

# SHARING ECONOMY SUSTAINABILITY

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## ABSTRACT

As alternatives to traditional corporate service providers, sharing economy firms disrupt the service markets by crowd sourcing service from individual providers. While several economic models have been proposed to describe the impact of sharing economy on a single service market, we investigate the role of sharing economy in two markets of standardized service, each with the presence of an independent sharing economy firm whose service price decision impacts the supply and demand of both markets. Similar to a Bertrand competition, both sharing economy firms announce their service prices simultaneously to maximize their revenue, anticipating the reaction from the other one. Based on this model, we investigate the social, environmental, and financial sustainability of sharing economy.

**Keywords:** Sustainability; Sharing Economy; Game Theory