

# The Gig Economy: A Case Study Analysis of Freelancer.com

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Received: Apr 03, 2021; Accepted: Apr 26, 2021

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**CITATION:** Green DD, Polk X, O'Donnell H, Doughty K, Carr M, Costa-Cargill D. 2021. The Gig Economy: A Case Study Analysis of Freelancer.com. Management and Economics Research Journal, 7(2): 1-6, Article ID 1413412. DOI: 10.18639/MERJ.2021.1413412

## ABSTRACT

The gig economy is transforming societies across the globe. Freelancer.com promises experts representing every technical, professional, and creative field on its platform serving over 47 million users that project managers will find freelancers seeking work. This case study evaluates Freelancer.com, one of the leading freelance websites in the gig economy. Additionally, this research examines the merits of disruptive marketing as a strategic tool in the marketplace. With the potential growth of advanced technologies, Freelancer.com will find itself fending off other competitors. In the Covid-19 era and with the fierce financial crises across the globe, the research results are significant because the conclusions assist scholars and practitioners to better utilize freelance services like Freelancer.com found in the gig economy.

**KEYWORDS:** Freelancer.com; Gig Economy; Disruptive Marketing Strategies; Freelancers; Global Marketplace.

## 1. INTRODUCTION

In a competitive career world, job seekers are looking for stable work and employers are looking for valuable help. Freelancer.com provides a job marketplace that engages employers and freelancers around the globe to collaborate for mutual benefit (Freelancer.com, 2021). This company allows self-employed professionals to directly connect with an employer by submitting bids for work including remote project options and local jobs. Freelancer.com creates an avenue for thousands of independent contractors with specialized skillsets for any employer or service buyer to discover. In today's growing marketplace, differentiating a marketing strategy by placing an emphasis on uniqueness and changing perception can expand operations from national to international buyers and users. By using this crowdsourcing service, companies are going beyond local and national borders to "create new and interesting situations for technical communicators" (Amant, 2005). Freelancer.com produces these channels to allow employers and freelancers to connect all over the world as they continuously develop in their number of users and projects posted. Overall, this case study analyzes the disruptive style of Freelancer.com's marketing strategy and answers how it has broken off from traditional marketing channels. This case study evaluates Freelancer.com, one of the leading freelance websites in the gig economy. Additionally, this article examines the merits of disruptive marketing as a strategic tool in the marketplace. With the potential growth of advanced technologies, Freelancer.com will find itself fending off other competitors.

### 1.1. REVIEW OF LITERATURE – DISRUPTIVE MARKETING

Disruptive marketing refers to a company's marketing strategy breaking traditional marketing rules or shaking things up. When a company takes a new and daring approach, it changes the perception of the company and the industry as a whole. Moreover, disruptive marketing encourages companies to rethink the whole brand, not just its advertising and marketing campaigns. Scholl (2019) wrote; fear squashes great ideas. Scholl further clarified that brainstorming is a helpful tool for business owners, writing down every single idea and not ruling anything out provides space to consider ideas that would usually be too far-fetched or silly. Those disruptive ideas innovate and awe, reimagining brands and the marketing behind them (Scholl, 2019). Moreover, disruption of any kind forces an organization's leadership to either think outside of the box or faint. The key when facing disruption is to not have a "knee-jerk" reaction but to learn how to capitalize on the situation. The ability to embrace disruption in marketing comes from knowing customers, understanding the industry, having confidence, and showing passion about the organization, and is a market advantage. Plenert (2012) emphasized that managers need to practice breakthrough thinking. Yet, managers should not be stuck in the past. In the twenty-first century, managers must ditch the old paradigm and pursue the new multi-thinker persona (Plenert, 2012).

**2. METHOD(S)**

This research utilizes case study analysis to explore Freelancer.com. This empirical study focuses on one organization in the gig economy. Additionally, this case study utilizes the SWOT and PESTLE Analysis for a deeper understanding of any strategic gaps in the Freelancer framework. Case study strategy incorporates empirical investigation of a particular current phenomenon, with varied and diverse data collection and evidence of the phenomenon (Robson and McCartan, 2016). To best define and illustrate the issue, the researchers applied a qualitative case study design, containing multiple sources of information that were collected and analyzed; this approach ensured that themes and generalizations were pulled correctly from the information, resulting in this case study analysis (Creswell, 2016). The researchers followed the same set of procedures and rules throughout the study, in order to increase reliability in the findings of this well-triangulated case study (Stake, 2010).

**2.1. ORGANIZATIONAL BACKGROUND**

Freelancer.com is the world's largest freelancing and crowdsourcing marketplace by a great number of users and projects. Freelancer.com operates in the gig economy which encompasses workers from online freelancers to Uber drivers (Frazer, 2019). The gig economy is short-term task-based labor, filled with contingency workers. On this online platform, freelancers can secure work from individuals or businesses to generate income. In fact, they use this freelance work as a full-time or part-time job or "gig." Freelancers connect over 44 million employers and freelancers globally from over 247 countries, regions, and territories. With respect to Freelancer.com, rather than products being marketed, freelancers are marketing themselves. Through the marketplace, employers can hire freelancers to do work in areas such as software development, writing, data entry, and design right through to engineering, the sciences, sales and marketing, accounting, and legal services. Job postings include details of the project and warrant direct communication with job seekers. Freelancers must create profiles indicating their experience and talents. What makes Freelancer.com different from its competitors is having the simplest platform use while also having the most types of freelancing services offered.

