



COLLABORATING CENTRE ON SUSTAINABLE
CONSUMPTION AND PRODUCTION

Listening to Sharing Economy Initiatives

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Sustainable Consumption and Production

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COLLABORATIVE
SOLUTIONS FOR
A SUSTAINABLE
PLANET

Who we are



Founded in 2005

by the United Nations Environmental Programme (UNEP) and Wuppertal Institute of Climate, Environment and Energy. Headquarters in Wuppertal, Germany



Think & Do Tank

The Centre provides scientific support to clients from the private and the public sector, in the field of sustainable consumption and production (SCP)

60

Team Members

with interdisciplinary backgrounds



International Scope

and activities in four continents



The CSCP

Mainstreaming Sustainable Lifestyles

Products,
Services,
Infrastructure



Entrepreneurship
& Business
Models



Habits &
Behaviors



Sustainable
Lifestyles



Who we work with

Broad range of partners locally and globally

Regional & international



National



Local



Content of the Presentation

International Report



Find it on our website: www.scp-centre.org

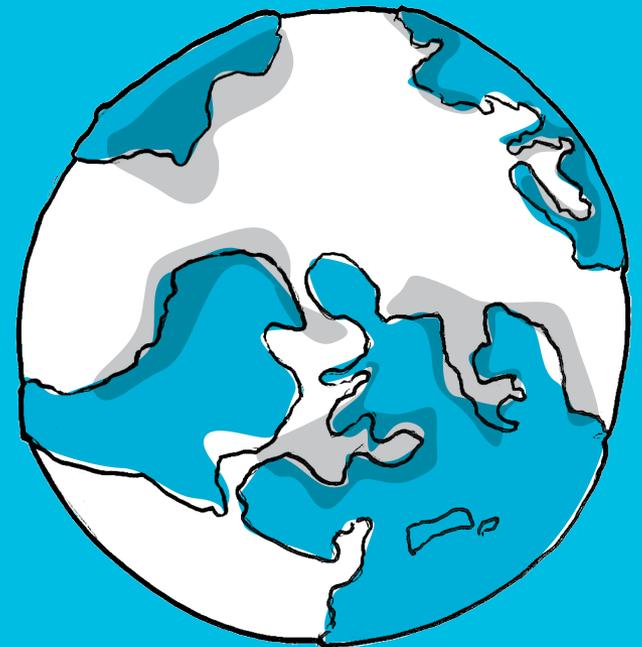
1. Research Results
2. Potential for the Sharing Economy & research

Ongoing Research



1. Sharing Economy & Sustainable Consumption
2. SE Business Models related to Logistics

I. Background Information



Background Information

- **Global Survey on Sharing Economy initiatives**
Comprehending an online survey with 110 businesses operating in **North America, Europe and Latin America** from **March to June 2014**
- We aimed at **gaining a better understanding of business models, needs and demands and the potential for further development of the Sharing Economy**
- Conducted **six expert interviews** for analysis and interpretation of the survey results



International Research Team

Conducted by

- **Collaborating Centre on Sustainable Consumption and Production (based in Germany)**
- **AKATU Institute for Conscious Consumption (based in Brazil)**
- **Columbia Business School (based in the US)**



