


THE NEW SHARING ECONOMY

A STUDY BY **LATITUDE** IN COLLABORATION WITH SHAREABLE MAGAZINE

IT'S TRUE THAT SHARING IS A SIMPLE CONCEPT AND A
FUNDAMENTAL PART OF EVERYDAY LIFE. THANKS IN LARGE
PART TO THE WEB, IT'S NOW AN INDUSTRY WITH SEEMINGLY
UNBOUNDED POTENTIAL.

THE NEW SHARING ECONOMY IS ONE INSTALLMENT OF LATITUDE 42s
an ongoing series of open innovation studies which Latitude, an international research
consultancy, publishes in the spirit of knowledge-sharing and opportunity discovery.

Latitude
LIFE, CONNECTED



Technology is connecting individuals to information, other people, and physical things in ever-more efficient and intelligent ways. It's changing how we consume, socialize, mobilize— ultimately, how we live and function together as a society. In a global economy where the means of production are becoming increasingly decentralized, where access is more practical than ownership, [what do the successful businesses of the future need to know?](#)

- [What's changed about our psychology of sharing?](#)
- [Is money the only, or even the most valuable, currency anymore?](#)
- [How can Web, mobile and real-time technologies continue to fuel sharing?](#)
- [What are the opportunity spaces for business owners & future sharing entrepreneurs?](#)

THE NEW DRIVERS OF SHARING

75% of respondents predicted their sharing of physical objects and spaces will increase in the next 5 years.

TECHNOLOGY

— Online sharing is a good predictor of offline sharing. Every study participant who shared information or media online also shared various things offline — making this group significantly more likely to share in the physical world than people who don’t share digitally.

— 85% of all participants believe that Web and mobile technologies will play a critical role in building large-scale sharing communities for the future.



COMMUNITY

— 78% of participants felt their online interactions with people have made them more open to the idea of sharing with strangers, suggesting that the social media revolution has broken down trust barriers.



— Moreover, most participants (78%) had also used a local, peer-to-peer Web platform like Craigslist or Freecycle- where online connectivity facilitates offline sharing and social activities.



This study’s data supports the four primary drivers of sharing as originally outlined by Rachel Botsman, co-author of [What’s Mine is Yours: The Rise of Collaborative Consumption](#)

ENVIRONMENTAL CONCERNS

— More than 3 in 5 participants made the connection between sharing and sustainability, citing “better for the environment” as one benefit of sharing.*



GLOBAL RECESSION

— Over the past few years, the tenuous state of the economy has heightened awareness around purchasing decisions, stressing practicality over consumerism.

Participants with lower incomes were more likely to engage in sharing behavior currently and to feel positively towards the idea of sharing than did participants with higher incomes. They also tended to feel more comfortable sharing amongst anyone who joins a sharing community.

— Regardless of income, more than 2/3 of all participants expressed that they’d be more interested to share their personal possessions if they could make money from it.

— The two most popularly perceived benefits of sharing (67% each*) were “saving money” and being “good for society,” echoing the “we + me” mentality now popular amongst Millennials; saving money needn’t come at the expense of helping the environment or society.

Symbols convey that the following subgroups were significantly linked to the corresponding data point:

- | | | | |
|---------------------|-----------------------|------------------|--------------|
| Gen Y (ages 20-29) | High Income (\$100k+) | Tech-oriented | Has Children |
| Politically Liberal | Low Income (<50k) | Smartphone Owner | |

*Response options were not mutually exclusive.

THE NEW TIMELESS CULTURE OF SHARING

Sharing is a basic part of human life, so perhaps it shouldn't come as a surprise that older generations were just as likely to share as Millennials. In fact, participants aged 40+ were more likely to feel comfortable sharing with anyone at all who joins a sharing community (with varying levels of community protections in place) and to perceive "making new friends" as a benefit of sharing, whereas Millennials tended to feel comfortable sharing only within smaller networks.* Attitudinally, however, Millennials were more likely to feel positively about the idea of sharing, more open to trying it, and more optimistic about its promise for the future.

