SHARING
IS THE NEW
BUYING

HOW TO WIN IN THE COLLABORATIVE ECONOMY
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1. INTRODUCTION: CUSTOMERS IN THE COLLABORATIVE ECONOMY

TWO NEWLYWEDS SPEND THEIR HONEYMOON IN A RENTED LOFT INSTEAD OF A CHAIN HOTEL. A first-time mom rents a stranger’s truck in her neighborhood to pick up a baby crib. An entrepreneur taps the crowd to fund a new product on Kickstarter rather than seek traditional investors.

These transactions are part of a much larger transformation: the birth of the collaborative economy. The collaborative economy isn’t simply a new way of buying or selling: it’s a powerful movement in which people are getting goods and services from each other (what people call the “sharing economy”), or even making them outright (also known as the “maker movement”). Just as social media enabled peer-to-peer sharing of content, the technologies of the collaborative economy now enables peer-to-peer sharing of goods, services, transportation, space and money at a speed and scale that were unimaginable a decade ago.

In this world, the people formerly called “consumers” are also funders, producers, sellers and distributors. Their stories matter to big brands because this movement means that people can get what they need from each other—rather than buying from you.

Rather than buying new goods from big brands . . . customers buy pre-owned goods from each other on eBay.
Rather than hiring a moving company . . . customers get moving help on TaskRabbit.
Rather than owning a car . . . customers share cars on demand via Car2Go.
Rather than staying at hotels . . . customers stay in homes through Airbnb.
Rather than getting a loan from a bank . . . customers borrow from each other through Lending Club.

Behind these customer-to-customer transactions is a new generation of startups: startups that are heavily funded by venture capitalists (and increasingly, by Google). Use of their online services is quickly spreading thanks to key technologies like mobile apps, the internet of things and social networking. And the sharers who use these services have already begun to function like hotels, taxis, farms, restaurants, manufacturers and other traditional businesses. The crowd is becoming a company unto itself.

This report takes you inside that crowd with the first large-scale examination of the customers who make up the collaborative economy. It’s the result of another kind of groundbreaking collaboration: between Crowd Companies, a brand council for the collaborative economy and Vision Critical, a cloud-based insight community technology company. Together, we engaged 90,112 customers in the US, Canada and the UK to find out how they are participating in the collaborative economy—and what that participation means for companies like yours.
A TAXONOMY OF THE COLLABORATIVE ECONOMY: CATEGORIES AND EXAMPLES

**GOODS**
- **PRE-OWNED GOODS**
  - eBay, Craigslist, Kijiji, Threadflip, Verde

**SERVICES**
- **PROFESSIONAL SERVICES**
  - ODesk, Elance, BidWilly, Freelancer.com, crowdSPRING

**TRANSPORTATION SERVICES**
- **RENT THE RUNWAY**
  - Shop it to me, Pleeggo, RocksBox

**SPACE**
- **OFFICE SPACE**
  - LiquidSpace, ShareDesk, DesksNearMe, Breather, PivotalDesk

**MONEY**
- **MONEYLENDING**
  - LendingClub, Kiva, Prosper, Zopa, GreenNote

**CROWDFUNDING**
- **CircleUp, Kickstarter, Indiegogo, GoFundMe, Crowdfunder**

**MAKER MOVEMENT**
- **NEO-SHARERS**
- **RE-SHARERS**
2. EXECUTIVE SUMMARY

Businesses need to understand the collaborative economy in order to embrace the opportunities it offers. But there is remarkably little data on how many people are participating in sharing, let alone on who they are or why they are doing it.

That’s why Crowd Companies and Vision Critical teamed up to ask 90,112 people about their participation in the collaborative economy and to translate their insights into crucial knowledge and recommendations for businesses. By asking people in the US, Canada and the UK about their experience with 11 different types of online sharing services, we discovered that there are three different groups of customers in the collaborative economy today:

- **Non-sharers** are people who have yet to engage in the collaborative economy. But many of them intend to try sharing services in the next 12 months, so they are a key target audience for both established businesses and sharing startups. They make up roughly 60% of the US and Canadian population and 48% of the UK.

- **Re-sharers** buy and/or sell pre-owned goods online using well-established services like eBay and Craigslist. While many of them intend to try other kinds of sharing in the next 12 months, they have not done any “neo-sharing” in the past 12 months. They account for 16% of the US and Canadian population and 29% of the UK.

- **Neo-sharers** are already using emergent sharing services: in the past 12 months, they have used at least one of the latest generation of sharing sites and apps, like Etsy, TaskRabbit, Uber, Airbnb and KickStarter. Neo-sharers now constitute 23% of the population in the US and the UK and 25% in Canada.

Together, sharers make up roughly 40% of the population. What they say about their experience of sharing not only helps us understand who makes up the collaborative economy today, but how businesses can serve them tomorrow.

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**CUSTOMER INSIGHT FOR THE COLLABORATIVE ECONOMY**

**LEARNING FROM 90,112 CUSTOMERS**

Success in the collaborative economy is all about customer relationships. That’s why we used Vision Critical’s cloud-based insight community technology to engage 90,112 customers in three countries and to understand how they collaborate with businesses and with other customers.

Because we’ve built a relationship with these community members over many years, we have been able to layer the data we’ve recently gathered about their participation in re-sharing and neo-sharing on top of what we already know about their demographics, lifestyle, media usage and attitudes.

The results not only give us a dramatically clearer picture of sharing as it exists today: they also give us a picture of the customer insight and collaboration skills that companies need to develop in order to compete effectively in the collaborative economy for years to come.
In the past 12 months, have you ever used a website or mobile app for any of the following [sharing services]? / Asked Oct-Dec 2013
## The Collaborative Economy at a Glance

### The Collaborative Economy Opportunity
Companies that embrace sharing will win loyal customers and increase market share.

- **24%** of the population now engages in neo-sharing and another third are re-sharing.

### Sharing Is Growing
The size of the collaborative economy could double in the next 12 months.

- **48%** of neo-sharers are 18-34 years old.

### Sharing Is Mainstream
Sharers look a lot like the mainstream, once you factor in the relative youth of neo-sharers.

- **27%** of American neo-sharers have incomes of $50K-100K — just like the overall population.

### Sharing Is Pragmatic
Sharing is driven by convenience, price and the desire for unique, quality goods and services.

- **75%** of sharers mention convenience as a reason for sharing and more than half mention price.

