INDUSTRY WEEKLY DIGEST

YOUR WEEKLY DIGEST OF CONTEMPORARY INDUSTRY TRENDS



USER-LED GOVERNANCE

for tourism and hospitality platforms

Tourism and hospitality are increasingly characterised by platformisation, from travel planning (e.g. TripAdvisor) to bookings (e.g. Expedia) to consuming services on site (e.g. Deliveroo, Uber). A key issue with platforms is the power asymmetry between platform users and the platform itself. To level the playing field, a new framework for user-led platform governance is proposed in recent <u>research</u>.

In this digest, guest contributor and alumnus of the School of Hospitality and Tourism Management, Dr Aarni Tuomi summarises the research paper.

Have a great weekend!



DEVELOPING A NOVEL GOVERNANCE FRAMEWORK

Dr Aarni Tuomi

In recent years, the tourism sector has undergone a significant transformation through its increasing interaction with digital platforms such as Expedia, Airbnb, Uber, and JustEat. This shift, termed "platformization," has led to platforms outperforming the GDPs of several countries, providing tourism-related work opportunities and reshaping the landscape of travel. The uniqueness of these platforms lies in their size, reach, and technological opacity, which, combined with network and lock-in effects, can lead to monopolistic tendencies. As intermediaries, platforms facilitate interactions among users but also raise issues regarding transparency, responsibilities, and liabilities.

The governance of tourism platforms has attracted scholarly and political interest, highlighting the need for regulatory frameworks that balance the interests of various stakeholders. Different jurisdictions have implemented varying regulations, reflecting the complexity of platform governance. Activist movements and unionization among platform users have influenced regulatory developments, though platforms often lobby against stricter regulations. For example, efforts to improve working conditions for food delivery couriers in California were met with significant opposition from platform companies.

Effective platform governance is crucial for creating a safe, trustworthy environment for users, ensuring fair competition, and addressing concerns related to platforms' use of Al. The concept of deliberative governance, rooted in participatory design and citizen participation, offers innovative approaches to platform governance. Citizens' assemblies in particular present a promising method for engaging stakeholders in governance processes. These assemblies, offer a platform for democratic deliberation and decisionmaking, involving a representative group of platform users. Such participatory mechanisms can foster trust and legitimacy, allowing for comprehensive deliberation on the ethical, social, and economic implications of platforms.

To that end, in our recent <u>research</u> we developed a novel conceptual framework to offer a structured approach to platform governance. Our framework encourages tourism and hospitality researchers and managers to more actively engage in platform governance, as well as to explore new governance models, emphasizing the need for a comprehensive view of platform governance that goes beyond individual platforms or platform types.

<u>Tuomi, A., Ascenção, M.P. (2023). Deliberative</u> governance for tourism platforms. Annals of Tourism Research 103, 103647

