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**Master Thesis U.S.E.**

**On-Demand Service Delivery Platforms and Value Destruction: Subjective Perceptions of  
Gig Workers**

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**Abstract**

The rapid growth of the sharing economy and its implications on gig workers can be detrimental if platforms and literature continues to focus on the symptoms existing only at the surface level. Therefore, it is necessary to take a closer look at the experiences of effective service providers and understand whether platforms' current success masks the negative impacts. This paper aims to reveal the forms of value destruction in the subjective perceptions of gig workers. Qualitative data from 12 in-depth interviews with gig workers in the Dutch market showed that value creations happen at the expense of three cost types (physical, psychological, and financial). Combined with prior literature, interview findings contributed to the growing discussion around the hyper-capitalist and unfair nature of the platform business model by adopting a bottom-to-top approach. Findings provide theoretical and managerial implications, as well as potential discussions for further research.

**Keywords:** sharing economy, platform economy, platform labor, gig worker, on-demand delivery, matchmaker market, low-income service work, value destruction, value creation

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## 1. Introduction

Depending on who is being asked, the sharing economy is either empowering or exploitative. The rising popularity of sharing economy and supporters of unregulated market practices gave rise to debates on the impact of this model on society. It is considered a successful business model in maximizing efficiency and producing a small number of billionaires, the tech aristocracy (Snider, 2018). In addition, it provided a new way of efficiently using resources to meet the demand for products and services (Dabbous & Tarhini, 2019). However, whether the empowering nature of sharing economy that tends to be celebrated is at the expense of its exploitative nature for those who provide the services is still open to debate.

To differentiate the use of resources in the sharing economy from other forms of consumption, Eckhardt et al. (2018) present five characteristics in defining sharing economy: being access-oriented, economically substantive, technology-based matching platform, necessitating enhanced customer role, and having a crowdsourced supply. The digital revolution enhanced the growth of sharing economy platforms and has enabled more buyers and sellers to exchange products or services with temporary access (Eckhardt et al., 2018). There are three main actors in a sharing economy. Benoit et al. (2017) describe these actors as the following: a platform provider (1) links the consumer (2) who requires a temporary service with a peer service provider/gig worker (3), who can deliver this service required. Peer service provider/gig worker is a new type of employment in the global context where workers provide services when they want to work and what they want to deliver as work (Carboni, 2015). However, it encompasses several controversies, especially for those who provide the service for its growth and contribute to its societal impact. This debate around the impact of sharing economy on gig workers still constitutes a gap in the system's fairness as it cannot be measured in monetary terms.

Gig workers, being effective providers of services, are an essential part of the success of this model. Task Rabbit alone generated 37.7 million in funding, where 60,000 gig workers provided services when acquired by IKEA (Crunchbase; Dickey, 2017). However, it can be argued that its implications can be detrimental if literature continues to focus on the symptoms existing only at the surface level. In this research, I study whether the sharing economy's overall potential value creation happens at the expense of the gig workers' physical, psychological, and financial costs. Therefore, I aim to have a closer look at the experiences of gig workers participating in the on-demand service delivery platforms (Acquier et al., 2019; Perren and Kozinets, 2018) and whether the sharing economy's potential value creation masks the negative impacts on workers.

There are three main literature trends that this research covers in the sharing economy's current impact on society at the broader level and gig workers at the individual level. The first stream discusses the social impact of value creation and value destruction. Value creation lays its ground on one of the abovementioned characteristics: being access oriented. Schaefer et al. (2022) suggest that sharing economy enables temporary access to a product or service and positively impacts society by demanding a lower price than the ownership price while the benefits mostly stay the same. Authors focus on the consumers at the Base of the Pyramid and argue for value creation in this lowest income segment through nonconsumption reduction (Schaefer et al., 2022). Eckhart et al. (2018) introduce the wealth transfer between users and providers as another example of value creation. As sharing economy platforms assist wealth transfer between individuals of high socioeconomic status (i.e., users) and individuals of lower socioeconomic status (i.e., providers) in need of financial resources, it contributes to reducing inequality (Eckhart et al., 2019). The level of peer-to-peer intermediation in the sharing economy could also contribute to a greater sense of community as the market recirculation of goods and services is performed via community

members (Buhalis et al., 2020). Although sharing economy can be framed as an economic opportunity, a sustainable form of consumption, and a pathway to a decentralized economy that will enhance value creation; there is also evidence that it creates "unregulated marketplaces, reinforces the neoliberal paradigm and incoherent field of innovation" (Martin, 2016, p.153), leading to value destruction.

Value destruction in sharing economy has been discussed in the literature as it constitutes a significant threat to the future of its growth and the parties involved (Buhalis et al., 2020). There exist case studies around the frontiers of sharing economy, including relatively big, scaled companies like Lyft, Uber, Airbnb, and Task Rabbit, to provide a further understanding of the current situation (Constantiou et al., 2017; Frenken & Shor, 2019; Kim, 2019; Ravenelle, 2019; Snider, 2018). While Ravenelle (2019) provides a case from Task Rabbit on the gig workers, Lee et al. (2021) aim to advance the understanding of consumer discrimination in the sharing economy and challenges to consumer equality by all stakeholders into a framework. Quattrone et al. (2016) employ a regulatory and policy-making perspective to support how different parties are negatively impacted, and no action from policymakers is being taken. Value destruction is argued to have several forms for different actors due to the nature of sharing economy (Buhalis et al., 2020). For gig workers, there is evidence that this is in the form of physical, psychological, and financial exploitation (Carboni, 2015; Graham et al., 2017; Ravenelle, 2019; Snider, 2018); for consumers, this can be in the form of discrimination due to inadequate response to the bias in the online marketplace against members of protected categories such as race, sexual orientation, and disability (Lee et al., 2021).

The second stream provides a more focused look at gig workers. Understanding the definition of "gig worker" using the framework of Watsons et al. (2021) and the characteristics embedded in

this term is essential. Lastly, this paper will explore the sharing economy market typology introduced by Acquier et al. (2019) and Perren and Kozinets (2018). It is crucial to present insights into the sharing economy's matchmaker market and its relevance to the discussions on gig workers. First, this market has been argued to set the stage for societal value destruction due to its driving forces being economic concerns and high levels of platform and peer-to-peer intermediation (Acquier et al., 2019; Perren & Kozinets, 2018). In addition to that, commonality in the terms "gig workers" (used in the gig economy), "service providers" (used in sharing economy), and "platform labor" (used in the platform economy) exist in this matchmakers market, where the job definition is more in line with a short-term, on-demand, occasional, and typically task-based labor (Tan et al., 2021). This paper focuses on a type of matchmakers platform that has proliferated since the early 2010s: on-demand delivery companies (Timko and Melik, 2021).

As primarily the value creation and value destruction symptoms are studied by adopting a top-to-bottom approach aiming to find the legal and managerial gaps in the sharing economy, we still know very little about the unobservable phenomenon hidden in the gig workers' experiences. To address this research gap, this paper offers a conceptualization of the sharing economy phenomenon using a detailed understanding of the adopted typology, the current situation in the value creation and value destruction debate, and an exploration of individual experiences. It is hoped to contribute to the literature by providing unique insight using subjective perceptions of the gig workers that can be beneficial in mitigating the risk against long-term sustainable growth and value creation aspects of the business model. Unlike much of the literature, it aims to introduce a bottom-to-top approach to the sharing economy with a specific focus on on-demand service delivery platforms, and a closer look at the unobservable aspects of this phenomenon. Furthermore, this paper will explore the unfair and exploitative features in the system for the gig workers at the

expense of reduced transaction costs and utilization of excess capacity. Hence, to address this gap, it will try to answer the research question, "What constitutes value destruction in the subjective perceptions of gig workers in the sharing economy?". It is required to provide sub-questions as this question consists of complex elements. Based on the above framework and introduced literature, the main sub-questions will be:

- a) How do gig workers define the "costs" that come at the expense of the "benefits" they received?
- b) How do gig workers define the terms "unfair" and "exploitative"?
- c) What is expected, from the gig workers' perspective, to enhance the relationship between gig workers and sharing economy?

Conducting an extensive qualitative investigation of the experiences of gig workers is essential to advancing the understanding of their relationships with sharing economy. The unit of analysis of this study will be the gig workers, and the setting of this study will be the Netherlands, as literature tends to focus on the US context while this global phenomenon continues to gain more popularity and is no longer a niche market in EU countries (Pinedo Caro et al., 2021). Secondary data will be used to have a broader perspective of the current situation and possible symptoms of value destruction. Archival documents, case studies, and digital publications will include stakeholders of this paper, platform providers, gig workers, and consumers.

Findings showed that certain practices unbalance the value generation and destruction equation for gig workers participating in the Dutch on-demand service delivery platforms. These practices can be grouped into three categories: physical, psychological, and financial costs. Furthermore, this study suggests that the exploitative and unfair nature of the sharing economy for gig workers is often overlooked in favor of its empowering aspects. Due to the power imbalance, information

asymmetry, and imperfect competition embedded in this business model, gig workers frequently feel that the gig economy business model is unfair and exploitative. These market failures were widely acknowledged, notwithstanding the tendency of interviewers to exclude their experiences from this generalization depending on specific conditions being met.

The remainder of this paper is structured as follows. In Section 2, the relevant literature on the sharing economy and forms of the market will be the starting point. Value creation and destruction in the current practices will be reviewed by adopting a broad perspective. Finally, this paper will focus on the practices affecting the state of gig workers as they are believed to have a significant impact on the future of sharing economy. The literature review will be followed by introducing the chosen method, including the procedure applied to collect data and the analysis (Section 3). This section will include the analysis of the interviews with gig workers in the Dutch market by following a conceptual framework, the Gioia methodology, which uses first-order concepts followed by second-order themes to gather aggregate dimensions (Gioia et al., 2013). Subsequently, findings from primary data will be presented and discussed with the contribution of secondary data (Section 4). Finally, this paper will conclude with the main findings and the implications for literature and practice (Section 5).