### Sharing Is Satisfying
The vast majority of sharers are very or extremely satisfied with the experience of sharing.

- **91%** of sharers would recommend the last sharing service they used.

### How to Win in the Collaborative Economy
Every business unit stands to win by embracing new models of on-demand sharing and collaboration.

- **73%** of neo-sharers use social networking sites.
3. THE COLLABORATIVE ECONOMY OPPORTUNITY

In a world where people can get what they need from each other, how can big brands survive and succeed? That is the question every business should be asking, now that the collaborative economy is well established and set to grow. Like social media before it, sharing will be rapidly adopted because the same technologies that make it easy to share also make it easy to spread the word about the benefits of sharing.

As sharing spreads, it promises to disrupt virtually every industry. Customers who can trade pre-owned goods will buy fewer new products. Businesses that can buy expertise by the hour may hire fewer permanent employees. Drivers who can readily access a car on demand don’t need to own one. Travelers who value authenticity and adventure now rent apartments in residential neighborhoods instead of rooms in large downtown hotels. People who can borrow or raise money from their friends—or total strangers—can’t be held hostage by the interest rates of conventional financial institutions.

But many of the startups behind the sharing services available today lack the resources to scale—resources such as money, distribution and a trusted brand. These are the assets that established companies can use to catch up and succeed in the collaborative economy—if they move quickly to seize an early-mover advantage in their market.

COLLABORATION AND SHARING AREN’T NEW

The urgency of joining the collaborative economy today can obscure a crucial truth: collaboration and sharing have been around since the beginning of civilization. Sometimes it is as simple as asking someone if you can borrow their pen or if they can tell you what time it is. At others, it’s a community effort like barn raising—a tradition that continues today with the work of Habitat for Humanity. Alone or together, we are hard-wired to share.

While sharing isn’t new, the social, economic and technological context of sharing have changed dramatically in recent years. Together, these three sets of drivers have turned sharing from a private or local behavior into a transformational movement:

1. SOCIETAL DRIVERS: The desire for an independent lifestyle, public concern about environmental and community sustainability and disillusionment with a consumer culture of acquisitiveness all drive greater consumer interest in sharing rather than owning.

2. ECONOMIC DRIVERS: Rising costs of production, the desire to maximize resource utilization and consumer interest in developing new sources of income through freelancing and making all create pressures and opportunities for the growth of the collaborative economy.

3. TECHNOLOGICAL DRIVERS: Technologies like mobile devices, social networks, sensors (enabling the “internet of things”) and payment systems all facilitate new types of sharing services that rely on real-time identification of idle resources and peer-to-peer transactions.
These forces are having an enormous and disruptive impact not because they represent something entirely new, but because they are building on and amplifying existing behaviors. Technological change in particular has accelerated and scaled up our long-held traditions of making and sharing. New forms of sharing are proliferating rapidly and they threaten to transform virtually every sector of the economy.

**FINDING YOUR PLACE IN THE COLLABORATIVE ECONOMY**

The good news for established businesses is that the collaborative economy is still in its early days: no category of neo-sharing enjoys the participation of more than 10% of the population. But together, they’ve won the business of a quarter of the population and that quarter—the neo-sharers—are trying more and more forms of sharing all the time. That means that companies have a narrow window in which to win the hearts of sharers.

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### PARTICIPATION IN THE COLLABORATIVE ECONOMY BY CATEGORY

<table>
<thead>
<tr>
<th>Category</th>
<th>All Respondents</th>
<th>Neo-Sharers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOODS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Owned Goods</td>
<td>34%</td>
<td>67%</td>
</tr>
<tr>
<td>Loaner Products</td>
<td>5%</td>
<td>23%</td>
</tr>
<tr>
<td>Custom Products</td>
<td>9%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td>6%</td>
<td>27%</td>
</tr>
<tr>
<td>Personal Services</td>
<td>8%</td>
<td>35%</td>
</tr>
<tr>
<td><strong>TRANSPORTATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation Services</td>
<td>4%</td>
<td>18%</td>
</tr>
<tr>
<td>Loaner Vehicles</td>
<td>4%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>SPACE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Space</td>
<td>3%</td>
<td>12%</td>
</tr>
<tr>
<td>Place to Stay</td>
<td>7%</td>
<td>29%</td>
</tr>
<tr>
<td><strong>MONEY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moneylending</td>
<td>5%</td>
<td>20%</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>6%</td>
<td>27%</td>
</tr>
</tbody>
</table>

*In the past 12 months, have you ever used a website or mobile app for any of the following? / Asked Oct-Dec 2013*
The potential gains from winning that trust are enormous, if we are to draw on the lessons of the one form of online sharing that has been around long enough to make serious inroads with today’s consumers. Eighteen years after the launch of Craigslist and eBay, a third of the population engages in re-sharing: buying and selling pre-owned goods through sharing sites. If a third of the population embraces neo-sharing over the course of the next decade, do you want your company left out of that picture?

Here are a few ways big brands have joined the collaborative economy by embracing new business models:

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>BUSINESS MODEL</th>
<th>BUSINESS BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patagonia creates a customer marketplace</td>
<td>Partnering with eBay, Patagonia encouraged customers to buy and sell their pre-owned goods—not just new ones.</td>
<td>Patagonia delivered on its brand promise of quality and sustainability with a compelling demonstration that their clothes are durable and long lasting—while creating a thriving customer community.</td>
</tr>
<tr>
<td>GE partners with Quirky</td>
<td>Quirky enables the crowd to submit ideas for new products and a small team designs, develops and manufactures for traditional retail.</td>
<td>GE benefits from a renewable source of crowd innovation and offers resources that startups don’t have: scale, reach and retail relationships.</td>
</tr>
<tr>
<td>Walgreens partners with TaskRabbit</td>
<td>Walgreens recently enabled TaskRabbit to deliver pharmaceutical goods to residents.</td>
<td>Walgreens extends its value promise to the home—well beyond the usual in-store point of sale—by serving patient needs at their doorstep.</td>
</tr>
<tr>
<td>BMW offers cars on demand</td>
<td>BMW rents their 1-Series electric cars in their new DriveNow program.</td>
<td>Rather than sell a thousand cars, BMW can now sell one car a thousand times and offer parking apps and more.</td>
</tr>
<tr>
<td>W Hotel partners with Desks Near Me</td>
<td>The W Hotel New York offers guests access to premium workspaces via the sharing site Desks Near Me.</td>
<td>In New York City’s competitive hospitality market, W stands out by offering extended resources for discerning business travels.</td>
</tr>
<tr>
<td>U-Haul enables crowdfunding</td>
<td>The U-Haul Investors Club enables the crowd to fund their trucks and equipment.</td>
<td>U-Haul gets a diversified investment stream and also fosters shared fate with the crowd who invested—the highest form of customer loyalty.</td>
</tr>
</tbody>
</table>

