Platform Power, Reputation and Regulation

Federal Trade Commission Workshop on
The “Sharing Economy”:
Issues Facing Platforms, Participants and Regulators
June 9, 2015

Arun Sundararajan
@digitalarun
new platform (power)

- bank
- hotel
- retailer
- apparel store
- transportation
- diversified labor
- personal services
- corporate services
- rental car company
- source of “risk” mitigation

Logos for various companies like Kiva, Lending Club, Funding Circle, airbnb, onefinestay, couchsurfing, kozaza, Etsy, yerdle, Quirky, Rent the Runway, Lyft, Sidecar, Hail, Ola, Bla Bla Car, Handy, Homejoy, JobRunners, TaskRabbit, Amazon Mechanical Turk, Shyp, Luxe, Washio, Munchery, Heal, Zeel, Drizly, Eaze, WorkMarket, Universal Avenue, Hourly Nerd, Getaround, RelayRides, Drivy, Kickstarter, AngelList, CircleUp, and Traity.
the promise of inclusive growth
new platform power
technological enablers and threats

consumerization of digital

digitization of the physical

pure p2p and the blockchain
platform power and network effects
decade-long trend of de-facto delegation
personal

‘for money’

professional
deconstructing the “trust infrastructure”

community
government
brand
community
deconstructing the “trust infrastructure”

government certification

digitized peer feedback
deconstructing the “trust infrastructure”

government certification
platform (brand) certification
independent third-party certification
digital conduits to individual traits
digitized social capital
digitized peer feedback
new “self-regulatory” opportunities
SRO approaches: information asymmetry vs. externalities
consumer protection

regulator

platform

personal vs. professional and safe harbors