*It's worth acknowledging that Millennials may simply consider a wider network of people to be "friends" or to have more granular understandings of digital privacy controls, thanks to the rise of social networking — so the relative sizes of these two generations' trusted networks may not differ greatly, even if their labels do.

"A LOT OF THESE ARE VERY OLD-MARKET BEHAVIORS, BUT THEY'RE BEING REINVENTED ON A SCALE AND IN WAYS THAT WE'VE NEVER SEEN BEFORE BECAUSE OF TECHNOLOGY. FOR SURE, MILLENNIALS ARE THE FOOTSOLDIERS DRIVING THIS CHANGE BECAUSE IT'S VERY INTUITIVE TO THEM; THEY'VE NEVER KNOWN ANY DIFFERENTLY. BUT I THINK THAT IT ALSO SEEMS NATURAL TO THE OLDER GENERATIONS—THE WAR-TIME GENERATIONS— BECAUSE THEY HAD A VERY STRONG SENSE OF COMMUNITY."

—RACHEL BOTSMAN, CO-AUTHOR OF WHAT'S MINE IS YOURS: THE RISE OF COLLABORATIVE CONSUMPTION

PHOTO BY CIAT - INTERNATIONAL CENTER FOR TROPICAL AGRICULTURE



"IN BOTH DEVELOPED AND DEVELOPING PARTS OF THE WORLD, PEOPLE ARE EXPLORING HOW TO USE GOODS AND SERVICES MORE COLLABORATIVELY, COMBINING PERSONAL AND SOCIETAL VALUE, UNLOCKING OPPORTUNITIES FOR ORGANIZATIONS OF ALL KINDS AND, ULTIMATELY, CREATING NEW WAYS FOR US TO ENJOY LIFE AND LIVE SUSTAINABLY AT THE SAME TIME."

—STEVE MUSHKIN, CEO OF LATITUDE



PHOTO BY GRIMAPLE



“OPPORTUNITIES THOUGHT IMPRACTICAL BECAUSE OF PERCEIVED TRUST BARRIERS ARE NOW FAIR GAME. THE EXAMPLES OF LENDING CLUB, COUCHSURFING, AND THREDUP SHOW THAT PEOPLE ARE ENGAGING IN INTIMATE TRANSACTIONS WITH STRANGERS DRIVEN BY TECHNOLOGY, NEW NORMS, AND NEED. THIS IS THE TRUST FRONTIER. WE ARE YET TO DISCOVER HOW FAR WE CAN PUSH THIS FRONTIER. **THIS IS THE DECADE WHEN WE ANSWER THE QUESTION: "HOW MUCH CAN WE SHARE?"** —NEAL GORENFLO, PUBLISHER OF SHAREABLE MAGAZINE

THE NEW **STUFF** OF SHARING

THE DRIVE OF DIGITAL

- Not surprisingly, 3 out of 4 participants currently share personal or informational content through social networking platforms. Moreover, 70% share digital media, and 68% share physical media like books and DVDs.
- Of those who share information and media online, approximately 2 in 3 participants use other people’s creations licensed under Creative Commons.

THE STATE OF PHYSICAL SHARING

After information and media, the most shared categories are, respectively:

- Living space (58%)
- Work space (57%)
- Food preparation/meal-sharing (57%)
- Household items/appliances (53%)
- Apparel (50%)

Car-sharers shared across significantly more categories than non-car-sharers (an average of 11 vs. 8 categories, respectively).

WHAT KIND OF STUFF IS SCREAMING TO BE SHARED?

People are most interested in sharing infrequent-use items that have a high barrier to ownership or a high burden of ownership. This is the primary reason that car-sharing has met with such success over recent years. The other part is a larger paradigm shift where people are just beginning to think about “stuff” differently. They’re focusing on the benefits of access over ownership—of practicality over materialism, experiences over possessions.

- Transportation:** automobiles, bikes, boats
- Infrequent-Use Items:** household items, event equipment, sporting goods
- Physical Spaces:** garages, parking spaces, spare rooms

THE NEW OPPORTUNITIES FOR SHARING

Created by Latitude for The New Sharing Economy study

The greatest areas of opportunity for new sharing businesses are those where a lot of services do not currently exist within a specific industry category and where a large number of people are currently either **a)** sharing casually (not through an organized community or service) or **b)** not sharing at all but would be interested to share. **They include transportation, infrequent-use items, and physical spaces.**



THE NEW OPPORTUNITIES FOR SHARING

Three out of every four respondents predicted that their own sharing of physical objects and spaces will increase in the next 5 years.