## **2. Literature Review**

### **2.1. Understanding Sharing Economy and Gig Workers**

The definition of sharing economy varies across scholars and their stances when taking a theoretical point of view (Acquier et al., 2019). To create a common ground, this paper will use the definition by Eckhardt et al., "a scalable socio-economic system that employs technology-enabled platforms to provide users with temporary access to tangible and intangible resources that may be crowdsourced" (2019, p.7). Additionally, as the sharing economy evolved into a more

extensive definition that accommodates different business models, further clarification of the current market is needed.

### ***2.1.1 Market Types of Sharing Economy***

Perren and Kozinets (2018) introduce four different types of the market using two dimensions, namely, consociality and platform intermediation. Consociality is a term introduced by Schutz (1962) to refer to two or more people being copresent in space and time. Hannerz (2016, p. 151) elaborated on the term and extended it in a way that it is defined by "co-presence of both. or either, physical and virtual interaction. This paper will adopt Perren and Kozinets's definition, "the physical and/or virtual co-presence of social actors in a network, which provides an opportunity for social interaction between them" (2019, p.23). Authors use these dimensions to define four ideal market types: Forums, Enablers, Matchmakers, and Hubs (Perren and Kozinets, 2018, p.26). Each type has different characteristics and creates value through other notions; forums connect actors, enablers equip actors, matchmakers pair actors, and hubs centralize exchange (Perren and Kozinets, 2018).

Acquier et al. (2019) also provide a market typology of sharing economy business models. Authors develop this matrix for four business model configurations of sharing economy using two dimensions. While value creation is placed on the x-axis, where the continuum ranges from peer-to-peer intermediation to centralized resource pooling, authors introduce value capture and distribution on the y-axis, ranging from extended value creation to economic value creation. Similar to Perren and Kozinets (2018), the authors introduce a typology for four sharing business models that they decide to call "shared infrastructure providers, commoners, mission-driven platforms, and matchmakers" (Acquier et al., 2019, p.10). Since each type falls into different value creation, capture, and distribution mechanisms, they hold various scalability issues and

social/environmental promises (Acquier et al., 2019). It is essential to highlight that both authors view the differentiation in the dimensions as a continuum due to the evolving nature of the sharing economy (Schor et al., 2016).

For the objective of this paper, we will be focusing on matchmakers for several reasons. First, gig worker exploitation is highly observed in markets where consociality (Perren and Kozinets, 2018). Second, when platform intermediation is high, companies have greater responsibility and incentive to solve issues regarding their stakeholders, such as discrimination and exploitation (Perren and Kozinets, 2018). Third, commonality in terms of gig workers (used in the gig economy) and service providers (used in sharing economy) exists in this matchmakers market, where the job definition is more in line with a short-term, on-demand, occasional, and typically task-based labor (Tan et al., 2021). Additionally, it is the only market model with low social and environmental promise due to capitalization on unintended externalities (Acquier et al., 2019), which aligns with the suggested research gap on this topic.

The following sections will discuss the definition of gig workers and value destruction in the sharing economy. These sections hope to provide a common ground for the reader and set the stage for the main discussion of this paper.

### ***2.1.2 Gig Workers in Sharing Economy***

In the sharing economy, when it comes to the definition of peer service providers, we are introduced to different titles (Carboni, 2015; Graham et al., 2017; Watsons et al., 2021; van Doorn, 2017). To create a shared understanding for this paper's central unit of analysis, we will use the framework suggested by Watsons et al. (2021). The first categorization stage adopted by the authors indicates that gig workers belong to the broader category of nonstandard work arrangements (Watsons et al., 2021). This category includes temporary, part-time, and contracted

employees (Dickson and Lorenz, 2009). Later, the second stage of categorization, which consists of two types of characteristics, primary and secondary, is introduced to differentiate gig workers from other types of employees (Watsons et al., 2021). Gig workers are argued to have three primary characteristics (must be present) and four secondary characteristics (common in many but not all) (Watsons et al., 2021). Primary characteristics include project-based compensation, temporary commitment, and flexibility in timing/location/continuity (Watsons et al., 2021). In addition to primary characteristics, scholars argue that secondary characteristics are common in gig workers. These include facilitating a technologically enabled network, crowd work, remote working, and intermediary or agency-based work (Watsons et al., 2021).

In the next section, implications of value destruction in the sharing economy and the current state for gig workers will be provided.

## **2.2.Value Destruction**

### ***2.2.1. Value Destruction in Sharing Economy***

The rise of the sharing economy and embodiment of elements for a pathway to sustainability opens a new research field on the adverse outcomes of the sharing economy business models. The need to understand the current and potential drawbacks for platform providers, gig workers, and consumers is highly acknowledged in the literature (Schaefers et al., 2022; Zhu and Liu, 2021, Buhalis et al., 2020).

Buhalis et al. (2020) contribute to this field by acknowledging a marketplace disruption that brings benefits and disadvantages into service ecosystems. Focusing on the value (co-)destruction, the authors' several forms for different stakeholders, including pressure to achieve high scores, sexual harassment, and high service expectations for providers (Buhalis et al., 2020). It is argued that the sharing economy creates a value loss in a broader societal context mainly because of the

failure to model interactions and create valid policies (Buhalis et al., 2020). To avoid further value destruction caused by sharing economy, the authors highlight the room for improvement in conceptual and strategic preparation to foresee, plan, and adopt required practices (Buhalis et al., 2020).

While Zhu and Liu (2021) also recognize the need for research on the long-term effects of sharing economy business models, their main findings are focused on the lack of in-depth analysis of the potential environmental impact and importance of government/national policies. They provide insights on the COVID-19 implications, stating that the sharing economy is one of the most negatively affected sectors (Zhu and Liu, 2021). This impact was found to be different for each industry. While for accommodation and hospitality, it was the cancellation of conferences and concerts; ride-sharing services such as Lyft and Uber were mainly due to not knowing the medical situation of the people who were sharing it with (Zhu and Liu, 2021). Combining existing research results and real-life observations, the authors conclude by presenting future directions and ways of development. These ways of development include the supervision of the sharing economy (Zhu and Liu, 2012), and attention needs to be given to the social and managerial risks it carries for value destruction, which is in line with this research's primary concern.

Taking a broader economic perspective is needed to understand how this value destruction was born. Economic failures embedded in this business model, imperfect competition, power asymmetry, and information asymmetry can be attributed to the algorithmic system where platform providers cautiously create automated means of exacerbating the precarious employment conditions of low-income service workers (Cutolo and Kenney, 2021; Iaia, 2021; van Doorn, 2017; Rosenblat and Stark, 2016). It can be argued that this is done to hide the inequality existing in this "future of work." Platform labor literature (Cutolo and Kenney, 2021; Iaia, 2021; Buhalis et al.,

2020; Snider, 2018; Rosenblat and Stark, 2016) supports the possibility that “inequality is a feature rather than a bug” in on-demand service platforms when considering the gig workers (van Doorn, 2017, p.907).

### ***2.2.2. Current State for Gig Workers: Flexibility or Exploitation?***

Different practices contribute to the value destruction in the interest of sharing economies, such as consumer misbehavior, discrimination of gig workers, and exploitation of gig workers (Schaefer et al., 2022). This paper considers the exploitation of gig workers as an outcome that results from a combination of practices adopted by platform providers and consumers (Bajwa et al., 2018). A range of disruptive customer behaviors and a lack of regulative practices affect gig workers (Gursoy et al., 2017), causing frustration, feeling trapped in the system, and questions about their degree of involvement (Buhalis et al., 2020). There is an area of concern, especially in the matchmaker market, where interaction between peers and platform providers' responsibilities are comparatively high (Peren and Kozinet, 2018). Whereas companies in the matchmakers market generally do not pay the employee's share of payroll taxes, compensation insurance for occupational accidents, health insurance benefits, overtime wages, or unemployment insurance for laid-off employees (Carboni, 2015). In addition to having little protection and benefit, gig workers are forced to sell their work at the lowest price possible (Snider, 2018). Platform economy literature contributes to this discussion by arguing that platform service workers, referred to as gig workers, are generally more vulnerable to capitalist exploitation (Veen et al., 2020; van Doorn, 2017). Such labor has traditionally been associated with classist notions of “a lack of value, skill, and dignity” and is performed mainly by individuals of marginalized socioeconomic backgrounds, such as low-income people, people of color, and people of migrant or temporary status (van Doorn, 2017, p. 907).

Although many gig workers want to claim their rights on the abovementioned issues, they tend to stay quiet due to the risk of being blacklisted and losing their source of income (Carboni, 2015; Ravenelle, 2019). Considering the widespread societal harm to gig workers in the sharing economies regarding their time, health, security, and income, it is not surprising to see scholars blaming the sharing economy as a nightmare form of neoliberal capitalism (Snider, 2018). It can be seen from the literature that greater emphasis is being given to the existing legislations and managerial practices that are, by their nature, destructive. However, there is still a need to achieve an insider perspective from the primary sources of experience, gig workers, to create a consensus on the ways of development.

### **3. Methodology**

#### **3.1. Research Design**

An exploratory qualitative approach is favored to address the research question as the outcome should be adequate at giving theoretical insight yet informative to managerial parties and platform providers involved (Gioia et al., 2013). Qualitative research using grounded theory also creates room for flexibility of interpretive research, which is essential for this analysis (Glaser and Strauss, 2017; Gioia et al., 2013). Conversely, the research question of this paper would not be answered by quantitative research, which tends to focus on answering more descriptive and quantifiable questions. Experiences gathered from interviews with our central unit of analysis, gig workers, are critical to developing insightful recommendations, so data for quantitative research would not be applicable.

This paper used interviews as primary data and secondary data analysis to collect textual and descriptive data. To obtain retrospective, real-time, and inclusive information, people experiencing the mentioned phenomenon, gig workers, were selected to be the main interest of this analysis

(Gioia et al., 2013). Interviews with gig workers working or previously worked in on-demand service delivery platforms have been conducted to gain non-academic insight into their perceptions. In addition, secondary data, which provides for existing descriptive analysis about the unfair nature of gig workers in a sharing economy context, news in the media, websites of the on-demand service delivery companies, and related rider unions have been consulted. Data triangulation has been adopted with relevant literature, reports, and digital publications on the subject to ensure reliability and validity (Lincoln & Guba, 1985).