**3. ANALYSIS/FINDINGS**

With a variety of disruptive forces on its organization, Freelancer.com faces many challenges. Therefore, a detailed analysis may shed light on strategic opportunities for this organization. In this strategic evaluation, researchers utilized PESTLE and SWOT Analyses to examine Freelancer.com. From the literature, Freelancer.com does not have a clear organizational hierarchy. Furthermore, Freelancer.com uses a flat organizational structure, allowing freelancers to bid on the projects they choose. Yet, Freelancer.com's marketing strategy is differentiation. Below is an evaluation of Freelancer.com using the PESTLE Analysis:

**3.1. PESTLE ANALYSIS**

**Figure 1. Freelancer.com - PESTLE Analysis.**

<b>P</b> <b>Political</b>	<b>E</b> <b>Economical</b>	<b>S</b> <b>Social</b>	<b>T</b> <b>Technological</b>	<b>L</b> <b>Legal</b>	<b>E</b> <b>Environmental</b>
<p>Sending US work hours to other countries could be a hot debate</p> <p>May conflict with small business culture</p>	<p>Part of the gig economy</p> <p>A short-term task-based labor type</p>	<p>Platform connects customers globally</p> <p>Inclusive</p> <p>Safety concerns present for human trafficking</p>	<p>Customers connect with freelancer talent worldwide</p> <p>No regional barriers</p> <p>The online business model allows rapid growth</p>	<p>National laws or regulations protecting self-employed are limited</p> <p>Likely that freelancers do not have protection from the law</p> <p>Low likelihood of employee benefits</p>	<p>Online platform allows them to cut down on environmental waste</p> <p>Working remotely prevents adding any external forces of environmental waste</p>
<p>References: Palmer et al., 2017; Green and McCann, 2020; Frazer, 2019; Manyika, et al., 2019; Cochran, 2020; Marx, 2016</p>					

**POLITICAL.** The current political climate for freelancing as an outsourcing tool for U.S. businesses is problematic. There are debates about the lack of benefits afforded to freelance workers like Uber drivers (Marx, 2016; Rosenblat, 2020). Freelancers do not have the extra layer of protection of a labor union or job benefits (Marx, 2016; Rosenblat, 2020). Many businesses are

hurt due to outsourcing. Small businesses are no exception. Today's small businesses help stimulate the U.S. economy; small businesses create many jobs and generate wealth for many families" (Green and McCann, 2020). Therefore, this force is a major element to consider in this analysis.

**ECONOMICAL.** Freelancer.com is considered a part of the gig economy. Over 50 million people did gig work in 2018 in the U.S. The estimated total spent on hiring gig workers in the U.S. in 2018 was \$1.3 trillion (Global Gig, 2019). This growth is a clear indication that gig work significantly impacts the economy, which is promising for the future of Freelancer.com.

**SOCIAL.** Freelancer.com allows gig providers to connect with others globally. The platform enables people of all ages, ethnicities, and socio-economic backgrounds to come together in one place to provide job opportunities or take on new work. Despite the benefits of global networking, the ease of communication may also cause problems (Coble, 2020; Haneberg, 2020). "In a time of economic crisis, workers are more vulnerable ... and persons under economic stress are more likely to fall prey to the wiles of traffickers," stated Luis CdeBaca, Ambassador-at-Large to Monitor and Combat Trafficking for the Obama Administration (Haneberg, 2020). These days, online platforms are an open door for traffickers. Potential victims are easy to find, especially those who post personal information, such as personal hardships, loss of job, etc. Human traffickers use the lure of sex and other enticements, including employment offers, to ensnare victims. The traffickers set up fake dates and make what appear to be legitimate job offers to unsuspecting victims. (Coble, 2020; Haneberg, 2020).

**TECHNOLOGICAL.** Freelancer.com allows customers to connect with freelancer talent worldwide instead of confining freelance work to specific regions. Online freelance platforms increasingly connect workers to job opportunities. By 2025, these online sites could add \$2.7 trillion to global GDP (Manyika *et al.*, 2019). Additionally, the availability of GPS grids, cloud-based computing, and 4G and 5G connectivity will boost the rapid growth of freelance websites like Freelancer.com (Woodcock, 2017).

**LEGAL.** Government sets regulatory limits and helps facilitate gig industry growth in the U.S. Because of rapid growth, there are many instances in which regulation does not currently exist. Scarce gig provider regulations leave room for businesses to avoid penalties (Woodcock, 2017). Freelancer laws are on a state-by-state basis. However, Freelancer.com extends globally, which leaves some workers unprotected by-laws (Cochran, 2020).