- **Outreach partners: OuiShare & Shareable**



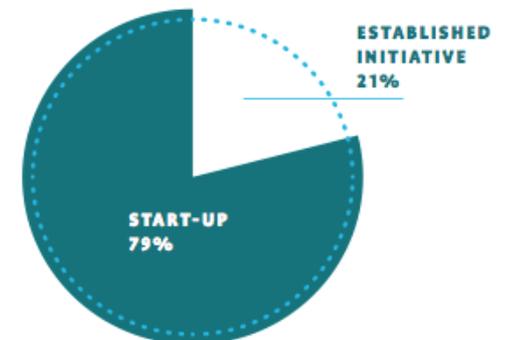
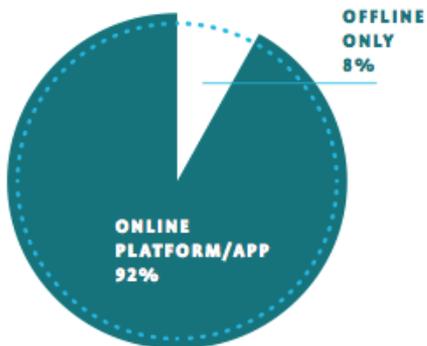
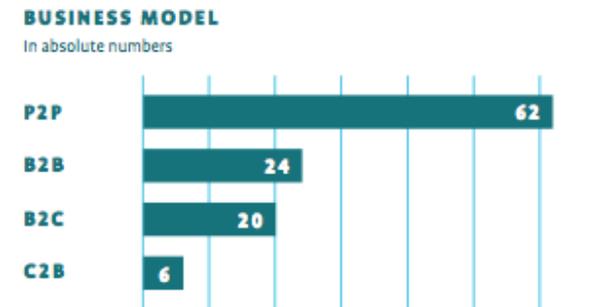
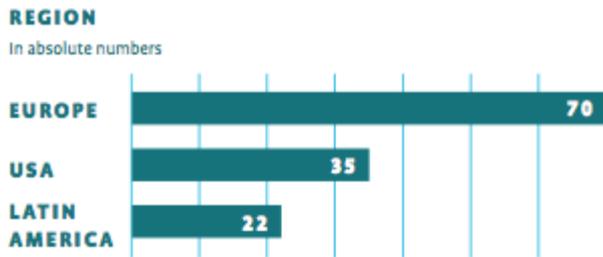
What did we ask?

The research focused on the following areas for Sharing Economy Initiatives:

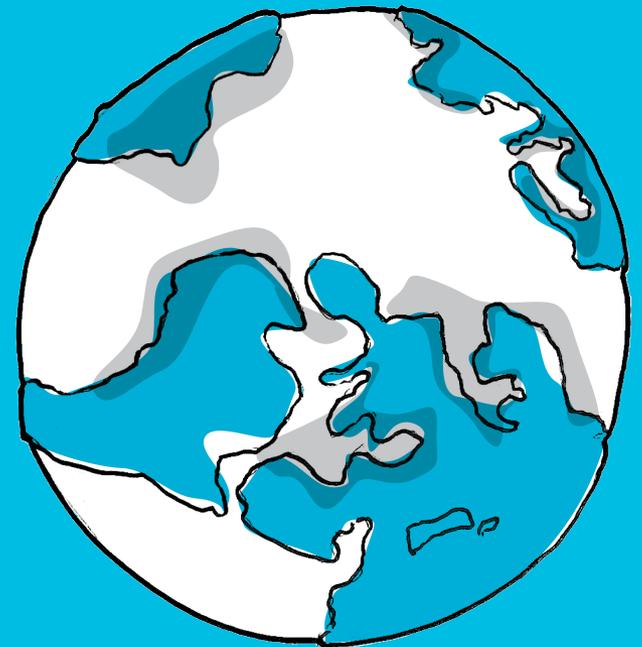
- **characteristics** of the customers
- the **provided value** of Sharing Economy Initiatives
- the **main challenges** of Sharing Economy Initiatives
- the **importance of creating trust and reputation**
- the **relevance and different dimensions** of scaling up
- **additional support** for scaling up & potential partnerships
- **opportunities** for the Sharing Economy

Whom did we listen to?