TRANSPORTATION

OPPORTUNITY

There’s still a large amount of unfulfilled demand for car-sharing. More than half of all participants either shared vehicles casually or weren’t sharing currently but expressed interest in doing so. For people who share in an organized fashion, cars and bikes were popular for sharing amongst family and close friends but weren’t commonly shared outside this immediate network, relative to other categories of goods.

CHALLENGE

There’s a significant opportunity for broad-scale transportation sharing if issues relating to member trust, insurance and availability of services (e.g. beyond urban areas) can be overcome.



PHOTO BY PIXITART / JENENE CHESBROUGH

INFREQUENT-USE ITEMS

OPPORTUNITY

Many people already share occasional-use household items (such as power tools, kitchen appliances, party supplies, and sporting goods) with friends, but few services exist yet to organize these sharing efforts; 62% of participants either share these items casually now or don’t yet share but expressed interest in doing so, while only 27% currently share through a community or service.

CHALLENGE

Physical sharing requires a high concentration of local members to offer real value as a service; this can be especially challenging outside dense, urban areas. However, there’s a significant opportunity to share household items in suburban areas if services can generate enough visibility and interest at the hyperlocal level. More than any other categories of goods, sporting/outdoor equipment and household items represent areas where people simply aren’t aware that some services already exist to help them share.



PHOTO BY ROB LEE

PHYSICAL SPACES

OPPORTUNITY

People are surprisingly unreserved about sharing the spaces they (or their things) inhabit. Both travel accommodations and storage space ranked among the top 5 categories overall that people who currently share in an organized fashion would share with strangers (given the option to screen other members). Physical space is a valuable commodity, which is why more co-working and peer-to-peer lodging services are popping up and doing well. Moreover, new models of sharing like fractional ownership are refreshing how we think about accessing a variety of different spaces.

CHALLENGE

Sharing space simply needs to make practical sense in people’s lives in order for them to adopt it; the act must be attached to concrete benefits like saving or making money, more convenient access, or access to otherwise unavailable offerings.



PHOTO BY HYKU / JOSH HALLETT

“THE MOST IMPORTANT MOTIVATING FACTOR IN MY DECISION TO CAR-SHARE WAS THE ABSURDITY OF OWNING SOMETHING LARGE AND RELATIVELY EXPENSIVE THAT JUST SITS AROUND. I BENEFITTED BY GETTING GREAT EXERCISE, REDUCING MY CARBON EMISSIONS, AND MAKING SOMETHING AVAILABLE TO SOMEONE WHO REALLY NEEDED IT WHEN I DID NOT.” —FEMALE STUDY PARTICIPANT, 56, ITHACA, NY, USA

“YOU JUST THINK OF THE NUMBER OF CARS ON THE ROAD—THE RESOURCE THAT WE HAVE IN OUR OWN COMMUNITIES IS SO MASSIVE... WHAT THE PEER-TO-PEER MODEL DOES IS IT REALLY ALLOWS US TO LEVERAGE THAT INSTEAD OF STARTING FROM SCRATCH AND BUILDING OUR OWN FLEET.”

—SHELBY CLARK, FOUNDER & CEO OF RELAYRIDES,
THE FIRST PEER-TO-PEER CAR-SHARING MARKETPLACE

THE NEW PEER-TO-PEER BENEFITS OF SHARING

Peer-to-peer sharing allows for potentially unbounded scalability, access to more resources and often at closer proximity to us. Because peer-to-peer companies aren't subject to the overhead cost of purchasing and maintaining a “fleet” of assets all their own, the cost to renters is often lower; moreover, members have the opportunity to monetize their own possessions. These peer-based “marketplaces” help the environment by using the resources we already available more efficiently rather than manufacturing more new goods.