These companies have already realized tangible gains from their move into the collaborative economy, not least because of the enormous attention that comes from engaging with customers in an exciting new way. The gains that companies can achieve today pale in comparison to the benefits of embracing a rapidly expanding area of the economy or the risks of missing out.
4. SHARING IS GROWING

The collaborative economy is about to take off. In nearly every category, at least as many people intend to try sharing in the next 12 months as have tried it in the past 12 months.

This means that people want new business models of access over traditional models of ownership. Rental, on-demand, subscription and try-and-buy models will increase in demand from these types of customers. Traditional manufacturing and selling for consumption is no longer the only viable business model.

To embrace the opportunity that this growth offers, businesses need to know which types of sharers and which types of sharing, are growing the fastest.

THE INTENT TO SHARE

We can anticipate that much of the collaborative economy’s growth will be driven by neo-sharers, who are much more likely to express the intention to try new forms of sharing. These are the customers businesses must reach if they are to succeed in the collaborative economy. And there are more of them every day:

- **Neo-sharing could double in the next 12 months.** In all the neo-sharing categories, there are roughly equal numbers of recent and prospective users.
- **Intent to try new forms of sharing is highest among neo-sharers.** In most categories of sharing, 12 to 15% of neo-sharers who haven’t tried that type of sharing say they will in the next 12 months. (For custom products, it’s even higher: 17%. For office space, it’s a little lower: 10%.) This means that much of the growth of sharing will come from existing neo-sharers who are broadening the range of neo-sharing services they use.
- **There is no runaway category for prospective growth.** Nearly every category of neo-sharing enjoys similar levels of interest from prospective users: 4% to 9% intend to try it in the next 12 months.
- **Custom products are the type of neo-sharing that interests the most prospective users.** In the past 12 months, 9% of the population has shared custom products and another 9% intend to try it in the next 12. But that’s only a narrow advantage over other categories of neo-sharing.

**TOP 9 SHARING SITES BY COUNTRY**

We asked 2,500 people in three countries which website or app they had used in their most recent sharing transaction. Here are the websites they mentioned the most often, the most-mentioned sites are at the top of the list.

<table>
<thead>
<tr>
<th>US</th>
<th>UK</th>
<th>CAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>craigslist</td>
<td>ebay</td>
<td>kijiji</td>
</tr>
<tr>
<td>ebay</td>
<td>freecycle.org</td>
<td>ebay</td>
</tr>
<tr>
<td>amazon</td>
<td>FundingCircle</td>
<td>Kiva</td>
</tr>
<tr>
<td>VRBO</td>
<td>freecycle.org</td>
<td>KICKSTARTER</td>
</tr>
<tr>
<td>KICKSTARTER</td>
<td>Etsy</td>
<td>Amazon</td>
</tr>
<tr>
<td>Kiva</td>
<td>Everywhere</td>
<td>KICKSTARTER</td>
</tr>
</tbody>
</table>

*What was the website or app you used for your most recent sharing transaction?* / Asked Dec 2013-Jan 2014
**PARTICIPATION IN THE COLLABORATIVE ECONOMY: RECENT AND PROJECTED**

<table>
<thead>
<tr>
<th><strong>GOODS</strong></th>
<th><strong>2013 PARTICIPATION</strong></th>
<th><strong>2014 PARTICIPATION</strong></th>
<th><strong>PROJECTED FROM INTENT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Owned Goods</td>
<td>46%</td>
<td></td>
<td></td>
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<tr>
<td>Loaner Products</td>
<td>11%</td>
<td></td>
<td></td>
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<tr>
<td>Custom Products</td>
<td>18%</td>
<td></td>
<td></td>
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<td>Professional Services</td>
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<td>Personal Services</td>
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</table>

*In the past 12 months, have you ever used a website or mobile app for any of the following?*

*In the next 12 months, will you use a website or mobile app for any of the following? / Asked Oct-Dec 2013*
RE-SHARING IS THE GATEWAY TO THE COLLABORATIVE ECONOMY
While the growth of the collaborative economy will be driven by the growth of neo-sharing services, re-sharing remains an important entry point for people who are not yet sharing:

• **Non-sharers are more likely to try re-sharing.** In the next 12 months, 14% of non-sharers intend to try a re-sharing site. This is much greater than the level of non-sharer interest in neo-sharing services: only 3% to 5% of non-sharers intend to try neo-sharing services like loaner vehicles or crowdfunding.

• **Re-sharing growth slows.** While re-sharing services will continue to grow and onboard new people into the collaborative economy, they won’t grow as fast as neo-sharing. For every three people who have provided or received pre-owned goods in the past 12 months, there is only one new person who intends to try re-sharing in the next 12 months.

• **Non-sharer uptake reflects tech usage.** The difference between sharer and non-sharer interest in sharing mirrors the overall lag in non-sharers’ technology usage. Non-sharers are less likely than sharers (and especially neo-sharers) to engage in many different kinds of online activities, so it makes sense that they are slower to try online sharing.

The fact that non-sharers are more interested in trying re-sharing than neo-sharing likely reflects the greater maturity of re-sharing services. Craigslist and eBay have been around since 1995, so consumers (even non-sharers) already know about these sites. But in neo-sharing, even the biggest players are relative newcomers: Etsy (notably, in the next-largest category after buying and selling pre-owned goods) started in 2005. Airbnb and TaskRabbit launched in 2008 and Uber in 2009. These companies—and the sharing categories in which they still dominate—are startups in the truest sense of the word. When eBay was 5 years old, it too had only reached about 10% of the population.