### **3.2. Empirical Setting**

The units of analysis of this study are the gig workers of the matchmakers market, explicitly working with on-demand service delivery companies in the Netherlands. It should be noted that these companies usually do not operate only in the EU context. They are mainly global in their area of work and have international teams. Hence, it will be a different setting as both academic and non-academic literature tends to focus on the US context. However, this global phenomenon continues to gain more popularity and is no longer a niche market in EU countries (Pinedo Caro et al., 2021). Therefore, there is a need for analysis and a better understanding of the European context, particularly the Dutch market. The on-demand service economy in the Netherlands, which constitutes almost one-third of the active population in the gig economy (Norton Rose Fullbright, 2020; ter Weel et al., 2018), is highly debated. The rise and growth of the gig economy in the Dutch market carry concerns and criticisms, even lawsuits, along with its success (Silicon Canals, 2022; DutchNews.nl, 2021; Khwes, 2021). After the report regarding the investigation of employment relationship regulation (Norton Rose Fullbright, 2020), gig workers' working conditions and rights gained even more attention from the platform providers, consumers, gig workers, and the media.

### **3.3.Data Collection**

#### ***3.3.1. Primary data - Interviews***

The primary purpose of this research is to gain more information on the subjective perceptions of gig workers. Since it was essential to use semi-structured in-depth interviews as primary data, this methodology was specifically favorable in collecting data on how gig workers perceive and approach challenges in the workplace and day-to-day activities. The semi-structured format helped create an environment where respondents led interaction and gathered “descriptions of the life world of the interviewee in order to interpret the meaning of the described phenomena” (Kvale and Brinkmann, 2019, p. 3). It was possible under such a format to engage in a deeper and free-flowing dialogue with the participants while focusing on the specific topics.

Interviews were conducted with gig workers currently working or previously worked in on-demand service platforms in the Netherlands. Theoretical saturation was reached after ten interviews (Glaser and Strauss, 2017) and two further interviews conducted, averaging 45 min in length. This process resulted in a sample of two women and ten men, ranging in age from 16 to 29 years, who form most of the group (Pinedo Caro et al., 2021). Out of twelve interviews, ten were conducted in a digital face-to-face environment, allowing one to perceive facial expressions and non-verbal cues. Two interviews (ID 05 and ID 08) were conducted in an open-ended survey format using Qualtrics. A screening survey was sent before each interview to gather anonymized personal information regarding their gender, ethnicity, age, current and previous (if applicable) platform that they are working, contract, and duration. An overview of the participants is provided in Appendix A.

Before interviewing participants, an interview guide (see Appendix B) containing introductory information about the interviewer, the research, permission to record, and interview questions was prepared. Interview questions structured to gather information on:

1. Gig workers' general background and experience with the platform
2. Gig workers' perceptions of the challenges they faced
3. Gig workers' communication with the platform when needed, and the interaction
5. Gig workers' perceptions of the relationship between them and the platform at a broader level

Each interview was recorded, and notes during the interviews to ensure recollection of the body language and other non-transcribable features were taken. Eleven interviews were conducted in English and transcribed word-for-word to limit bias (Kvale and Brinkmann, 2009) with the exclusion of repetitive and filler words such as 'like' and 'um.' One interview (ID 01) was conducted in Turkish, therefore, went under the process of translation to English after the transcription.

### ***3.3.2. Secondary Data - Archival Data***

A comprehensive review of archival documents is conducted. Non-academic sources such as newspaper opinion pieces published in digital sources helped guide through real-life applicable understanding and solutions to overcome this problem. In addition, these sources provide interviews, observations, and information on lawsuits that can be considered more up-to-date and critically assessed. In particular, Thuisbezorgd, Deliveroo, and Gorillas 'Frequently Asked Questions' webpages were investigated to gather publicly available information about each company's policies, payment models, and algorithms. Websites and published declarations of unions such as Radical Riders and Rider Union were consulted to get familiar with the challenges

faced by gig workers in different cities in the Netherlands. To consult academic sources, a list of key terms such as “sharing economy,” “platform economy,” “shared economy,” “peer economy,” “on-demand economy,” “service provider,” “gig worker,” and “economic failures in the platform economy” was applied to search the titles of the literature.

### **3.4.Limitations**

Few limitations exist concerning the method and design of this study. First, the size of data collected from the interviews will be limited, as gig workers might not be inclined to share their negative experiences. This attempted to mitigate by ensuring anonymity during the interviews. It was also essential to be transparent about why this data is being collected and state that it will only be used for academic purposes. Second, it is important to mention that two interviews were conducted in an open-ended survey format using Qualtrics in a digital environment, and one interview was conducted in Turkish; therefore, it went under the process of translation to English after the transcription. Although using an open-ended survey still allows the respondents to go into as much as they want, it is less personal and lacks the observation of non-verbal cues and facial expressions while answering the questions. It also limits follow-up questions and violates the free-flowing dialogue nature of semi-structured interviews. Semi-structured interviews also have limitations that diminish the overall strength of this qualitative research design by entailing that a researcher’s theoretical background and subjective viewpoints will impact the types of questions asked and how an interviewee’s responses are interpreted (Diefenbach, 2009). To deal with these limitations, interviews, and analysis processes are operationalized through the constant comparative method (Glaser and Strauss, 2017). This paper also took a reflexive approach in analyzing interview transcripts; meaning remained critical and with constant devotion to the interview recordings.

### **3.5.Data Analysis**

The research systematically analyzes and explores concepts, values, thoughts, and experiences, resulting in the categorization of the data (Gioia et al., 2013). Hence, this non-numeric information will be diagnosed with the ground theory approach to deliver structured analysis and process-oriented outcomes (Glaser and Strauss, 2017; Gioia et al., 2013). Gioia argues that well-constructed qualitative research needs to report first-order (informant-centered) and second-order (theory-centered) data and findings (2021). This paper will follow the Gioia methodology's conceptual framework, in which first-order concepts will be used, followed by second-order themes to gather aggregate dimensions (Gioia et al., 2013). First-order concepts include groups of quotes and keywords to identify similarities and differences that will help identify broader themes (Gioia, 2021). Second-order themes include categorizing similar quotes and keywords into broader themes (Gioia, 2021). This step was crucial to screen similarities and identify patterns in interviewee's words. In the third and the last step, identified broader themes have been linked to aggregated perceptions of the gig workers. This framework allowed to adopt a clear structure that will result in valuable findings and recommendations.

As the first step, each interview transcript was read carefully to initiate the open coding process. Next, annotation was done through reading transcripts to help identify important patterns and keywords. This process was repeated as each transcript was read and coded multiple times. After the process of elimination of codes, concepts and themes were created. Interviews have been analyzed using the NVivo 12, a qualitative data analysis software mainly used for coding. Appendix C contains an overview of the coding results; first-, second-, and third-order categories.

#### **1<sup>st</sup> Order Concepts**

#### **2<sup>nd</sup> Order Themes**

#### **Aggregated Dimension**

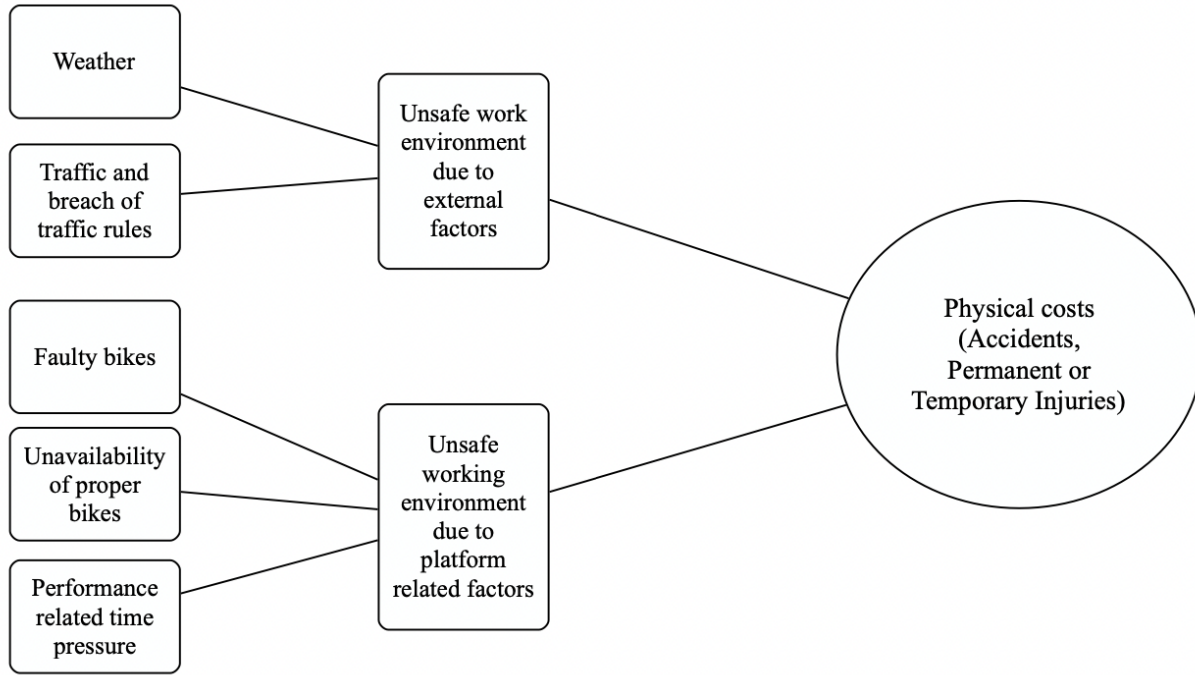


Figure 1: Coding example for the Physical Costs dimension Source: Author

This paper will continue by combining data gathered from primary and secondary data to establish specific themes, patterns, and relationships. Finally, it will summarize the data and interpret these findings to develop implications and recommendations.

#### 4. Findings and Discussion

Based on the thorough analysis of semi-structured interviews and secondary data, this section provides an overview of the findings regarding value destruction in subjective perceptions of gig workers. Findings suggest that the value destruction can be defined in three forms of costs for the gig worker, namely, physical costs (unsafe working environment due to the non-platform related factors and platform related factors), psychological costs (consumer misbehavior, restaurant misbehavior, and platform provider misbehavior), and financial costs (income insecurity, transparency, and additional expenses), which are further detailed in Appendix D. This section will define and discuss each second-order category that emerged from primary data. Supportive

quotes from interviews will be given, and the findings will be verified based on secondary data analysis. In the last subsection, insights on fairness and exploitation in the eyes of gig workers will be provided and discussed.