PHOTO BY ELLEN F. LAIGE

COMMUNITY MATTERS, COMPANY SIZE DOESN'T

Most participants liked the idea of sharing services that felt smaller and more accessible, like local or grassroots companies (45%) or venture-funded startups (20%). These companies typically foster strong senses of community by virtue of their small size, clear communications, and enthusiastic core communities—traits which needn't be exclusive to small business. In fact, 22% of participants liked the idea of a sharing service associated with a major, well-known brand. Point being: regardless of a company's size, it should focus on earning the trust of its community and engaging actively with them.

THE NEW PEER-TO-PEER OPPORTUNITIES FOR SHARING

PEER-TO-PEER PRINCIPLES ALL BUSINESSES SHOULD KNOW

THE APPEAL OF PERSONAL MONETIZATION

69% of all participants expressed that they'd be more interested in sharing their stuff if they could make money from it. Across all industry categories (excepting physical media, apparel, and money), more than half of participants wished to gain access to others' assets—rather than being a lender or seller who provides access to others, so this money-making draw could be key to scaling up sharing communities.

THE CULTURE OF INDIRECT RECIPROCITY

The most popularly cited barrier to sharing was having concerns about theft or damage to personal property, but 88% of respondents claimed that they treat borrowed possessions well. Reputation is increasingly becoming an important form of currency; communities that offer transparency (such as through open ratings and reviews) encourage good behavior and trust amongst members.

THE REALITY OF SCALABILITY

In the peer-to-peer model, value to members increases as the community grows: more assets are made available, often at closer distances. Scaling up communities shouldn't be a problem when 53% of all participants are already comfortable sharing amongst people they may or may not know personally (with varying community protections in place).

“THE CONFLUENCE OF MEDIA AND TECHNOLOGY WAS FIRST GROUNDBREAKING IN ITS ABILITY TO CONNECT PEOPLE TO INFORMATION. THEN IT WAS REALLY ABOUT CONNECTING PEOPLE TO OTHER PEOPLE WITH THE ADVENT OF WEB 2.0. NOW THE NATURAL EXTENSION OF ALL THIS IS CONNECTING PEOPLE TO STUFF—TO THE PHYSICAL THINGS OF EVERYDAY LIFE. WE'RE AT A POINT WHERE ONLINE, SHARED INTEREST COMMUNITIES AND ADVANCEMENTS IN MOBILE, REAL-TIME AND LOCATION-AWARE TECHNOLOGIES HAVE CREATED A 'PERFECT STORM' FOR SHARING IN THE PHYSICAL WORLD. THERE'S A HUGE OPPORTUNITY FOR BUSINESSES TO CREATE THE TECHNOLOGICAL AND COMMUNITY INFRASTRUCTURE THAT WILL HELP PEOPLE TO SHARE IN NEW WAYS, LOCALLY AND ACROSS MUCH BROADER DISTANCES, THAN WAS EVER POSSIBLE BEFORE.”

—KIM GASKINS, DIRECTOR OF CONTENT DEVELOPMENT AT [LATITUDE](#)



PHOTO BY JOHN MEYERS

THE NEW SHARING TAKEAWAYS FOR NON-SHARING BUSINESSES

BECOME A WE-BASED BRAND

The growth of sharing suggests a new climate where, increasingly, people expect that businesses will enable them to improve their own lives and those of others—whether by making more sustainable choices, by providing access to help others meet their own needs, or by spreading the word about a good brand or worthy cause. This dual-benefit model is worthy of further attention by all businesses, insofar as it represents a growing reality for connected culture. Companies can offer value to their communities by acknowledging that money and products are no longer the only—or even the most valuable—element of a brand transaction for many individuals today.

FIND VALUE IN SOCIAL AND ALTERNATIVE CURRENCIES

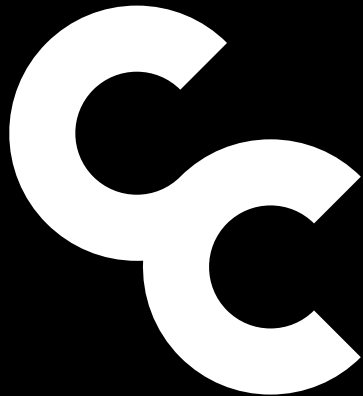
Sharing culture makes it possible for virtually anything, including specialized skills or knowledge, used goods, and social reach, to become currency. When asked to come up with their own sharing business concepts, many participants envisioned services founded on bartering (non-monetary exchanges) with others in a community. What's more, there's a sizable new market for trading time and responsibilities. At present, 61% of participants either share time or responsibilities casually or would be interested in doing so, while only 16% already share through an organized community or service.