The importance of re-sharing sites as gateways to neo-sharing provides key opportunities for players in the collaborative economy. Companies who offer rental products such as BMW’s DriveNow car rental service should target prospects on re-sharing sites like eBay, Craigslist and Kijiji. These sites attract re-sharers who are ripe for trying new sharing services. Recommendations are crucial to driving these re-sharers into neo-sharing, so word-of-mouth programs that encourage neo-sharers to invite their friends can be very effective: for example, Uber offers discounts to those who invite other people in their social networks.

While intent to share is an important indicator of the prospective growth of the collaborative economy, there are three more reasons to predict this growth:

• **Sharers are mainstream.** The broadly typical demographic, attitudinal and behavioral profile of sharers means there’s no reason to assume that the growth of the sharing economy will be limited by the breadth of its appeal. If sharers look like everybody else, it’s at least possible that everybody else is going to get into sharing.

• **Sharers are young.** Since nearly half (48%) of neo-sharers are 18-34 we can expect neo-sharing to grow over the long term.

• **Sharing is viral.** Since recommendations are widely cited as a reason for using sharing services and since sharers are overwhelmingly likely to recommend the services they’ve used, we can anticipate a virtuous circle in which sharing drives more sharing.
5. SHARING IS MAINSTREAM

Contrary to the image of sharers as tech-savvy urban hipsters, sharers are very much like the population as a whole: in other words, a lot like your customers. They skew younger, but that’s because this is an emergent behavior and not simply something you do until you grow up and start shopping at the local mall. But emergent doesn’t mean small: sharing is already a widespread way to buy and sell, or to lend and borrow. So companies can’t afford to limit their collaborative economy ventures to urban areas or early adopters, because the sharing of goods and services is already mainstream.

CLICK TO TWEET:
Sharers look a lot like the mainstream, once you factor in the relative youth of neo-sharers.

![Basic Demographics and Lifestyle Choices](image)

Demographic and lifestyle data from past profiling studies

VISION CRITICAL  SHARING IS THE NEW BUYING CROWD COMPANIES
MEET THE SHARERS

For businesses that wonder who these sharers are, a few demographic details are crucial:

- **More than half of sharers have tried neo-sharing sites.** While a portion of sharers have limited their sharing to buying, selling or donating pre-owned goods, the majority of American and Canadian sharers have also tried newer forms of sharing. In the US, Canada and the UK, neo-sharers now constitute up to a quarter of the general population.

- **Re-sharing drives sharing higher in the UK.** The UK has the same rates of neo-sharing as Canada and the US, but has much higher rates of re-sharing (29%, compared with 16% in the other two countries). Because re-sharing is much more common in the UK, more than half of the UK population has used a sharing site in the past 12 months, compared to 40% in the US and Canada.

- **Sharing has a small gender gap.** Sharers skew slightly female because women are more likely to use re-sharing sites: 55% of re-sharers are women.

- **Sharers are younger.** The relative youth of sharing reflects the fact that younger people are much more likely to use neo-sharing sites. Nearly half of neo-sharers are 18-34, as opposed to roughly a quarter of re-sharers and non-sharers.

Other than their age, sharers look a lot like the rest of your customers:

- **Neo-sharers make mainstream lifestyle choices.** Neo-sharers are only a little less likely to be married or to own their own home and are actually more likely to have kids at home.

- **Neo-sharers are a little more progressive.** Compared to 34% of non-sharers and just 29% of re-sharers, 39% of American neo-sharers think of themselves as Democrats. Also, only 32% of Canadian neo-sharers voted Conservative in the last federal election (compared with 37% of non-sharers and 39% of re-sharers).

- **Sharers are online.** Sharers (and especially neo-sharers) are more likely to engage in many different kinds of online activities.

12 THINGS A LOT OF PEOPLE SHARE

In our follow-up survey of sharers, we asked what they had provided or received in their latest online sharing transaction. Many listed one of the following:

1. Books
2. Cars
3. Clothes
4. Condos and Cottages
5. DVDs
6. Jewelry
7. Computers, Phones and Electronics
8. Furniture
9. Cleaning Services
10. Money
11. Toys
12. Writing Services

If you can talk to your customers, you can talk to sharers. In fact, the collaborative economy makes that kind of engagement more important than ever: the high levels of technology use among sharers mean that companies who know how to leverage social media marketing and other digital marketing channels will have an enormous advantage marketing their sharing goods and services.

But clever offline promotions can be very effective too: Westin Hotels now allow guests to rent New Balance shoes and apparel instead of packing bulky fitness gear. This kind of tactic is a great example of how sharing can create cross-promotional opportunities that will appeal to the very wide range of customers who now make up the collaborative economy.
SHARERS ARE AFFLUENT
The relationship between age and sharing raises the possibility that sharing—especially on neo-sharing sites—is driven by economic need. Maybe sharing is a stage of life: you travel by couch surfing until you get old enough (and picky enough) to insist on a hotel room and you share a car until you can afford your own. But the relationship between sharing and income shows just the opposite: while 27% of American neo-sharers have incomes of $50,000-$100,000 (just like the overall population), sharers are more likely to be affluent and less likely to be low-income:

- **Affluent people are more likely to be neo-sharers.** While up to 25% of the general population in each country are neo-sharers, among Americans with incomes over $100,000, 35% are neo-sharers; among Canadians with incomes over $100,000, 32% are neo-sharers; among Britons with incomes over £60,000, 35% are neo-sharers. And while only 8% of American non-sharers have incomes over $100,000, among neo-sharers, 14% earn that much each year.

- **Sharers are less likely to be low-income.** While 55% of Americans have incomes of less than $50,000 per year, that figure drops to 53% for re-sharers and 49% for neo-sharers. And while 45% of British non-sharers have incomes of under £20,000, only 41% of re-sharers and 36% of neo-sharers have incomes that low.

- **High-income people are no more or less likely to be re-sharers.** In each country, the percentage of re-sharers in the top income bracket is the same as in the general population.
To reach the affluent sharers who have significant discretionary income, run unique, exclusive events that suit the collaborative economy. Instead of focusing on product sales, think about how you can offer affluent neo-sharers experiences or access to elite products. For example, Uber partnered with Cosmopolitan Hotels in Las Vegas to create an all-inclusive package for wealthy LA residents, including transportation and hotel, available from the tap-and-go Uber app.

