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.
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:

*Response options were not mutually exclusive.
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
"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 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.

Created by Latitude for The New Sharing Economy study.
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.

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.

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.

“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 BENEFITED FROM 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.

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

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
THE NEW SHARING ECONOMY 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 expansion in traditional sharing, bartering, lending, trading, renting, optimal and swapping redefined through technology and peer consumption.

WWW.COLLABORATIVECONSUMPTION.COM

1960-2010

PEER-TO-PEER PRODUCT SHARING STARTS TO BECOME MAINSTREAM AND HYPER-LOCAL 2010

ELINOR OSTROM WINS NOBEL PRIZE FOR ECONOMICS FIRST TO WIN WITH A THEORY IN THE EFFICIENCY OF COMMUNITY-BASED SOCIETIES 2009

ACCESS TO THE NEW OWNERSHIP GREAT FINANCIAL CRISIS SHOCKS CONSUMER BEHAVIOURS PRESIDENT OBAMA SPEAKS OF NEW ERA OF FAIR COLLABORATION 2008

SMART PHONES & APPS COME OF AGE WE ENTER THE PERIOD OF SHARING ANYTIME, ANYWHERE 2007

PEER-TO-PEER COLLABORATIVE SITES GLOBALLY MUSHROOM SOCIAL MEDIA TOOLS START TO BECOME A PART OF REAL LIFE 2006-2004

THE LINE BETWEEN WHAT IS PUBLIC & PRIVATE, REAL WORLD & VIRTUAL BEGINS TO BLEND 2002-2003

BELIEF IN THE COMMONS MAKES A COMEBACK 2000-2001

TECHNOLOGY ENABLES PEER-TO-PEER SHARING & CULTURE OF DEMATERIALIZATION 1999-1999

EARLY FORMS OF COLLABORATIVE CONSUMPTION START APPEARING DISRUPTING MODELS OF OWNERSHIP AND REDEFINED TRADITIONAL RENTING EXPERIENCES 1996-1997

WEB BECOMES SEARCHABLE & SOCIALE TRUST BETWEEN STRANGERS BUILDS VIRTUALLY 1991-1999

WEB STARTS TO BECOME ORGANIZED (WE CAN CONNECT WITH EACH OTHER) 1960-1990

HALLMARKS IN CONSUMPTION BEHAVIOURS

SOCIAL TECHNOLOGIES PERSON-TO-PERSON RESIDENCE SHARING PERSON-TO-PERSON SOCIAL NETWORKS LENDING, SHARE, COLLECT SHAPE SHARING RENTAL SYSTEMS BENCHMARK MARKETPLACES SMART SHARING MARKETPLACES PERSON-TO-PERSON SPECIFIC SHARING PERSON-TO-PERSON NEIGHBOURHOOD SHARING PERSON-TO-PERSON GENERAL SHARING INTERNET USERS VIEW/2009

DIGITAL SHARING PRODUCT SERVICE SYSTEM REDISTRIBUTION MARKETS COLLABORATIVE LIFESTYLES

THIS GRAPH REPRESENTS JUST A FEW EXAMPLES OF COLLABORATIVE CONSUMPTION

SHARING IS CONTAGIOUS: INFOGRAPHIC CREATED BY RACHEL BOTSMAN, CO-AUTHOR OF WHAT’S MINE IS YOURS: THE RISE OF COLLABORATIVE CONSUMPTION
**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.

<table>
<thead>
<tr>
<th>LIFE-CYCLE</th>
<th>CENTRALIZED</th>
<th>PEER-TO-PEER</th>
<th>COLLABORATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SYNCHRONOUS</strong></td>
<td>Shareable assets are owned by a single entity which provides access to members; in a centralized model, all members are renters/ borrowers.</td>
<td>Members pool their own assets to share amongst other members. The member collective is comprised of both owners/lenders and renters/borrowers.</td>
<td>Simultaneous collaboration to achieve a shared goal; involves joining resources like money, time or specialized knowledge.</td>
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<tr>
<td><strong>ASYNCHRONOUS</strong></td>
<td>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.</td>
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<tr>
<td><strong>CURRENCY</strong></td>
<td><strong>KNOWLEDGE</strong> (multilateral sharing)</td>
<td></td>
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<tr>
<td><strong>TRADITIONAL</strong></td>
<td>“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.”</td>
<td>“... 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.”</td>
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<td><strong>ALTERNATIVE</strong></td>
<td>“... 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.”</td>
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<td><strong>SKILLS AND SERVICES</strong> (micro-funding)</td>
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<td><strong>MATERIAL ITEMS</strong> (multilateral bartering)</td>
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<td><strong>COMPOSITE MODEL</strong></td>
<td>“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.”</td>
<td>“... 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.”</td>
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</tr>
</tbody>
</table>

- Male study participant, 29, Salt Lake City, UT, USA
- Male study participant, 24, Ljubljana, Slovenia
- Female study participant, 56, Ithaca, NY
- Female study participant, 38, Providence, RI, USA
Latitude
LIFE, CONNECTED

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:

Neela Sakaria | SVP
nsakaria@latd.com | latd.com

Study Lead
Kim Gaskins | Director of Content Development
kgaskins@latd.com

Supporting Analyst
Natalie Stehfest | Senior Research Analyst

Shareable

Shareable is a non-profit online magazine which explores how to design life, work, and community so that people can better share resources. Shareable tells the story of sharing because it might be just what’s needed to enjoy life to the fullest—and restore the planet in the process. Visit shareable.net for sharing news, and to learn about how you can lead a more shareable life.

The New Sharing Economy Summary was designed in collaboration with DesignMotion.