#### **4.1. Physical costs**

It has been observed from the interviews that physical costs are one of the main factors that create an imbalance between value creation and destruction. Interviews showed that physical costs could arise from mainly two sources, an unsafe working environment due to non-platform and platform-related factors. The Covid-19 pandemic also fostered the race to offer the lowest price and fastest service, leading increased unsafe working conditions (Khwes, 2021; Herrmann, 2020). During pandemic, the platform gig economy grew by 40% in demand and up to 450% in the offering of gig work (Herrmann, 2020). This growth was observable in the Dutch market:

When the restrictions came during the pandemic, everyone was at home and the workload was very heavy. Even though the shift should have been over, I sometimes needed to work overtime for half an hour or an hour. (ID 01)

The flexible, temporary, and impersonal nature of gig works comes at the expense of accidents and permanent or temporary injuries, hence the normalization of an occupational accident. Gig workers' expectation from the platforms to create a safe working environment is also reported to be low due to the normalization and acceptance of the gig work nature. Respondents report that not ensuring a safe environment is normal because “it is the nature of the job” (ID12). One of the interviewees mentioned how the platform’s actions to keep gig workers safe are restricted to forcing them to wear a helmet:

Everyone obviously needs to wear a helmet; the company makes them wear but it is the biggest protection that can make for a bike so it is normal that the company stops there and

cannot do more about it. But even with a helmet, you are not fully safe. If a car hits you and if you wear a helmet still things can go wrong. (ID 10)

#### ***4.1.1. The unsafe working environment due to non-platform-related factors***

Findings showed that non-platform related factors contribute to the unsafe working environment: weather and traffic. Weather condition is a prominent actor in creating physical costs for the gig workers participating in the on-demand food and grocery delivery service economy. While during the interviews, weather-related accidents, injuries, and other complaints were the most significant commonalities, it has been highly discussed on the union websites and blog posts as well (Silicon Canals, 2022; Khwes, 2021; Radical Riders, 2021).

According to a news article about a recent lawsuit, Omer Sonmez, a previous Thuisbezorgd employee, reported experiencing a dangerous accident after being forced to work during February under extreme weather conditions such as storms (Silicon Canals, 2022; Radical Riders, 2021). He was fired after sharing this story on Radical Riders blog and the company responded to the accusations by stating “couriers were never forced” and are allowed to end their shift without any consequences “if they felt unsafe” (Silicon Canals, 2022). Similar to what is reported in union blogs and news, when asked about a typical bad day for them, almost all interviewees shared their challenging experiences with the weather:

Also, the weather is important. Because I remember the first day, it was hailing. ... I'm wearing glasses so I couldn't really see. It was like my view was restricted. I have had to stop several times because the snow was going into my eyes. (ID 06)

Holding other factors constant, the weather is seen as a significant factor that can shift their experience to bad or good. Interviewee ID 04 defines the job as “fairly nice” when the weather is

good while stating that they are “soaking in the rain while the wind is almost pushing out from the bike”. In another interview, this imbalance was again reported:

Yesterday, I didn't really think about it (the weather), I was wearing my normal shoes and they got completely drenched in five minutes. I was soaking, like my feet were swimming and I had to do my job like that for three hours. .... you're outside, you're freezing but you just go on. That is a challenge during winter, winter was less pleasurable. Right now, it's sunny and it's really nice to be outside. (ID 09)

It is revealed that weather could be the sole reason for gig workers to stop participating in the gig economy; as a former Thuisbezorgd employee stated, “I think I would leave when winter would come, where eventually I would get frustrated” (ID 04).

Traffic and breach of traffic rules by other drivers, threaten the safety of the gig worker when they are forced to rush to deliver a product within a time limit. One participant said that accidents are common when it is raining, and they need to go faster than usual:

The scooter came like from the right, but I was on a priority road, and he didn't have any lights on. He just came right in front of me out of nowhere and I collided straight into him. My leg hurt for quite some time after that, but luckily nothing was broken. Well, it was really a point reminding me that I need to be more careful. (ID 02)

As it can be seen in this quote as well, breach of traffic rules, especially from scooters, constitutes a danger when gig workers are in a rush. Even though scooters are not allowed in bike lanes as of 2019 in different cities in the Netherlands (Government.nl., n.d.), there are many cases where this rule is not obeyed. These external factors can cause accidents that are life-threatening and can cause permanent injury. According to an interviewee mentioning a Gorillas coworker that

experienced a significant accident where he faced physical, financial, and psychological costs, “these can be risks that they have constantly”:

We had a guy that was hit by a bus, another guy fall into the car, he hit the car and broke the front window with his head and spend three days in the hospital with a concussion. (ID 10)

#### ***4.1.2. The unsafe working environment due to the platform-related factors***

There is a need to look from an organizational perspective regarding the unsafe working environment and platform-related factors. Interview findings suggest that platform-related factors can be faulty bikes, unavailability of bikes for different weather or order conditions, and performance-related pressure.

To achieve a profitable business model, platform providers tend to adopt cost-cutting practices (Srnicsek, 2017). Srnicsek argues (2017) that it is a common practice in capitalist economies to continuously transform the labor process to cut costs, fight with competition and gain market share. However, except for the platforms where gig workers need to use their bikes (Uber and Deliveroo), platforms are obligated to provide the necessary equipment for the job to be performed in the best possible conditions (see Appendix E). Similar to what the literature suggests, interviews showed that there are cases where gig workers face difficulties finding a functioning bike that is suitable for the order.

According to an interview conducted by “Radical Riders,” a Gorillas rider tried to brake at the red light. The bike motor started up, causing him to fall to the road while carrying a heavily loaded cargo bike (Radical Riders, 2021). Due to this faulty, he reported suffering physically and mentally and did not get any compensation from Gorillas (Radical Riders, 2021). The interview also mentioned that these malfunctions are occasionally happening, almost daily, with regular bikes.

He reports that gig workers are making sure to notify bicycle defects, but it is still an ongoing issue for Gorillas. Interviews findings from Gorillas employees are in line with this argument. One interviewee working for Gorillas mentioned the problem they faced regarding e-bikes:

When I started working there (referring to Gorillas), there was a change in the head office. They ordered a new batch of e-bikes that I think was much cheaper, but they were not as durable as the e-bikes previously used. Therefore, it was very challenging to drive those e-bikes because they could break easily. And there wouldn't be any spare e-bikes there for you, you had to use these broken e-bikes and, sometimes the breaks are also broken. Therefore, it could increase the possibility of an accident, I experienced that sometimes the brakes didn't work properly. (ID 11)

It was also mentioned in an interview with an employee of Thuisbezorgd that they sometimes need to work with faulty bikes that need to be taken out:

Especially when you have like a really tight brake when you just pressed it a little bit, it stops, and it can be really dangerous. (ID 02)

When using a bike to deliver an order, two factors are found to be important: weather and weight of the order. Interviews showed that different generational and types of bikes exist in the warehouse for Gorillas or the hubs for Thuisbezorgd. Service providers are expected to know and choose the bike according to the weather and other factors they might consider. However, there are incidents where it is not up to the decision of gig workers but the availability of bikes. Interviewee ID 07 mentions the availability of bikes for heavy orders:

It can be annoying if there are very heavy orders. If you're using one of the bikes with a box, it's not like you are carrying it. It is fine. But if you have the ones with the backpack,

it's a bit hard. For example, if there is a rider that has the other kind of bike, they will give the orders to that rider. But it's not always possible. (ID 07)

When it comes to different generational bikes, interviews showed that while for different weather conditions different generational bikes need to be chosen, it is generally the case where gig workers grab a bike randomly due to lack of knowledge or availability:

I think like a lot of drivers that come in, doesn't don't really know about the generational bikes and they just grab a random bike and one day it can be the fast ones, and the other days it can be the slower ones. Which is very dangerous. (ID 04)

Platform providers also contribute to the physical costs by putting psychological pressure on gig workers with different tools such as performance indicators and rankings. It can be seen from this quote that under stress, gig workers are inclined to make more mistakes:

I was riding, rushing back to get to the place, and like I've kind of crashed into another bike. ... So, you just make mistakes when you're in a rush, and you're not really thinking straight. (ID 03)

In addition to the time-related pressure, gig workers also experience occasions where they need to answer the calls from the platform or customer while rushing to deliver the order (ID 03), risking the possibility of an accident without a doubt. One main commonality in the interviews was how interviewees bear the risks and do not mention any platform-related responsibilities in these accidents. Instead, they tended to “take the blame,” “bear the costs,” and believe that it is their fault even when it is not (ID 09).

#### **4.2. Psychological costs**

It has been found that psychological costs arise mainly due to three actors: restaurants, customers, and platform providers. Interviewees reported that waiting due to customer negligence

(not answering the phone or entering a wrong address) or in busy restaurants can cause a loss of time, a decrease in their performance, and threaten their future income:

I found out I need to go 5 km from the place I went. When there is a wrong address, you can lose 1 or 2 hours easily. This meant losing 20 to 30 euros for me. (ID 12)

#### ***4.2.1. Consumer misbehavior***

Consumer interaction is a major part of the working environment for gig workers. Looking from the consumer perspective, it is normalized to desire a service immediately and be sensitive to any delay or mistake (Melián-González, 2022). However, consumer activities carry importance for the workers in accomplishing these services, especially in the on-demand delivery platforms (Benoit et al., 2017). For example, entering a wrong address or causing a loss of time by not answering their phones can mean losing the possible money that the gig worker could have received and cause frustration and the feeling of underappreciation. Interviewees reported that they expect the users (consumers) to fulfill the job at their end and experience two opposite consumer interactions; while some people appreciate, and respectful others might not (ID 03).