THE AGE EFFECT
Age is the explanation for most—though not all—of the modest attitudinal, behavioral and lifestyle differences between neo-sharers, re-sharers and non-sharers:

- **Generational differences correlate** with American neo-sharers’ income and political differences, as well as the greater likelihood that they have kids at home.
- **Neo-sharers are even more likely** to be married, educated, home-owning and politically aware than their age would lead us to expect.
- **Age is even more strongly** linked to the higher levels of online activity among neo-sharers.

It’s time for businesses to recognize that sharers are their customers and that their customers are sharers. Yes, companies with a high proportion of young customers face the most urgent challenge: with 37% of 18-34s now engaged in neo-sharing, any company that relies on a younger demographic to drive sales must find a way to drive or combine sales with sharing. But all businesses need to know that sharers are not a niche market. Sharers are part of the mainstream set of customers that businesses can’t afford to ignore.

IS SHARING AN URBAN PHENOMENON?
To answer this question, we looked at sharing in and outside of the 10 largest US cities. Most types of sharing are more prevalent in the top 10 urban areas than in other parts of the country and even more prevalent in metro New York City (See “Participation in the Collaborative Economy: New York, Top 10 Metro Areas and the Rest of USA” graphic on the next page).

To some extent this is in the nature of the goods and services being shared: it’s harder to make vehicle-sharing work in lower-density areas. But the greater prevalence of sharing also pertains to categories where there is no intrinsic relationship to location, such as buying/selling custom products, crowdfunding and borrowing/lending money. And the pattern inverts when it comes to buying or selling pre-owned goods. Once again, we’re largely looking at an age effect: larger cities have more 18-34 year-olds.

While this means we shouldn’t expect the collaborative economy to stay within city limits, the greater density of young people and sharers in large urban centers does make big cities a smart place for businesses to start or test a collaborative economy offer.
### Participation in the Collaborative Economy: New York, Top 10 Metro Areas and Rest of USA

#### Goods

<table>
<thead>
<tr>
<th>Category</th>
<th>Metro NYC</th>
<th>Top 10 Urban Centres</th>
<th>Outside Top 10 Metro Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Owned Goods</td>
<td>25%</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td>Loaner Products</td>
<td>8%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Custom Products</td>
<td>12%</td>
<td>11%</td>
<td>9%</td>
</tr>
</tbody>
</table>

#### Services

<table>
<thead>
<tr>
<th>Category</th>
<th>Metro NYC</th>
<th>Top 10 Urban Centres</th>
<th>Outside Top 10 Metro Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services</td>
<td>10%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Personal Services</td>
<td>11%</td>
<td>11%</td>
<td>8%</td>
</tr>
</tbody>
</table>

#### Transportation

<table>
<thead>
<tr>
<th>Category</th>
<th>Metro NYC</th>
<th>Top 10 Urban Centres</th>
<th>Outside Top 10 Metro Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Services</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Loaner Vehicles</td>
<td>8%</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>

#### Space

<table>
<thead>
<tr>
<th>Category</th>
<th>Metro NYC</th>
<th>Top 10 Urban Centres</th>
<th>Outside Top 10 Metro Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Space</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Place to Stay</td>
<td>11%</td>
<td>9%</td>
<td>6%</td>
</tr>
</tbody>
</table>

#### Money

<table>
<thead>
<tr>
<th>Category</th>
<th>Metro NYC</th>
<th>Top 10 Urban Centres</th>
<th>Outside Top 10 Metro Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>MoneyLending</td>
<td>8%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>11%</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*In the past 12 months, have you ever used a website or mobile app for any of the following? / Asked Oct-Dec 2013*

Age and location data from past profiling studies
6. SHARING IS PRAGMATIC

The collaborative economy may be a movement, but that part of what makes this movement so powerful is that a lot of making and sharing is driven by the same pragmatic considerations that drive conventional forms of consumption and production. For businesses that already know how to compete on price or quality, the interests of today’s sharers provide a way into the collaborative economy.

CLICK TO TWEET:
Sharing is driven by convenience, price and the desire for unique, quality goods and services.

WHY THEY SHARED

<table>
<thead>
<tr>
<th>Reason</th>
<th>Importance</th>
<th>Neo-Sharers</th>
<th>Re-Sharers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>71%</td>
<td>71%</td>
<td>73%</td>
</tr>
<tr>
<td>Better price</td>
<td>55%</td>
<td>56%</td>
<td>60%</td>
</tr>
<tr>
<td>Product/service quality</td>
<td>16%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>Couldn’t find elsewhere</td>
<td>28%</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td>Recommendation</td>
<td>23%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Sustainable lifestyle</td>
<td>22%</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Connect online</td>
<td>18%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Curiosity</td>
<td>17%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Connect locally</td>
<td>13%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Access over ownership</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
<td>13%</td>
<td>15%</td>
</tr>
</tbody>
</table>

How important were each of the following reasons for using a peer-to-peer site or app for your most recent sharing transaction? / Asked Dec 2013-Jan 2014
WHY THEY SHARE

When asked about the reasons they chose a sharing service for their most recent sharing transaction, sharers most often mention a few factors:

- **Convenience and price.** Both re-sharers and neo-sharers overwhelmingly mention convenience as a factor in their transactions, followed closely by price.
- **The product or service itself.** The number of sharers citing quality, or the ability to find something they couldn’t find elsewhere, reflects the importance of what was provided or received as much as how it was exchanged.
- **Word of mouth.** Recommendations also appear to be a significant driver, reflecting the role of word-of-mouth in how people discover sharing sites.

### HOW PEOPLE FIND SHARING SERVICES

<table>
<thead>
<tr>
<th>WORD OF MOUTH</th>
<th>TRADITIONAL MARKETING</th>
<th>UNKNOWN</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOMEONE TOLD ME ABOUT IT</td>
<td>GOOGLE OR OTHER WEB SEARCH</td>
<td>CAN’T RECALL</td>
</tr>
<tr>
<td>47%</td>
<td>16%</td>
<td>25%</td>
</tr>
<tr>
<td>SOCIAL NETWORK</td>
<td>NEWS MEDIA</td>
<td>OTHER</td>
</tr>
<tr>
<td>13%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>BLOG</td>
<td>ONLINE AD</td>
<td></td>
</tr>
<tr>
<td>3%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMAIL FROM WEBSITE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PRINT OR TV AD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>APP STORE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

*How did you hear about the website or app you used? / Asked December 2013-January 2014*

While neo-sharers are more likely to cite values like sustainability, community and a preference for access over ownership in their mix of motivations, they too rate price, convenience and product or service quality as the top transaction drivers.
SOCIAL AND ENVIRONMENTAL FACTORS

Even though sharers are more likely to cite practical motivations for their latest sharing transactions, they still associate sharing services with social and environmental benefits. Sustainability, the ability to connect online or locally, or to choose access over ownership were each cited by no more than a third of sharers when explaining why they chose a sharing site.