**ENVIRONMENTAL.** Freelancer.com is based solely on an online platform. Additionally, many freelancers work from home, eliminating pollutants derived from travel, and reduces operating energy consumption. The reduction of environmental waste permits Freelancer.com to operate with social responsibility (Palmer *et al.*, 2017). Below is an evaluation of Freelancer.com using the SWOT Analysis:

### 3.2. SWOT ANALYSIS

**Figure 2. Freelancer.com - SWOT Analysis.**



**STRENGTHS.** Freelancer.com is a simple online platform that can be accessed via a computer or mobile app. This freelance site accommodates numerous jobs, talents, and skillsets. In fact, gig sites attract a highly flexible workforce (Woodcock, 2020).

**WEAKNESSES.** A significant drawback of Freelancer.com is that there is no vetting process for freelancers. It is up to the employer to vet qualifications. Finally, another drawback involves the company's weakened niche focus. Although the company has a broad scope that increases competition, the business diminishes the focus on primary services. Additionally, Woodcock (2020) argued that the freedom afforded to workers moving from 'gigs' has the potential to create larger societal problems in the future.

**OPPORTUNITIES.** Freelancer.com has the opportunity to expand into other areas such as construction, architecture, medical billing, real estate platform development, and consulting. These areas can provide an exchange between consultants and clients. Supplying this kind of wide reach will allow project managers to benefit from skills offered from around the world (Volkin, 2020). Freelancer.com can capitalize on these opportunities and increase disruptive marketing strategies.

**THREATS.** Competition is a significant threat to Freelancer.com. The success of the gig economy and its many workers have sparked other companies to develop online platforms similar in nature to Freelancer.com (Daisyme, 2020).

#### 4. STRATEGIC IMPLICATIONS

From the analysis, the researchers found several strategic implications for Freelancer.com, competitors, and researchers to consider. The website's current success is attributed to a growing gig economy and technological advancements that enable individuals to work from home. Freelancer.com's future success is primarily based on creating strategies for disruptive marketing, sustainability, and search engine optimization. The following strategic implications were discovered:

**DISRUPTIVE MARKETERS.** Disruptive marketing reshapes industry and consumer behavior. The foundation of disruptive marketing requires impeccable listening, observing, and rethinking of traditional marketing rules. Disrupters are knowledgeable about markets and industries, not just their company (Harrison, 2016). Moreover, disrupters are risk-takers; willing to alter their business model, goods and services, and communication methods (Bickov, 2017). Freelancer.com allows workers to demand value for their skills and services while remaining independent (Fries, 2020). Additionally, Freelancer.com enables employers and workers the opportunity to develop a strong company and personal brand positions. The website also restructures traditional labor and marketing strategies, making the site and its users - 'disruptive marketers.' Freelancer.com must regularly assess current offerings and technologies while challenging conventional means of promotion. By implementing innovative methods, the site can prosper and influence changes within the industry.

**SUSTAINABILITY.** According to the third annual Freelance Economic Impact Report, 57 million Americans freelanced in 2019 (Fiverr's Third Annual Freelance, 2020). The consequences of the Covid-19 pandemic include an increase in employees working from home and more companies outsourcing tasks. CEO Kaufman of gig website Fiverr suggests, "As the COVID-19 pandemic has forced employers and workers to reexamine all aspects of the modern workplace and adopt new technologies to maintain pace from the comfort of home, skilled freelancers are at the forefront of this adoption curve" (Fiverr's Third Annual Freelance, 2020). This trend bodes well for the future of the gig economy and Freelancer.com.

**COMPETING THROUGH SEO.** Many Internet-based companies exist to help independent workers connect with employers. These companies emphasize online revenue and growth. Company visibility must be increased. Search engine optimization (SEO) is "the practice of increasing the quantity of traffic to your website through organic search engine results" (McGrath, 2019). Competitive SEO spotlights brands, improves website traffic, promotes company trustworthiness, and improves users' website experiences (McGrath, 2019). Freelancer.com has the opportunity to enhance the use of links, keywords, and engaging content. Improvement will boost company visibility and brand recognition.

#### 5. CONCLUSION

Disruptive forces surround today's organization. Online platforms like Freelancer.com are not the exception. Considering the breadth of its current offerings and the low level of experience of its freelancer workforce, Freelancer.com is moving away from a niche offering, inviting numerous competitors to its platform door. Freelancer.com permits gig seekers and gig providers to perform marketing tasks. High levels of communication about experience, talents, and expectations are essential for the success of users and the site. Yet, due to increased competition, Freelancer.com may have difficulty creating a sustainable competitive advantage that will retain and attract users (Freelancer.com alternatives, n.d.; Freelancer top competitors, n.d.). Given this

perspective, Freelancer.com needs to gain a deep understanding of customers in order to retain them and attract new ones, as competition continues to flood the market. Implementing relationship marketing actually enhances the value of an organization to its customers (Lo and Campos, 2018). To remain competitive, Freelancer.com must devote time and financial efforts toward developing marketing disruptions, sustainable offerings, and optimizing search engine promotion. In the Covid-19 era and fierce financial crises across the globe, the research results are significant because the conclusions assist scholars and practitioners to better utilize freelance services like Freelancer.com found in the gig economy.

## CONFLICT OF INTEREST

The authors declare that there is no conflict of interest regarding the publication of this paper and it has been approved by all co-authors.

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