Customer misbehavior also comes in the form of pranks and getting angry with the service provider for reasons beyond their responsibility. An interviewee who was working with Lyft and DoorDash in the US compared their experience with their current job in Thuisbezorgd and said:

Every customer would leave a review essentially. So, if your rating went below a certain number, you'd get risk being fired or something. There was that stress that it is all on you and it's oftentimes, out of your control. You're always worrying that your rating will go down because of this issue of the restaurants or this something else way out of my control, an act of nature. ... this is ridiculous. My ratings going to go down because the restaurant doesn't have the food or like, there's something missing from the order. And the customer

would be calling you and kind of blaming you for not for that item being missing from the food order. (ID 03)

A shared experience of gig workers was about the need to take the blame that was beyond their power. The psychological pressure and cost are even higher when there is a rating system (Gaskell, 2022; Gandini, 2019; Hill, 2019) as the ratings can be used as a punishment tool. Although most interviewees did not experience a problem with customers, there were cases where they needed to communicate with an angry customer or “getting slapped the door in their face” (ID 11). One interviewee reported having a constant fear while doing this job:

And I feel like I think my biggest fear is like knocking on the door and handing the person the food and then they'll be mad at me or like blaming me. And it's like, it's not good you know, you are on the bike riding to the address stressed. What do I say if they're mad at me? (ID 03)

These experiences are very much linked with the platform they are working with. While in Thuisbezorgd, gig workers have an intermediary between the customer and themselves, on other platforms (Deliveroo and Uber), this was not the case. One interviewee said that this was an important factor when choosing Thuisbezorgd compared to other on-demand platforms. In his own words, “it's better to have an in-between because you can't predict people”. It could also be an angry person. I chose this company to work with zero interlocutors” (ID 01). There can be other cases, apart from expressing anger, blaming, and giving low ratings, where gig workers face challenges. One interviewee mentioned the prank he experienced during a night shift:

Some customers do pranks on me. I guess because I don't speak Dutch. ...they just shouted out of nowhere and I was like, “What?” Especially when they are partying or when they're drunk. I just feel like, why, why did you do that? I'm just working during the night. I know

I don't look like the Dutch. I just feel like it would be fun to do a prank on this like an Asian guy or something. (ID 06)

Findings from the interviews are in line with low-income service industry literature. van Doorn (2017) suggests that on-demand platforms are formed and built so that racialized and gendered history between the service provider and consumer will continue, and degraded labor will be presented as good pay with a flexible schedule.

#### **4.2.2. *Restaurant misbehavior***

The rapid growth of the gig economy in recent years has transformed many sectors of the economy, such as hospitality, transportation, and food delivery (Shin et al., 2021). Restaurants doing food delivery in-house benefited from the gig economy business model during and after the COVID-19 pandemic, as they were suffering from low staffing and workload (Lindberg, 2020). It affected the allocation of labor, enabling more staff to work in the kitchen and preparation, and helped restaurants deliver products to their customers during the pandemic (Cherry and Rutschman, 2020). This relationship is reciprocal; restaurants, as the intermediary in the on-demand service delivery business models, significantly impact the gig economy and the experience of gig workers (Popan, 2021). Therefore, the need to examine the relationship between gig workers and restaurants was evident.

Service providers occasionally experience long waiting times to collect the order due to restaurant-related factors such as problems in the kitchen or high order numbers (Popan, 2021). In most situations where the gig worker needs to wait for more than they can, they face conflicts with the people who are working in the restaurant:

I was waiting there for half an hour; I can understand that the restaurant is busy, but I also need to be on my way. I asked them, how much longer will it take to complete the order.

The guy started to shout at me. I decided to cancel the order because I couldn't wait any longer. I was leaving the restaurant and the guy came with the delivery and said, "You have to do it". I tried not being aggressive, but he was aggressive. (ID 12)

Restaurant misbehavior also can be in the form of mistakes in preparing or giving the wrong order. Since restaurants are an important element in this moving wheel, they carry some responsibilities. Similar to customer misbehaviors such as entering the wrong address or not fulfilling the responsibilities on their end, restaurants can put gig workers in a stressful state. When asked about the challenges he faced during this job, one interviewee mentioned the confrontation and rating that he needed to risk due to restaurant misbehavior:

This is ridiculous, my ratings going to go down because the restaurant doesn't have the food or like, something is missing from the order. Customers would be calling you and kind of blaming you for not for that item being missing from the food order. (ID 03)

There were also interviews where restaurants' behavior is observed to be impolite and not feel seen. In the words of an interviewee, "They're just not polite. They just gave you the order and leave." (ID 06). It is also worth mentioning that he feels degraded when restaurants make them wait in a bad environment:

Some restaurants make you wait in a very dirty alley like a small way just behind the restaurant. So, I just feel like I'm like a stray dog, not like a human. (ID 06)

Interviews revealed that restaurant misbehavior affects the gig workers' mental state due to acting impolite and causing them to take the blame and face a low rating due to wrongdoings. Service providers expect the restaurants, similar to the case for customers, to fulfill the tasks on their end.

#### ***4.2.3. Platform misbehavior***

Platform providers are one of the fundamental actors in the challenging experiences of gig workers. While literature tends to focus on organizational problems related to platforms and the possible fundamental issues that might exist in platform economies, it is found that gig workers also face day-to-day challenges regarding platform misbehavior and new forms of control (Todolí-Signes, 2017).

Interviews showed that in the case of employment where it is not remote or flexible, platforms either have a hub (Thuisbezorgd) or a warehouse (Gorillas) that gig workers need to visit starting, during, and before ending their shifts. These places have platform representatives such as driver captains, supervisors, and management teams. Naturally, gig workers expect to have healthy conservation with the representatives when needed. Nevertheless, they can experience miscommunication and distrust that makes them feel unappreciated. It should be noted that two opposite experiences were observed during the interviews. When talking about the environment in the warehouse, a current Gorillas employee expressed how the international, friendly, and accepting environment makes her love the job that she is doing (ID 10). Likewise, it was evident that feeling supported and listened to by platform representatives has a significant impact on the perception of the platform:

My dispatchers and coordinators, the hub is really supportive. They recognize that this is difficult, they are there for us, and that we are really important. (ID 09)

On the contrary, interviewees mentioned being micromanaged by the supervisors and reflected by saying that this job is often the "opposite of flexible" (ID 04). Moreover, as new ways of controlling the quality of work can take the form of monthly evaluation processes and being tracked even during their breaks, it can result in an environment of distrust for some:

We keep sending our live location at all times, and they observe where you are. Even during the time between two orders where you can have 10 minutes with no orders coming to you. You can sit somewhere, eat, or have a drink or a cigarette, but there are specifically designated spots for that. They look if you are actually there, but also if there are more than four people at that spot, they tell you, no, you need to move from that spot. (ID 04)

It was a common point in most of the interviews that their job should not require being micromanaged. Service providers state that their job is to deliver the product to the customer and consider every supervision in between as "bullying" (ID 04). One interviewee mentioned an incident that her friend experienced with a coworker that is on probation to become a captain when working for Thuisbezorgd:

He was on probation to become a captain, and that guy was really ambitious. So, he wanted to enter everything as a record, anything he saw. He started recording people for the smallest things, not putting their hands high enough when they were turned in order or putting the bag in the wrong position. And she had a discussion with him, but then she was quite nervous about it because, of course, that is superior, and you got reported. And the day after that, when she went to the hub, the guys pointed at her talking with a coordinator in Dutch. She does not know Dutch, so that was not super nice. And then they called her, and they had a discussion about it. In the end, the coordinator realized that that was a real big brother moment. It was a lot of stress, and it does not create the best working environment. (ID 09)

Wrongful termination and the decision to extend the contract were also reported to be a factor that creates a psychological burden on the gig worker. One interviewee mentioned an experience

where his contract got terminated because of his last evaluation. When he asked for the reason, he got the answer of being quiet when clients open to door:

I told her, I am quiet as the person, is this something you are going to hold against me?

... I was so offended and disgusted with that kind of behavior that I just wanted to not deal with them anymore (talking about his decision not to file a lawsuit for wrongful termination). (ID 04)

Monteith and Giesbert (2017) argue that the ability of workers to provide capabilities and respond the demands is dependent on social and environmental factors. Interviews proved that their job quality is linked with these factors, and they feel more connected with the platform and motivated to work when they experience a safe and trustful working environment.

#### **4.3.Financial costs**

From a business standpoint, sharing economy platforms tend to choose independent contractors, not employees, to maximize revenue and profit. Hence, under their current employment status, gig workers are left with few benefits and protections (Carboni, 2015). Additionally, as independent contractors, they need to use their own equipment and cover the costs of depreciation of this equipment. Interviews also showed they are not getting paid for overtime even in the cases where they work under a contract (ID 01, ID 11). To address this issue and strengthen the position of gig workers in the Netherlands, the cabinet started to act (Elston-Weidinger, 2021; DutchNews, 2021). Recent improvements are starting to be seen, one being the decision of Thuisbezorgd and Deliveroo's entitlement to an employment contract in which certain conditions needs to be met (Riders Union, n.d.).

Although it is not widely recognized in the literature, the nature of gig work also puts a financial burden on gig workers in the form of income insecurity and additional expenses. van

Doorn (2017) argues that for platform workers, the cost of living tends to exceed the volatile earnings resulting in a financial struggle in their daily life. Interviews showed this is the case, especially when it is the platform workers' primary source of income.