Yet sharers are still more likely to associate these qualities with sharing services. Whether a specific transaction is driven by practical motivations or altruistic ones, the environmental or social benefits of sharing may still be significant . . . and may still be recognized and valued by sharers.

Even collaborative economy ventures that are driven by sustainability or social goals may find it effective to tap into pragmatic considerations when they are trying to attract new customers or transactions. Sharing a car is convenient; renting fashion is economical; staying in someone’s home offers a more authentic experience: these are the kinds of messages brands need to push when they are entering the collaborative economy. Rather than leading with taglines about sustainability or community, companies need to emphasize convenience, value and quality because that is what actually drives sharing transactions. Or go beyond a tagline by showcasing the cost advantages of sharing with interactive calculators that vividly illustrate the benefits of on-demand access over purchase.

For any business that has competed on price, convenience or quality to drive traditional sales, it won’t be a huge leap to push those buttons in order to drive sharing. If you know how to deliver a satisfying purchase experience, you may not be far from offering a satisfying sharing experience. But be aware that the bar for satisfying sharers has already been set and set high.

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**Which of these words do you associate with buying, borrowing or renting goods or services in the following ways? / Asked Dec 2013-Jan 2014**

- **46%** Associate **LOANER VEHICLES** with **SUSTAINABLE**
  - Only 28% associate retail stores with sustainable

- **41%** Associate **SHARING PLACES TO STAY** with **COMMUNITY**
  - Only 25% associate retail stores with community

- **48%** Associate **LOANER PRODUCTS** with **HELPING OTHERS**
  - Only 12% associate retail stores with helping others

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**Vision Critical**

Sharing is the new buying

Crowd Companies

21
7. SHARING IS SATISFYING

Customer satisfaction is what separates a durable shift in consumer behavior from a trendy flash in the pan. That’s why we put sharers’ latest sharing transaction under the microscope and asked them to rate their experience and satisfaction on a variety of dimensions. And by most measures, these are very satisfied customers.

CLICK TO TWEET:
The majority of sharers in the collaborative economy are very or extremely satisfied with their experience.

SATISFACTION WITH SHARING TRANSACTIONS

<table>
<thead>
<tr>
<th>Quality</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>79%</td>
</tr>
<tr>
<td>Purchase Experience</td>
<td>81%</td>
</tr>
<tr>
<td>Product/Service Experience</td>
<td>81%</td>
</tr>
<tr>
<td>Site Usage Experience</td>
<td>79%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>71%</td>
</tr>
<tr>
<td>Purchase/Sale Experience</td>
<td>69%</td>
</tr>
<tr>
<td>Price/Earnings</td>
<td>60%</td>
</tr>
</tbody>
</table>

How satisfied were you with the following aspects of your latest sharing transaction? / Asked December 2013-January 2014

Buyer/recipient were overwhelmingly positive about their sharing experience. When asked about their latest sharing transaction, three quarters of buyers were “very” or “extremely” satisfied with:

- **Product or service received.** Buyers gave high marks to the value and usage experience of the product or service they obtained in their latest transaction.
- **The experience of using a sharing service.** Almost 4 out of 5 buyers really liked the interface and purchase experience of the services they used.
- **Customer service.** When asked about the customer experience provided by sharing services, 71% of buyers indicated they were highly satisfied.
Seller/providers are also largely happy with their sharing experience, if a little less so than buyers. When it comes to their last sharing experience, 60 to 72% of buyers say they were “very” or “extremely” satisfied in terms of:

- **The experience of using a sharing service.** Like buyers, the vast majority of sellers are “very” or “extremely” satisfied with the interface of the last service they’ve used and with their purchase/sale experience.
- **Price/earnings from sharing.** Seller ratings of the price or earnings received from sharing are just a little lower than buyer ratings for the value delivered by shared goods and services: 60% say they were “very” or “extremely” satisfied.
- **Customer service:** 62% of sellers were “very” or “extremely” satisfied with the customer service provided by the last sharing site they used.

Even more remarkable is the number of sharers who said they would re-use or recommend their most recent sharing experience:

- Reflecting on their most recent sharing experience, **91%** of sharers intend to engage in this type of sharing again in the next 12 months.
- **65%** of sharers said they would “definitely” recommend and **26%** said they would “probably” recommend. This is another reason to anticipate the rapid growth of sharing services: the high likelihood to recommend reinforces the role of word of mouth in driving site discovery and transactions.

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**CUSTOMER INSIGHT FOR THE COLLABORATIVE ECONOMY**

12 QUESTIONS TO ASK YOUR CUSTOMERS

Q1  Have you ever used a sharing website or app? For which types of sharing?
Q2  Which types of sharing do you intend to try in the next 12 months?
Q3  On which types of sharing sites have you been a seller/provider and on which a buyer/borrower?
Q4  Which factors led you to use a sharing site for your most recent sharing transaction?
Q5  Would you recommend the sharing sites you’ve used to friends or colleagues?
Q6  Which specific sharing services have you used (or do you intend to try) in our industry or market?
Q7  Which of the following types of products and services have you bought, sold or rented via a sharing site? (Give them a list of your own products and services as possible answers.)
Q8  How satisfied are you with different aspects of your sharing experience—and how does that compare with your satisfaction with our products, services or website?
Q9  Which of our products would you like to access/rent instead of buying?
Q10 Would specific sharing services make it easier or more enjoyable to buy from us? Provide a list of options (for example, a fleet of car share vehicles in the parking lot of your big box store, or car sharing that picks people up from your restaurant).
Q11 Do you have pre-owned goods you would like to sell or trade-in towards purchases from us?
Q12 If we offered a sharing site or service, would you try it? (Describe the type of service or offering you are considering.)
The high satisfaction levels of today’s sharers suggest that businesses entering the collaborative economy face both enormous opportunity and potential pitfalls. On the one hand, user satisfaction with sharing sites points to the intrinsic satisfactions of sharing: if you can deliver a product or service your customers like through a sharing service they feel good about using, sharers may be predisposed to embrace it. On the other hand, the high ratings customers give to current sharing sites suggest the urgency of getting into the sharing space quickly—before all those happy customers lock into the sharing services they already use and love.

