. The chapter includes perspectives and conclusions.*

### INTRODUCTION

The Online Platform Economy (OPE) is a part of the Gig Economy defined by the hiring of temporary and highly-flexible workers (freelancers and independent contractors) instead of full-time employees to perform tasks (“gigs”). These online platform businesses provide businesses and consumers access to low-cost, on-demand labor, but gig workers’ experiences are more complex, as they have access to very flexible, potentially autonomous work, but also deal with challenges caused by the nature of the work,

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its precariousness, and their relationships with the platform businesses (Bajwa et al., 2018). The Gig Economy benefits freelancers, firms, and stakeholders by making work more adaptable to the needs of the moment, which creates value and demand for flexible working lifestyles based on entrepreneurship.

The use of Information and Communication Technologies (ICTs) based on the Internet has boosted the Gig Economy with online practices, such as a home office for people to work remotely or online. Working at home generates value for those who do it for their comfort, saving transport time to the office, eliminating the cost of transport, optimizing the use of time and the possibility of reconciling work with family. Advantages that are especially valued when children are young, or there are older people in the home to attend. For companies, the home office can reduce labor costs, cope with demand spikes without the need to hire full-time staff and optimize office space without expanding offices, or spending on supplies (water, electricity, and electricity).

Together with ICTs, industry 4.0 is changing current production and commercial processes by incorporating new professions into the labor market and replacing technologically advanced machines with the unhealthiest, repetitive, or dangerous jobs. Hence, both STEM studies (Science, Technology, Engineering, Mathematics) have been encouraged in both the European Union, Asia, and the United States of America (USA). The implementation of technological processes in organizations leads to increases in productivity, reduction of waste, lack of waste, and profit generation. Globalization and industry 4.0 together are leading to the digitalization of organizations worldwide, with the sole exception of many of the developing countries.

In the 2010 decade, the idea of sharing economy has spread widely in the world, except Africa, inspiring people with the prospects of rapid and widespread practical realization of the values of the future: social solidarity, effective use of industrial and human resources, overcoming the phenomenon of capitalist alienation in the process of social and industrial production (Nikitina et al, 2020). The Gig Economy and the online platform economy are part of the sharing economy, also called ‘uberization,’ where prospect clients belong to this economy depending on the cultural software installed in a particular virtual community. As a result, virtual communities and social networks in China or Russia, that generally do not use Western-type social networks, are utterly different from the ones existing in the USA or the European Union.

The objective of this book chapter is to study this sort of economy that has increasing importance in many countries. To achieve this goal, the author will define the online platform economy as a way of creating value. First, the concept of the Gig Economy will be defined, its importance, and we will analyze it through a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. Then, the online platform economy as value creator will be studied. The chapter will end with some perspectives and conclusions.

## **THE GIG ECONOMY: CONCEPT AND IMPORTANCE**

There is no single, agreed definition of the Gig Economy, also known as the global platform economy (Lehdonvirta et al, 2019), global gig economy (Bajwa et al, 2018), sharing economy (Görög, 2018; Hamari, Sjöklint, & Ukkonen, 2016), peer economy (Fraiberger & Sundararajan, 2015), on-demand economy, crowd economy, and platform economy, totaling 26 different terms and concepts to define this type of economy, as shown by Görög (2018). At this respect, Lapanjuuri, Wishart, and Cornick (2018) describe the Gig Economy as the type of economy involving “the exchange of labor for money between

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