#### ***4.3.1. Income insecurity***

“Variation in salary,” “not feeling secure in terms of income,” “fear of discontinuity,” and “unpredictability” are the phrases that gig workers come up with when asked about the first words that come to their mind when they think about the gig economy. Income insecurity is a serious concern (van Doorn, 2017) and can be caused by the payment model, shift availability, and transparency-related issues. While the payment per delivery model causes an unpredictable and unfair income (Popan, 2021), payment per hour threatens a stable income due to variation in available shifts:

The only downside of it is that there are not always shifts. I can see that, during the summers, there's going to be problems for a lot of drivers because they are limiting the hours that you can work during the shifts. (ID 11)

In the light of interviews, transparency issues can be caused by the changes in the payment scheme and not providing information about rights such as calling sick. One interviewee expressed his challenge with calling sick and the loss of money due to lack of information:

I've been working here for eight months now. And they only yesterday showed me how to actually make a claim for this, and that I can get 70%. I remember all the weeks I called in sick with the whole full week of shifts. ... I have had an infection with COVID, and I didn't get paid for all those 24 hours because they never told me how to call in sick. (ID 02)

Due to the unbalanced bargaining power in platform providers also reserve the right to change the terms of service agreement at any time (Todolí-Signes, 2017; van Doorn, 2017).van Doorn

suggests this situation “renders the contractual relation that governs workers’ conduct highly insecure and detracts from their ability to appeal particular regulations or decisions” (2017, p.900). In one of the interviews with a previous Deliveroo worker, it is shown that delivery rates are open to chance and dropped significantly over three years:

A big challenge I would mention is the change in the amount of income per delivery that I have experienced from the first day to my last. I would have got 5€ gross so around 3.50/4€ net, when I finished, after 3 years, the lowest net income for delivery could have been around 2.20€. (ID 05)

Income insecurity is also related to information asymmetry skewed towards the customer rather than the platform worker (van Doorn, 2017). Platform interfaces, in most cases of on-demand platforms, provide minimal information about the delivery before the workers accept it. After ensuring such commitment, gig workers are faced with the pay rates and, therefore, can risk profitability. Findings from the interviews conducted with the participants who had experiences with Deliveroo and Uber support this:

Deliveroo is way better than Uber. Because of many reasons, it gives you a pay rate also a clear picture of the distance from the application. So, you know in advance about the route and the km you need to go. It is good for a rider to be able to see the distance and decide whether you will take it or not. (ID 12)

#### **4.3.2. Additional expenses**

While income insecurity can be considered an indirect cost, additional expenses due to rising demand for new equipment and depreciation costs of existing equipment with little to no allowance constitute a direct cost. Literature suggests that in the case of sharing platforms that require using own car, like Uber, the cost of gas was also a threat to workers' income in the form of additional

expenses (Carboni, 2015). Although it might be expected for self-employment or zero-hour contracts, interviews showed that it is not dependent on the nature of the contract and gig workers need to buy new clothes or equipment such as phone holders.

Maybe it's more only about, Gorillas' case, phone holders broke or don't really work. So,

I usually take mine from home. (ID 07)

An interviewee working for Thuisbezorgd (a company that provides clothing and necessary equipment) with 16 hours contract told that:

I had to buy new clothes all the time. Waterproof shoes, thick coats, socks, etc. I couldn't predict at first, that it would be this hard to work on rainy days. (ID 01)

Using their phones all the time, in different weather conditions such as rain and cold, also creates a situation where the workers need to compensate for the damage themselves:

We use, we have to use our own phone and you know, you use it for hours intensively, so that's not great for your battery. Especially during winter, when it's really cold. (ID 09)

When asked about possible ways that would improve their personal experiences, she mentioned phone allowance:

There can be problems with the battery. There is one other company, Gorillas, they have a phone allowance...the new companies, tend to have a phone allowance or new phones. (ID 09)

After expressing this need to the company, she mentioned getting the response of “this is how capitalism works” and “it is not expected that these companies to have these kinds of policies for a long time.” Service providers experience confusion about what they can and cannot claim due to the lack of consistency among platforms with additional expenses and ways of compensation.

#### **4.4.Fairness and Exploitation**

From the business perspective, classifying workers as independent contractors saves money and removes much legal liability from issues arising out of work (Carboni, 2015). However, from the gig workers' perspective, these platforms treat their workers with little regard on a day-to-day basis and still pay minimum wage despite the risks involved in the job (Khwes, 2021).

Interviews provided insights on how gig workers define unfair and exploitative in sharing economy. The main findings from the interviews suggest that gig workers generally believe that the gig economy can be considered unfair and exploitative. Although they tend to exclude their experiences from this generalization, economic market failures embedded in the gig economy, such as power asymmetry, asymmetric information, and imperfect competition, are highly recognized. In one of the interviews, it is mentioned that the gig economy "exploits the existing poverty in the world" as applications are abundant due to the economic concerns of many individuals:

I think they would just fire for any reason because they do not lack applicants, and this is unfair. Many students want to work there. So, they know if they fire someone, they will find someone to work within the day. I think they just do not really care. (ID 04)

Literature, and the publications on riders union websites, support that the platform economy is indeed unfair and exploitative (Iaia, 2021; Snider, 2019; Van Doorn, 2017; Carboni, 2015; Radical Riders, n.d.). Interview findings were in line with this; however, when asked to rate their experiences in terms of fairness, participants expressed finding their experience with the gig economy above average fair. Furthermore, they see costs and benefits are balanced out in the situations where; the company is supportive, they select this job knowing the potential costs, and they are satisfied with the payment scheme (or it is not the primary source of income):

My family supports me financially, so I do not need to be completely economically independent. Whereas if I was in another condition, I would be way more stressed, and I would want to see different changes. I personally like it really fits my situation. (ID 09)

Service providers tend to emphasize that their experience might be different from others' experiences in other countries and with different payment models:

I would like to restrict this grade to the Netherlands and payment per hour contracts. Because It is a nice job, honestly. It is reasonably paid. (ID 07)

It is also worth mentioning that that this unfair and exploitative nature is open to growth as many of these gig workers stay silent despite that they want to claim that they have rights as employees. Gig workers' motivations for staying silent are also aligned with the arguments for the unfair nature of platform economies. According to Carboni (2015), they fear losing their only source of income or not being responsive. One interviewee explained why he could not do anything after seeing a woman delivering a baby on her bike when he was in the U.S.:

I did not report it because the platform would not have done anything to help. They only care for money. It is depressing to witness the desperation that poverty causes in people and that you cannot do anything about it on an individual level. (ID 08)

There were several interviews mentioning the profit-oriented nature of the platform and blaming the lack of communication and unfair wages for being extremely profit-oriented:

I think the problem here is that they are trying to make as much profit as they can, and therefore they are trying to limit the connection between drivers and them so that they do not have to do as much work. ... I think they should be less profit-oriented in this sense because it leads to the worst environment. (ID 11)

But sometimes I was feeling fooled by the company because some revenues were extremely ridiculous, and I was thinking of colleagues in worse conditions compared to me and how would they have experienced such a challenge. (ID 05)

Interviewee ID 08, when asked about his feedback at the end of the interview, said that how he found the question on the ways to enhance the relationship between gig workers and businesses "weird because of the drastic power dynamic" and "it is untenable."

Failure of legal systems to criminalize, regulate or restrict the crimes of capitalism (Snider, 2018) and platform providers to enjoy the technologically enabled theft of time, security, and employee income has been normalized and even celebrated. Unless necessary regulations occur, exploitation and the unfair nature of platform economies will continue to contribute to inequality worldwide.

## **5. Conclusion and Implications**

Gig workers are an essential part of the success of this business model. However, it is argued that implications for gig workers can be detrimental if literature continues to focus on the symptoms existing only at the surface level affecting them. This research aimed to dive into the root causes of these symptoms by taking the gig worker's perspective and studying whether the sharing economy's overall potential value creation happens at the expense of costs for the gig workers. Interviews with gig workers and extensive secondary data analysis revealed that specific costs imbalance the value creation and destruction equation. Findings suggest that the value destruction can be defined in three forms of costs for the gig worker: physical, psychological, and financial. Evidence also showed that the empowering nature of sharing economy tends to be celebrated at the expense of its exploitative and unfair nature for those who provide the services.

### **5.1.Theoretical Implications**

This study demonstrates the effectiveness of the interviews in decoding and explaining the dynamics of a complex social-economic phenomenon from service providers' experiences. To reveal the hidden stories' clarity to the literature, this research provides insights into the matchmaker market in the Netherlands, on-demand service platforms, and service providers, defined as gig workers. It was essential to achieve an insider perspective from the primary sources of experience to create a consensus on the ways of development.

This paper contributes to the existing literature by developing and proposing three cost types, physical, psychological, and financial, that carry value destructive practices. These costs reveal two new concepts that can benefit from further research: restaurant misbehavior and additional expenses. Specifically, for on-demand delivery platforms, restaurants are essential intermediaries playing a vital role in platform economies' success and gig workers' experiences. Restaurant misbehavior can cause a psychological cost for gig workers and a financial threat. Additionally, literature tends to focus on the expenditures that gig workers need to bear, such as gas, yet there is a need to investigate hidden expenses further. Interviews showed that the depreciation cost of their equipment, such as phones and phone holders, is essential to their concern with the gig economy. This concern was evident in Gorillas, Uber, and Thuisbezorgd cases, where service providers still try to act upon receiving an allowance.

Finally, this analysis presents insights into the growing conversation around the hyper-capitalist and unfair nature of the platform business model. To do this, it revealed the conditions that change the perceptions of gig workers. It is found that service providers find this business model fair, and the costs existing are balanced out in the situations where; the company is supportive; gig workers select this job knowing the potential costs and if they are satisfied with

the payment scheme or if it is not the primary source of income. Through further studies focusing on these conditions, we could gain meaningful insights into the sources and results of exploitation and its unfair nature.

## **5.2. Managerial Implications**

Further managerial attention is needed to improve the working conditions of gig workers and compensate the minimum wage payment despite the risks they are forced to bear. Recognizing the need and areas of improvement is necessary to decrease, if not abolish, the costs gig workers face only to participate and contribute to this economy. Three areas of improvement were found, transparency, representation, and income security.

It should be monitored whether algorithms are constructed in a way that provides transparent fares, pricing, and distance information about the order before service providers are expected to accept it. Ensuring these practices could help to decrease the information asymmetry that already exists in the business model. This transparency should be aimed at the organizational level as well. Platforms should involve gig workers in the decision-making when it has an impact on them. They should invest time and resources in understanding service providers' experiences and actively seek ways to improve transparency.

Secondly, findings suggests that gig workers value representation, yet, find it hard to unionize. This representation is needed to determine and spread the protection that service providers deserve. Service providers should be granted access to mechanisms enabling them to freely express their experiences and inclusion in collective bargaining, affording them a presence in policy and regulatory processes (Pulignano et al., 2022). Legislations and laws protecting the service providers' employment status should be enhanced.