Because successful sharing generates a network effect, businesses that tap into the collaborative economy stand to win—and they stand to win big. Customers who have a positive sharing experience will recommend your brand to their friends, driving not only further sharing but also brand awareness and loyalty. But tapping into the power of word of mouth is only one of many ways companies can win in the collaborative economy.

91% of sharers would recommend the last sharing service they used to a friend or colleague.
8. HOW TO WIN IN THE COLLABORATIVE ECONOMY

The societal, economic and technological shifts behind the emergence of the collaborative economy have not only inspired the birth of sharing startups—they also cause major disruptions for established businesses and business models. As a result, companies must change tactics and shift their business strategy to prepare for a new economy in which people get what they need from each other.

MARKET OPPORTUNITIES

While many of the opportunities of the collaborative economy are specific to particular industries and business units, there are several major opportunities that no company or team should overlook:

• **Offer “lifestyle as a service” to younger and more affluent markets.** Younger and more affluent people are more likely to be neo-sharers, as this lifestyle helps them access a life of luxury and ease without being saddled with ownership. Therefore, luxury brands should offer access over ownership for affluent customer bases, giving them exclusive goods on demand and the prestige of trying new items. Marketers should emphasize access to luxury, ease and convenience and pricing over sustainability or altruistic messaging.

• **Bring new marketplace business models to opportunity-rich urban areas.** Urban areas are at the forefront of the move toward the collaborative economy, not only due to the economies of scale afforded by greater urban density, but also because that same density facilitates the word-of-mouth recommendations that drive much of sharing’s growth. Brands seeking to leverage this movement should sponsor existing marketplaces and offer value-added services to get experience with sharing and then use this experience to launch their own branded sharing services. Companies that develop their own sharing services can use software like NearMeCo and ShareTribes or build from scratch.

• **Drive sharing with social media marketing.** Brands can use sharers’ propensity for social networking to ignite the virtuous circle between high customer satisfaction and recommendations. Because such a high percentage of sharers use social networking on a regular basis (73% of neo-sharers and 66% of re-sharers, compared with just 55% of non-sharers), brand marketers can use social media marketing tactics to drive the growth of sharing services. The popularity of photo sharing among re-sharers and neo-sharers suggests that it may be particularly effective to get people to promote their positive sharing experiences by posting photos.

• **Market the direct benefits of sharing services.** While sharing is driven by convenience, price and the quality or distinctiveness of the goods and services received, startups and thought leaders in the collaborative economy sometimes focus on community building and sustainability. Sharers are usually driven by more immediate needs. The marketing of sharing services should therefore focus on the ease of accessing resources quickly and without hassle and on the value, distinctiveness and quality of what can be obtained from sharing.
GETTING YOUR COMPANY READY
The collaborative economy demands nothing short of business model transformation. But unlike many previous shifts and movements nearly every part of a company may be affected. That’s why each business unit will have its own role to play as we move into a collaborative economy where customers are integrated into a wide range of business functions.

<table>
<thead>
<tr>
<th>WHAT’S CHANGING</th>
<th>HOW TO PREPARE</th>
<th>HOW TO FURTHER INVEST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXECUTIVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New business models are emerging as manufacturers and distributors reconfigure for on-demand, rental and subscription models.</td>
<td>Assess how collaborative economy business models will impact your market demand.</td>
<td>Embrace the fact that consumers are now empowered by technology to share goods, services and space rather than purchasing them outright.</td>
</tr>
<tr>
<td><strong>MARKETING AND MARKET RESEARCH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharing doesn’t just bring a new segment for marketers to reach or research—it offers a new way to engage customers. Customer conversation is no longer an input into the R&amp;D or marketing process: it is now part of how companies innovate and communicate.</td>
<td>Move from iterative research to ongoing customer engagement by using insight community technologies. Identify how your current customers are participating in the collaborative economy and to find out which of your products or services they want to access instead of buying.</td>
<td>Leverage your customer insight channels to engage your customers in ongoing co-creation. Use your customer communities to incubate sharing initiatives.</td>
</tr>
<tr>
<td><strong>CORPORATE DEVELOPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New startups, backed by VCs and Google, are cropping up everywhere. Some have already been acquired, such as Zipcar, which was purchased by Avis and Braintree, a mobile payments platform recently acquired by PayPal for $800 million.</td>
<td>Educate stakeholders in your company about the sharing movement and its potential impact on every aspect of your company, including finance, product development, production and quality, marketing, supply chain, inventory control and legal.</td>
<td>Create teams to investigate investing in sharing startups. Integrate relevant and appropriate startups through partnerships and acquisitions. (Avis moved smartly and quickly by acquiring Zipcar while it was in its early phase.)</td>
</tr>
<tr>
<td><strong>LEGAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rules are changing. People are shifting from ownership to access models, such as rentals, on-demand availability and subscriptions. The sharing of goods and services challenges liability laws.</td>
<td>Direct your legal department to raise their awareness of issues relative to on-demand and sharing business models, as well as workforces assembled on demand and/or working in shared spaces.</td>
<td>Bring legal to the table now. Determine what the liability laws are, what they will need to be in the sharing economy and how you will address any gaps or lags. Create cross-functional, strategic teams that include legal, engineering, design, quality, production and marketing.</td>
</tr>
<tr>
<td>WHAT’S CHANGING</td>
<td>HOW TO PREPARE</td>
<td>HOW TO FURTHER INVEST</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td><strong>PRODUCT AND R&amp;D</strong></td>
<td>The crowd is making its own goods on websites like Shapeways, CustomMade and Etsy. New technologies like 3D printers are accelerating the creation of both simple and complex objects.</td>
<td>Consider partnering in markets where products are resold and crowd potential is utilized. Walgreens has partnered with TaskRabbit to deliver healthcare goods to local customers.</td>
</tr>
<tr>
<td><strong>SOCIAL MEDIA AND SOCIAL BUSINESS TEAMS</strong></td>
<td>The first phase of sharing was media and ideas through social media. The second phase is quickly shifting to the realm of physical goods.</td>
<td>Social media teams should be tracking collaborative economy news, especially in your industry and thinking about how to leverage it to your advantage.</td>
</tr>
<tr>
<td><strong>MARKETING AND SALES</strong></td>
<td>People who share goods and services are typically savvy users of social media. They learn about these collaborative and sharing opportunities from others through a variety of social media tools.</td>
<td>Look for leading examples of collaborative economy marketing such as Quirky, a website that posts profiles and photos of people who submit ideas for crowd-created projects. Their ideas are marketed by cyber word of mouth (CWOM) before they become reality.</td>
</tr>
<tr>
<td><strong>FINANCE</strong></td>
<td>The crowd is funding its own projects on sites like Kickstarter and Indiegogo. Some brands have already recognized the value of tapping the crowd for funding. Barclaycard’s “Ring” permits holders’ expanded input and control over their card usage.</td>
<td>Analyze models, like U-Haul’s “Investors Club,” where average people invest in transportation assets and receive a cut of the revenues. Using variable sources of capital injection fosters the loyalty that comes with shared destiny.</td>
</tr>
<tr>
<td>WHAT’S CHANGING</td>
<td>HOW TO PREPARE</td>
<td>HOW TO FURTHER INVEST</td>
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<tr>
<td>-----------------</td>
<td>----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>CUSTOMER SUPPORT</td>
<td>People are sharing goods and resources. Those who do are typically frequent users of social media, meaning that consumer access to second- and third-hand goods should continue to expand.</td>
<td>Tap crowd-based support communities to help your own brand. Some already use services like Zendesk, but also expand to TaskRabbit and oDesk.</td>
</tr>
<tr>
<td>OPERATIONS AND SUPPLY CHAIN</td>
<td>People are collaborating to activate idle resources, such as slow or non-moving inventory, or creating or filling jobs through means that might have been considered unconventional.</td>
<td>Inventory and supply chain teams need to realize the power of social media and collaboration to generate income from idle inventory and space. Localmotion.com helps to identify resources, like trucks and cars and provide them to folks who need them on demand.</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>Many people are moving to and developing a preference for, the freelance culture, using sites like oDesk and TaskRabbit. Recruiting has become a new form of outsourcing, reducing the corporate cost of benefits. Meanwhile, employees who participate in crowdsourcing and co-creation expect more workplace engagement and ownership over their work.</td>
<td>Become familiar with entities similar to oDesk. Track employees’ skills and capabilities and identify others that might be able to benefit from idle workers inside your own company. Experiment with internal engagement and co-creation activities to assess opportunities for maximizing internal participation in value creation.</td>
</tr>
</tbody>
</table>
By no means are these recommendations a complete breakdown of the business model changes that are to come. Each industry and company will vary in the specific tactics and resources required. Preparing each individual business unit today is crucial to preparing your entire company for the collaborative economy—preparation that is ever more urgent.