Forward-thinking companies like Netflix and Threadless have already demonstrated that users can provide value to traditional businesses without buying something: through word-of-mouth, content creation, community innovation, and beyond.

“THE RISE OF SHARING REQUIRES US TO USE A NEW LANGUAGE WHERE ‘ACCESS’ TRUMPS ‘OWNERSHIP’; SOCIAL VALUE BECOMES THE NEW CURRENCY; ‘EXCHANGES’ REPLACE ‘PURCHASES’; AND PEOPLE ARE NO LONGER CONSUMERS BUT INSTEAD USERS, BORROWERS, LENDERS AND CONTRIBUTORS. ALL OF THIS MEANS **BUSINESSES MUST REDEFINE THEIR ROLE FROM PROVIDERS OF STUFF TO BECOME PURVEYORS OF SERVICES AND EXPERIENCES.**” —NEELA SAKARIA, SVP OF LATITUDE

THE NEW SHARING ECONOMY METHODOLOGY

Participants from across the globe (n=537) took a Web-based survey which captured sharing attitudes and current engagement with sharing in a variety of contexts, with a focus on establishing benchmarks for the new sharing economy. The study also sought to understand trust, the role of community, and the new psychology of sharing. Participants were asked to ideate future sharing opportunities—new models and service offerings—across industries for both businesses and society at large.