Thirdly, the findings on the payment structure in the on-demand service delivery platforms have important practical implications for the sustainable development of this business model. Even though transparency and representation are crucial in improving the employment conditions of gig workers, recognition in the payment is an important motivation to continue. Considering that income security for service providers is critical in their decision to engage and participate in the platform economy (Cherry and Rutschman, 2020), the effect of different payment models and bonus schemes should be evaluated. Interviews revealed that payment per delivery is an unfair practice that exploits gig workers psychologically due to the pressure of workload, physically, causing time pressure, and financially due to unpredictability of income. Platforms that adopt the hourly-payment model are less associated with underpaid and unpredictable work (Pulignano et al., 2022), hence, they could benefit from payment per hour contracts.

### **5.3.Limitations and Further Research**

This qualitative study contributes to understanding value destruction in the on-demand platform economy in the subjective perceptions of gig workers. However, additional research is needed to address several of its limitations. First, the grounded theory relies on the researcher's subjective interpretation of qualitative insights (Gioia et al., 2013; Diefenbach, 2009). Quantitative studies (e.g., case series) on this topic could offer a more objective valuation of the costs at the expense of gig workers' benefits (Sukamolson, 2007). The time available to study the research question of this paper was limited; hence, a future study (e.g., a longitudinal study) combining quantitative and qualitative data can be helpful to answer this research question while observing the change over time (Wenger, 1999). Second, interview participants include service providers mainly participating in the gig economy as a secondary income source. Investigating service providers that work for their primary source of income might reveal different challenges in their

day-to-day working experience and feelings towards the gig economy. Third, the research scope does not encompass a detailed focus on consumers' and platform providers' perceptions of the value of destructive practices. Further research efforts could qualitatively and quantitatively compare the nature of food and grocery delivery work across various platforms, including Flink. Such a study could help explore the impact of payment per delivery versus payment per hour schemes on service providers by taking a broader perspective.

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### Appendix A: Overview of the Interviewees

ID	Gender	Ethnicity	Age	Current Platform	Previous Platform	Contract	Tenure
1	M	White	26	Thuisbezorgd	N/A	Hub based and Remote (after 1 month), 12 hours	6-12 months
2	M	White, Other	16	Thuisbezorgd	N/A	Hub based, 16 hours	6-12 months
3	M	White	23	Thuisbezorgd	Lyft, DoorDash	Hub based, 16 hours	3 weeks
4	M	White	23	N/A	Thuisbezorgd	Hub based, 12 hours	1-6 months
5	M	White	27	N/A	Deliveroo	Zero-hour	1-3 years
6	M	Asian	22	Thuisbezorgd	N/A	Hub based, 10 hours	1-6 months
7	M	White	23	Gorillas	N/A	Zero-hour	1-6 months
8	M	White	21	Thuisbezorgd	N/A	Hub based, 16 hours	3 weeks
9	F	White	19	Thuisbezorgd	N/A	Hub based, 16 hours	1-6 months
10	F	White	23	Gorillas	N/A	16 hours	6-12 months
11	M	White	21	Gorillas	Thuisbezorgd	Zero-hour (1 month), 16 hours (currently)	1-6 months
12	M	Asian	29	Deliveroo	UberEats	Zero-hour	1-6 months

### Appendix B: Interview Guide and Questions

#### Introduction (3 min)

Thank you for participating in this interview.

Let me tell you a bit more about my research; I am conducting these interviews for my master's thesis which I try to understand your relationship as a service provider with the gig economy. I am aiming to learn more about your subjective perceptions of both the platform you work with and you as a service provider. Talking to you will help me to understand this relationship better and I really appreciate you taking the time to talk with me and helping my research. I am hoping to find results that would help the gig economy to enhance the relationship with gig workers.

In this interview, I want to focus on your experience with X. There are no right or wrong answers, and you are more than welcome to tell me if there is something that you want to mention beyond these questions regarding this topic.

The interview takes approx. 40 minutes, and it is voluntary hence you can opt out at any time for any reason. This interview and everything you will say will be anonymized so if I share some quotes from the interview in my research, it will not include any of your personal information.

Finally, I want to ask if I can record the audio from our interview? I am not going to share the recording with anyone. All the recordings will be deleted after I am done taking notes. It's just because it will help me to focus on what you are saying and get the most out of our interview.

**Participant Introduction (3 min)**

To start, I'd like to hear a little bit about you, can you tell me a bit more about your occupation? What was your job description? Where did you find the job? How many hours was your contract?

**Topic-specific (45 min)**

Thank you for the information you give...

Before we start:

Are you familiar with the term gig economy?

a) Initial feelings (5 min)

To start our interview, I would first like to ask

- 1) What are the first words and phrases that come to your mind when you think about the gig economy?

Probe: Any negative words or phrases?

Follow-up: Why does to come to mind? Why is this important to you?

b) Experiences and behaviors (20 min)

I would now like to move on to your own experiences...

- 2) What does your personal experience look like in your current/related past occupation?

What is a regular day? What is a bad day?

- 3) Have you experienced any challenges with this job? Can you tell me more about (if any) challenging experiences you had?

Follow-up:

What did you do then?

How did you deal with it?

How did the platform react/say about this experience?

- 4) How do these challenging experiences make you feel?
- 5) Can you rate your experience from 1-5? 1 being very unfair and 5 being very fair?

Follow-up: Can you explain why you chose this?

c) Opinions and values (20)

- 6) How can your situation be improved?

Follow-up: What would you wish for? What would make your experience better?

- 7) What is expected, from your perspective, to enhance the relationship between gig workers and sharing economy business model?

- 8) What would be some improvements that will make you feel the benefits of this job are equal/greater than the costs (financial, psychological, or physical) you are facing/have faced? Do you think it balances out?

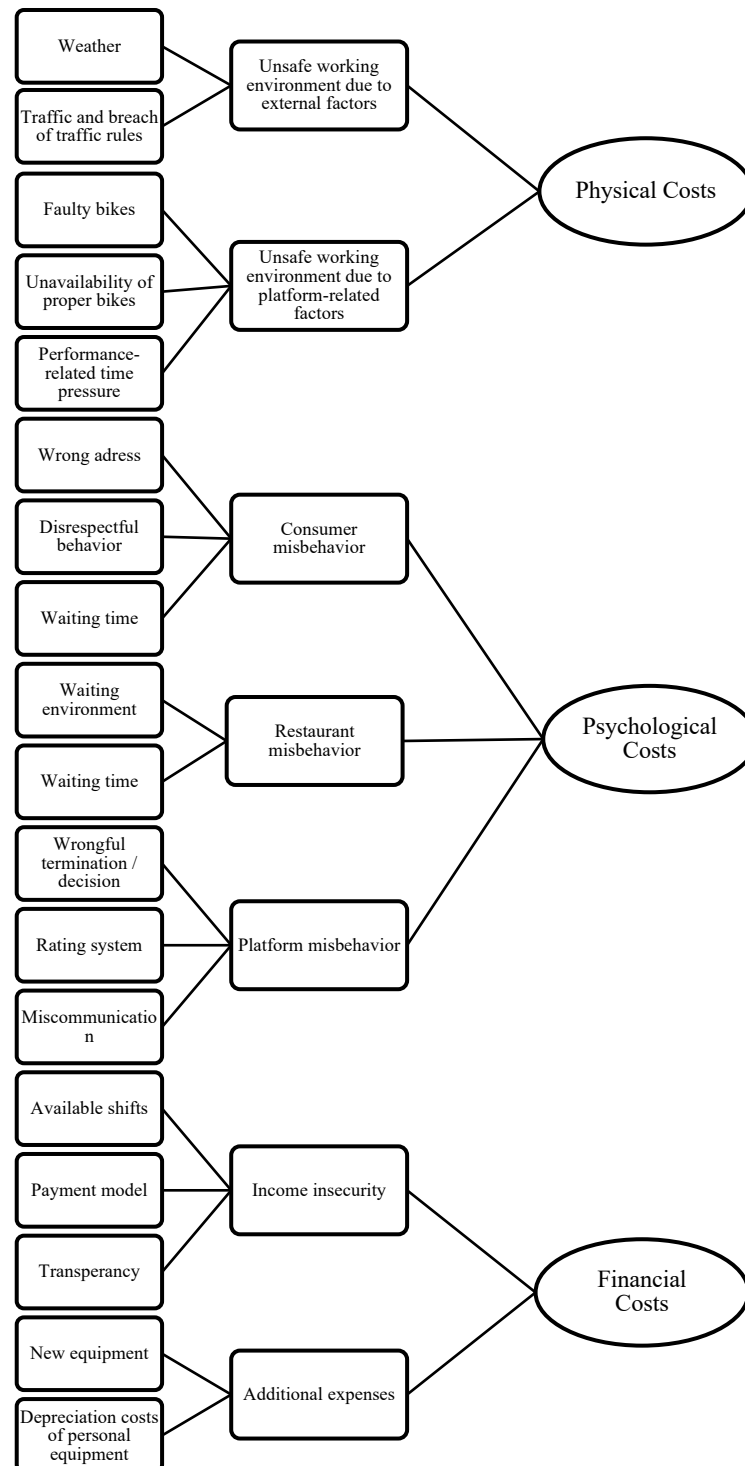
**Wrap-up**

Thank you for your answers...

- 9) Is there anything you would like to add regarding the topic of interest in the interview?
- 10) Is there any feedback you would like to give to me (it can be about me as an interviewer or for the questions) that would be helpful for this research?