Social shifts like the desire for sustainability and an independent lifestyle will accelerate as today’s young consumers and neo-sharers get older and even more mainstream. Economic pressures and opportunities like rising production costs and the need to maximize utilization will intensify the search for new business models that can satisfy them. Meanwhile the technologies that have made the collaborative economy possible—sensors, mobile, social networks—get better and more pervasive every day.

While the speed and scale of the transformation required may seem daunting, they are also what makes the collaborative economy so exciting to businesses and sharers alike. In many ways, the collaborative economy resolves the core tension that the business world has grappled with for nearly two hundred years: how to balance the competitive opportunities of large-scale production with consumer and employee expectations for agency and autonomy. The internet and particularly social media, have heightened that tension, both by making it possible to increase the scale of production (thanks to network-enabled integration across companies and countries) and by intensifying consumer expectations for responsiveness in the companies they work with or buy from.

The advent of co-creation and sharing makes it possible to square that circle: to include your customers in the process of developing, delivering and distributing your goods and services. Companies that hang back from that opportunity, perhaps daunted by the transformations it requires, may find their core business at risk from a new generation of sharing services that meet the demands of today’s customer. But businesses that embrace it—businesses that use sharing to leverage their existing assets and competencies in entirely new ways—will find that the collaborative economy can take them to new heights.

YOUR NEXT STEP

JOIN THE TEAM BEHIND
SHARING IS THE NEW BUYING
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http://visioncritical.com/sharingnewbuyingwebinar
9. ABOUT THIS REPORT

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SPECIAL THANKS
This report has been a team effort, drawing on input from experts in the collaborative economy, professional design assistance and research and creative support from the Vision Critical team.

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Vision Critical is the world’s leading provider of insight communities, supporting more than 650 brands worldwide. Through its cloud-based insight community platform, Vision Critical helps businesses and organizations gain input from thousands of customers and non-customers at a time that is critical in decision-making processes. With the rise of peer-to-peer sharing and the threat that the movement poses to big corporations, Vision Critical Insight Communities enable large enterprises to win in the collaborative economy by working together with customers to uncover insight that drives new product development, improved communications, better advertising and business innovation.

The mission of Crowd Companies is to bring empowered people and resilient brands together to collaborate for shared value. We are creating a brand council to bring internal, corporate agents of change in a setting where they can further learn and engage in the collaborative economy. We offer three services: 1) Connection with innovative peers in a private, real-world and online setting; 2) Get education by industry experts in centralized calls and meetings; and 3) Move to action by partnering with the innovation network of startups who want to work with large companies.

This report is based on two surveys conducted between October 2013 and January 2014 by Vision Critical’s Voice of Market with participants from the U.S., U.K. and Canada ages 18 and over. The initial survey of 90,112 respondents provided data on the overall incidence, frequency and nature of participation in the collaborative economy. The questions regarding the collaborative economy were imbedded in a general omnibus survey covering a variety of topics. The topic of the collaborative economy was not mentioned in the invitation to the survey. A follow-up survey of over 2,500 sharers provided deeper insight into the nature of participation in the collaborative economy and in particular, on respondents’ most recent sharing transactions.

The data is demographically representative of the adult (18+) populations of the U.S., U.K. and Canada. The results were weighted by age, gender, region and education, to be representative of the demographics of each nation. The margin of error—which measures sampling variability—is +/- 0.3% for the sample of 90,112 and +/- 2% for the sample of 2,517, 19 times out of 20. For more information on the survey methodology, please contact media@visioncritical.com.