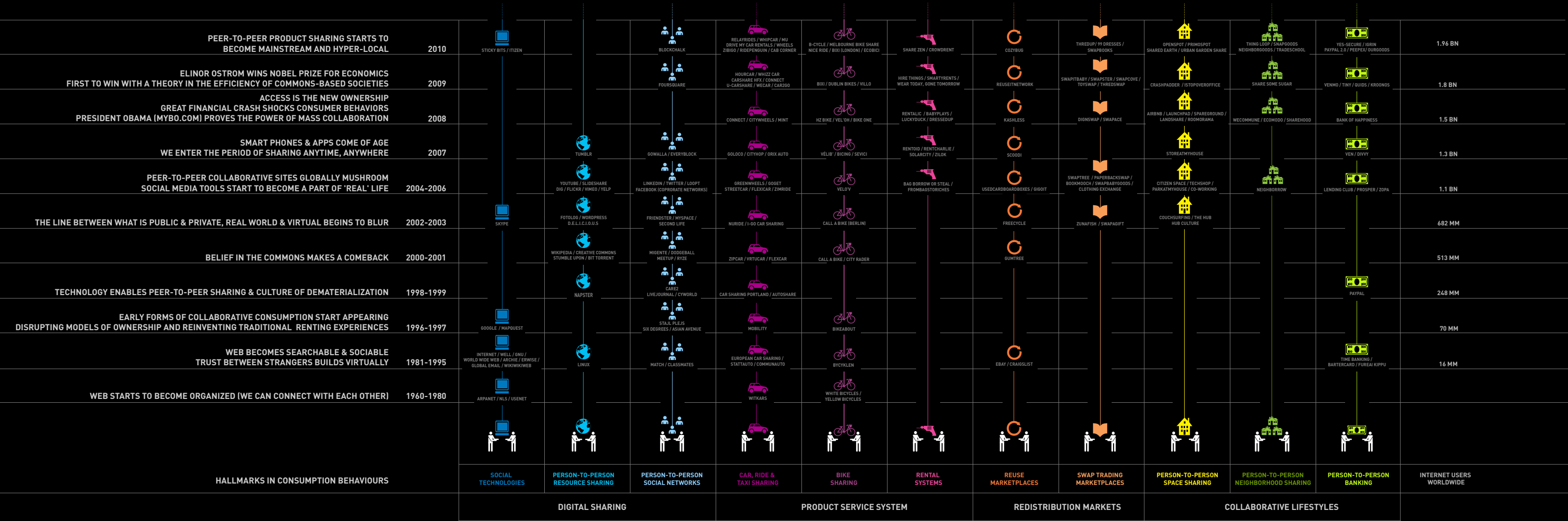


SHARING IS CONTAGIOUS

THIS INFOGRAPHIC CHARTS THE RISE OF COLLABORATIVE CONSUMPTION: THE RAPID EXPLOSION IN TRADITIONAL SHARING, BARTERING, LENDING, TRADING, RENTING, GIFTING, AND SWAPPING REDEFINED THROUGH TECHNOLOGY AND PEER COMMUNITIES.

WWW.COLLABORATIVECONSUMPTION.COM

1960-2010



THE NEW DIMENSIONS OF SHARING

Above all, sharing was perceived by participants as borrowing or lending an item for free, seconded by co-owning something with others: essentially, exchanges that involved no monetary gain, as well as synchronous access or collaborative efforts toward a shared goal. Sharing that was asynchronous or which might lead to monetary gain on one end (e.g. renting or buying/selling used items) weren't as strongly associated with the concept of sharing—but nevertheless chosen as forms of sharing by more than half of respondents.

LIFE-CYCLE

SYNCHRONOUS

A cyclical system of access where members rent or borrow goods, then return them to the central pool for other members to access.

NETFLIX

ASYNCHRONOUS

A redistribution system where items are passed off—gifted, traded, bartered, or resold— from one owner to the next so that they can be reused.

ebay

COLLABORATIVE

Simultaneous collaboration to achieve a shared goal; involves joining resources like money, time or specialized knowledge.



CITIZEN SPACE
A Nicer Place to Work.

COMMUNITY DESIGN

CENTRALIZED

Shareable assets are owned by a single entity which provides access to members; in a centralized model, all members are renters/ borrowers.

zipcar 
wheels when you want them

PEER-TO-PEER

Members pool their own assets to share amongst other members. The member collective is comprised of both owners/lenders and renters/borrowers.

freecycle 

PARTICIPANTS' IDEAS FOR NEW SHARING MODELS

KNOWLEDGE (multilateral sharing)

“Community college 2.0: provide some sort of structure that lets people let other people know what they know and what they want to learn. If you can get enough people together, everyone is both student and teacher.”

—Male study participant, 29, Salt Lake City, UT, USA

SKILLS AND SERVICES (micro-funding)

“... a sort of bounty hunting service for open source projects, where people in need would invest into certain features/fixes with (smaller amounts of) money. Bounties would therefore accumulate and developers would profit by providing solutions.”

—Male study participant, 24, Ljubljana, Slovenia

MATERIAL ITEMS (multilateral bartering)

“... person A needs something that person B has, and person B needs something that person C has, and person C needs something that person A has—except that this service would be free, completely based on bartering.”

—Female study participant, 56, Ithaca, NY

COMPOSITE MODEL

“I'll walk your dog while you're away; you water my plants; I'll give you baby toys I don't need anymore; you loan me your lawn mower. I think this kind of interaction is part of community ties and support networks that used to develop naturally and spontaneously and need some encouragement now.”

—Female study participant, 38, Providence, RI, USA

CURRENCY

TRADITIONAL

Money

\$\$\$

ALTERNATIVE

Knowledge

Skills & Services

Material items

Time

Reputation & Social Reach



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LATITUDE IS AN INTERNATIONAL RESEARCH CONSULTANCY EXPLORING HOW NEW INFORMATION AND COMMUNICATIONS TECHNOLOGIES CAN ENHANCE HUMAN EXPERIENCES. LATITUDE'S USERCENTERED RESEARCH APPROACH UNITES GENERATIVE, MEDIA-BASED METHODS WITH ROBUST QUANTITATIVE ANALYSIS TO IDENTIFY CONCRETE OPPORTUNITIES FOR WEB-BASED INNOVATION.

TO BETTER UNDERSTAND HOW THIS STUDY APPLIES TO YOUR BUSINESS, CONTACT:

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SHAREABLE

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