**Appendix C:** Overview of the Coding Results; first-, second-, and third-order categories

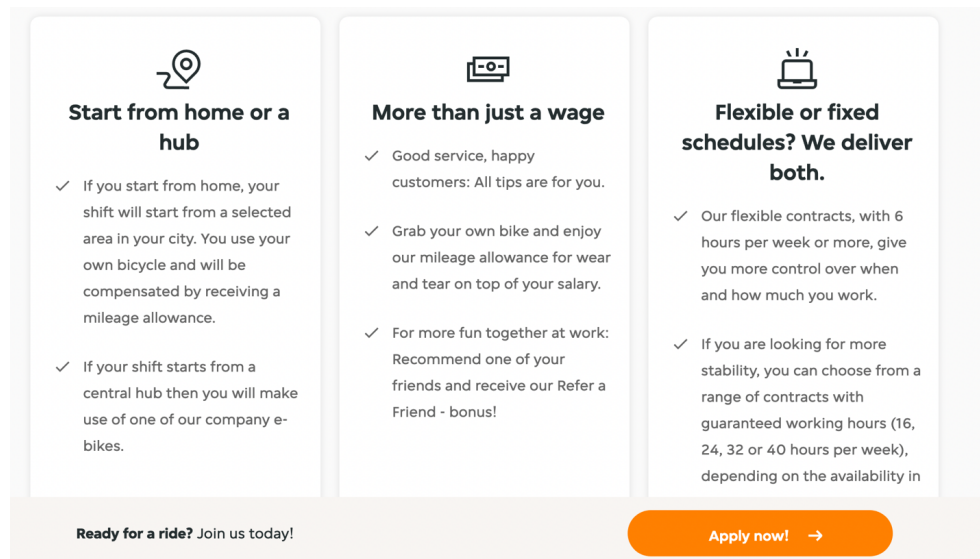
**1<sup>st</sup> Order Concepts**      **2<sup>nd</sup> Order Themes**      **Aggregated Dimension**



## Appendix D: Codebook

Themes and Codes	Description	Illustrative Statement
<i>Unsafe work environment due to external factors</i>		
Weather	Service providers believe that weather is an essential factor in creating an unsafe working environment, especially in the Netherlands, where they face heavy rain and windy weather.	"If the weather is not very nice, then you're just soaking in rain and winds almost pushing you out from your bike, so when the weather is good, then it's a fairly nice job." (ID 04)
Traffic and breach of traffic rules	Service providers can face dangerous situations due to the need to go fast when there is dense traffic or breach of traffic rules by other drivers. Scooters in the bike lane are considered a threat in the Netherlands, even in the cities (Utrecht) where it is not allowed.	"Also, traffic plays a huge role in it too. For example, yesterday I had a shift and, there was this scooter that was driving on the wrong side of the road and almost collided into me." (ID 02) "Because now I see, and not just saying the Netherlands, but in Taiwan as well, so many food couriers, they don't follow the rules" (ID 06)
<i>Unsafe work environment due to platform related factors</i>		
Faulty bikes	Service providers have difficulties with bikes that are not functioning correctly, i.e., due to problems related to brakes and tiers.	"And then there wouldn't be any spare e-bikes there for you, you had to use these broken e-bikes and, sometimes the breaks are also broken..." (ID 11)
Unavailability of proper bikes	Service providers experience occasions where they cannot use a bike that would be proper for the weight of the order or the weather.	"It can be annoying if there are very like heavy orders. If you're using one of the bikes with a box, so if it's not like you are carrying it. ...But it's not always possible." (ID 07)
Performance related time pressure	Service providers face psychological pressure with different tools such as performance indicators and rankings.	"...When you're in a rush you kind of you mess, you make mistakes. So like today I was riding, rushing back to get to the place and like I've kind of crashed into another bike." (ID 03)
Consumer misbehavior	Consumers can enter a wrong or incomplete address that leads the service provider to lose time and income and face a performance decrease.	"The customer added the wrong address, don't whether it is by mistake of the user or the platform. I arrived at the destination and when I called the customer, I realized I need to go 5 km from that place. When there is a wrong address, you can lose 1 or 2 hours easily. This meant losing 20-30 euros for me." (ID 12)
Disrespectful behavior	Consumers are reported to get angry, do pranks and behave aggressively (slapping the door) in situations beyond service providers' responsibility.	"Some customers do pranks on me. I guess because I don't speak Dutch. ...they just shouted out of nowhere and I was like, what? Especially when they are partying or when they're drunk." (ID 06)
Waiting time	Service providers occasionally experience waiting due to customer negligence (not answering the phone or not being there on time to receive the order), leading to loss of time, possible future income, and a decrease in performance.	"...when customers don't do their jobs on their end, for example, not answering the door, or putting a wrong address." (ID 02) "Some days you get many problems with are customers because you arrive and they don't answer. You cannot know whether they are sleeping or I don't know. So, that influences you because like you want to have a good performance." (ID 09)
<i>Platform misbehavior</i>		
Wrongful termination/decision	Service providers perceive wrongful termination or decision on their contract extension that makes them feel underappreciated and exploited.	"I think they would just fire for any reason because they do not lack applicants, and this is unfair. Many students want to work there. So, they know if they fire someone, they will find someone to work within the day..." (ID 04)
Rating system	The rating system, which is very dependent on external factors, puts psychological pressure on the service provider and creates a power asymmetry.	"You had to keep your rating above that (specific rating). If it went below, you'd get risk being fired or something. So, there was that stress that it is all on you. It's all on you that you have if something does happen, and it's often times, usually, it's out of your control, but you're always worrying, oh, well, my rating goes down because of this issue of the restaurants or this something else way out of my control, out of nature." (ID 03)
Miscommunication	Service providers expect healthy conversation with their driver captains or people in a higher position in the restaurant.	"I was so offended and disgusted with that kind of behavior that I just wanted to not deal with them anymore." (ID 04)
Restaurant misbehavior	Restaurants can make service providers wait in dirty or crowded spots, contributing to their initial feeling of underappreciation.	"Some restaurants make you wait in a very dirty alley like a small way just behind the restaurant. So, I just feel like I'm like a stray dog, not like a human." (ID 06)
Waiting time	Service providers occasionally experience waiting due to restaurant-related factors such as problems in the kitchen.	"I was waiting there for half an hour; I can understand that the restaurant is busy, but I also need to be on my way." (ID 12)
Wage instability	The number of available shifts affects service providers' income and threatens a stable income.	"The only downside of it is that there are not always shifts, I can see that, during the summers, there's going to be problems for a lot of drivers because they are limiting the hours that you can work during the shifts." (ID 11)
Available shifts	Service providers expect to have information regarding their rights (such as paid leave) and the payment they will get from deliveries before accepting the order.	"I've been working here for eight months now. And only yesterday they showed me how to actually make a claim for this, to get 70%. Cause I remember all the weeks I called in sick with the whole full week of shifts." (ID 02)
Transparency	Service providers must use their phones, phone holders, and bikes (depending on the platform they work with). They need to bear the depreciation costs of this equipment as platforms tend to avoid giving allowances.	"She (referring to a friend of the service provider who studied law) said it sounds like a very shady contract. I read it and I didn't realize anything abnormal but she said it sounded very shady. They were lacking specific information about the "what if's." (ID 10) "A big challenge that I would mention is the change in the amount of income per delivery that I have experienced from the first day to my last. I would have got 56 gross so around 3,50/46 net, when I finished, after 3 years, the lowest net income for delivery could have been around 2,206." (ID 05)
Payment models and bonus scheme	Service providers experience a significant difference between the payment per hour model and payment per delivery model, finding the payment per delivery model unfair. They value net and feel motivated by bonus schemes that are related to performance.	"I had to buy new clothes all the time. Waterproof shoes, thick coats, socks, etc. I couldn't predict at first, that it would be this hard to work on rainy days." (ID 01)
Additional costs	Service providers face occasions where they need to buy new equipment necessary for their work, such as clothes and phone holders.	"We use, we have to use our own phone and you know, you use it for hours intensively, so that's not great for your battery. Especially during winter, when it's really cold" (ID 09)
New equipment	Service providers must use their phones, phone holders, and bikes (depending on the platform they work with). They need to bear the depreciation costs of this equipment as platforms tend to avoid giving allowances.	
Depreciation of personal equipments	Service providers must use their phones, phone holders, and bikes (depending on the platform they work with). They need to bear the depreciation costs of this equipment as platforms tend to avoid giving allowances.	

## Appendix E: Information Regarding Employee Benefits (Screenshots from platform websites)



The screenshot displays three columns of benefits for couriers on the thuisbezorgd.nl platform. Each column has an icon at the top: a location pin for 'Start from home or a hub', a wallet for 'More than just a wage', and a laptop for 'Flexible or fixed schedules? We deliver both.' Below each header, there are bulleted points detailing the benefits. At the bottom, there is a call to action 'Ready for a ride? Join us today!' and an orange 'Apply now!' button with a right arrow.

Start from home or a hub	More than just a wage	Flexible or fixed schedules? We deliver both.
<ul style="list-style-type: none"> <li>✓ If you start from home, your shift will start from a selected area in your city. You use your own bicycle and will be compensated by receiving a mileage allowance.</li> <li>✓ If your shift starts from a central hub then you will make use of one of our company e-bikes.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Good service, happy customers: All tips are for you.</li> <li>✓ Grab your own bike and enjoy our mileage allowance for wear and tear on top of your salary.</li> <li>✓ For more fun together at work: Recommend one of your friends and receive our Refer a Friend - bonus!</li> </ul>	<ul style="list-style-type: none"> <li>✓ Our flexible contracts, with 6 hours per week or more, give you more control over when and how much you work.</li> <li>✓ If you are looking for more stability, you can choose from a range of contracts with guaranteed working hours (16, 24, 32 or 40 hours per week), depending on the availability in</li> </ul>

Ready for a ride? Join us today! [Apply now! →](#)

Source: <https://www.thuisbezorgd.nl/en/courier>

## WHAT YOU CAN EXPECT



The screenshot shows a grid of six benefits for riders on the gorillas.io platform. Each benefit is represented by an icon, a title, and a short description. The benefits are: 'Riders first' (shield icon), 'Competitive earnings' (piggy bank icon), 'Grow with us' (upward arrow icon), 'Cool rider swag' (sunglasses icon), 'Speedy e-bikes' (e-bike icon), and 'Vibrant crew' (heart icon).

Riders first	Competitive earnings	Grow with us
A supportive team that is always there to help & listen to your feedback.	Gorillas pays an hourly wage (including waiting time!) and customers' tips.	Take ownership over different functions that suits your profile.
Cool rider swag	Speedy e-bikes	Vibrant crew
Head to toe with the best rider outfit on the streets! Stylish, safe & functional.	Our e-bikes help you get around the city quickly and easily.	Join a diverse & inclusive community of energetic bike enthusiasts.

Source: <https://gorillas.io/en/ride-with-us>