

**EE489**

**Literature review : Factors affecting freelance income: the case of Fastwork.co**

Overall, the research aims to portray the freelance occupation. It includes several data or factors that lead to freelancer's income which gather data from Freework.co. Firstly, the reasons that people turn to be freelancers especially for generation Y is because people are looking for a better work-life balance, which was not always the desire for past generations of workers. The benefits of being a freelancer include a wide range of project options, the opportunity to pick and select work, and having control over their employment because of their flexible location and schedule. However, since freelancers have no credit it has a high chance that they will be unknown by employers so it might be hard to generate stable income. Then the research attempts to portray the statistics of freelancers by using data from the National Statistical Office ,and explore the Fastwork.co data for freelancers which acts as a middleman to match freelancers and clients. Moreover, Fastwork.co will provide responses for credibility and reliability along the job agreement. Next, considering the theoretical framework of the research it adopts several theories which are Pricing theory, Economic theory ,and Psychological theory. For the pricing theory, it applies the Price-Quality effect which explains why people choose the more costly goods because they believe it is of higher quality ,and it also uses price elasticity to explain customers' decision on freelance selection which in this case is price inelasticity. Then for the Economic theory it includes asymmetric information which are moral hazard and adverse selection. Moreover, it also includes the first mover advantage ,and price discrimination in the report as well. To explain, since the freelancer who starts to work first they might receive trust from clients which leads to the first mover advantage theory. Next in the case of Psychological theory it includes selective exposure, selective perception, and selective retention. Afterward, focusing on the methodology this study obtained cross-sectional data from several people at the same time followed by the multiple linear regression by Ordinary Least Square (OLS) which analyzed freelancers' earnings on Fastwork.co. In the equation, it includes both dependent and independent variables. For the dependent variable it is GMV or Gross Merchandise Value and the independent variables include price or average selling price, categories,experience or specialization of freelancers, and freelancer attractiveness. Moving to the results part, it used an econometric model along with OLS through the Stata to examine the relationship between each variable. Furthermore, it also sets hypotheses to test the validity by looking at the data of P-value

and R squared. Lastly, for the conclusion it appears that since statistically significant factors have a positive association with profits, they will raise GMV. Graphic & Design, Web & Programming, Job Done, Job Approved, Review, and View which are all elements that may help freelancers earn more money.

### **Comment**

Overall, the paper is substantially well-performed in terms of data and methodology. Moreover, the sample is very large which causes data to become more accurate and reliable. The organization or flow of report is also well defined. Then the usage of pronouns or terminology is substantially formal. However, in my opinion the research must attempt to explain the specific word and some theories more. For example, the research uses GMV as a dependent variable which may be similar to freelancers income so they need to explain more for this term. Then when considering some theories and methodology it might need to clarify more. To give an example, since it aims to adopt Dummy variables and econometric it might be hard to make ordinary people understand the complexity or metaphor of data conversion. Lastly, it may need to adopt more qualitative data like google forms or surveys to make research become more effective.