Focus of region, business area and business model:



II. Results of the Survey



1.1. Sharing Economy initiatives' Customer Base

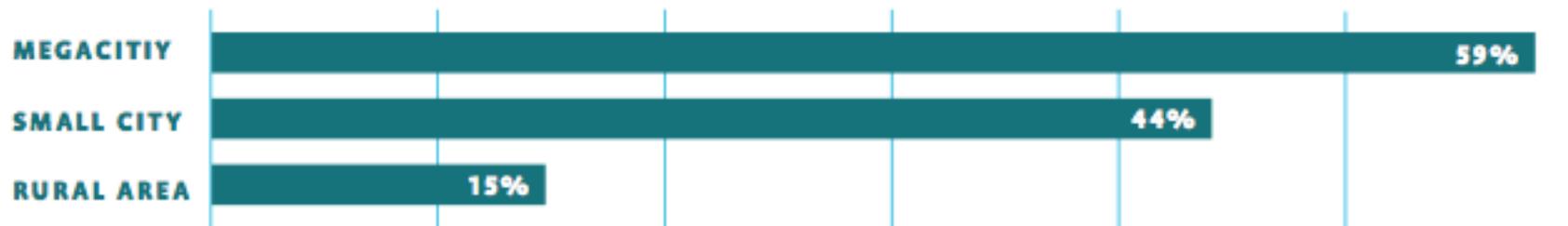
a) Questions raised:

- Which geographical focus do the initiatives have?
- Which age groups are targeted ?
- Which characteristics are attributed to customers?

b) Key responses:

WHICH GEOGRAPHICAL FOCUS DOES YOUR INITIATIVE HAVE?

Multiple answers possible



1.1. Sharing Economy initiatives' Customer Base

a) Questions raised:

- Which geographical focus do the initiatives have?
- Which age groups are targeted ?
- Which characteristics are attributed to customers?

b) Key responses:

WHICH AGE GROUPS DOES YOUR INITIATIVE TARGET?

Multiple answers possible

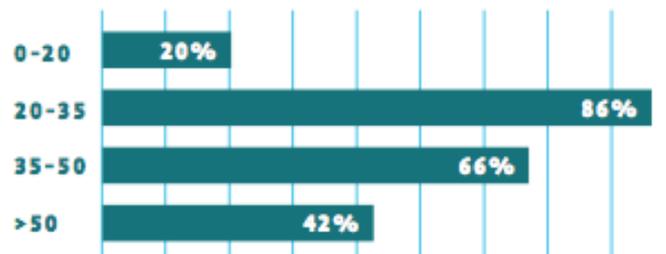
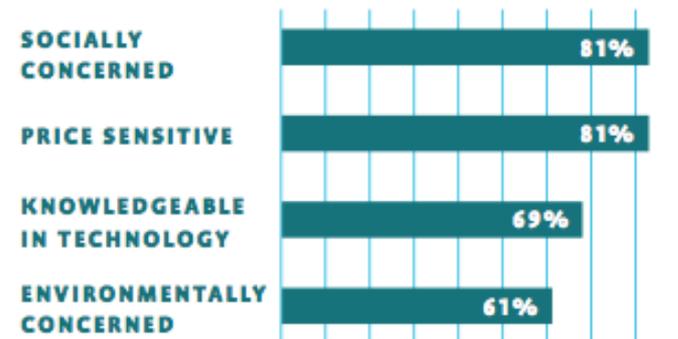


Figure 4: The customer target age group

WHICH CHARACTERISTICS DO YOU ATTRIBUTE TO YOUR CUSTOMERS?

Multiple answers possible



1.2. Sharing Economy initiatives' Customer Base

c) Highlights and interpretation:

- Most initiatives are targeting at the **tech savvy millennials** as they are **online-based**.
- There is a **low outreach to the elderly** as they are less savvy on technologies.
- The majority of initiatives are **focusing on cities** as they are usually characterized by population density and underutilized skills and assets.
- **Rural areas remain untargeted** by most initiatives due to the lack of critical mass there and infrastructure.

1.3. Sharing Economy initiatives' Customer Base

d) Experts' view:

“It’s not surprising that providers of the Sharing Economy are focusing on urban areas. Cities are better suited for peer-to-peer transactions. It is much easier to establish a sharing initiative due to high population density and the possibility of creating economics of scale. Also the asset-light culture of life in cities makes their residents natural users of Sharing Economy platforms.” – Arun Sundararajan

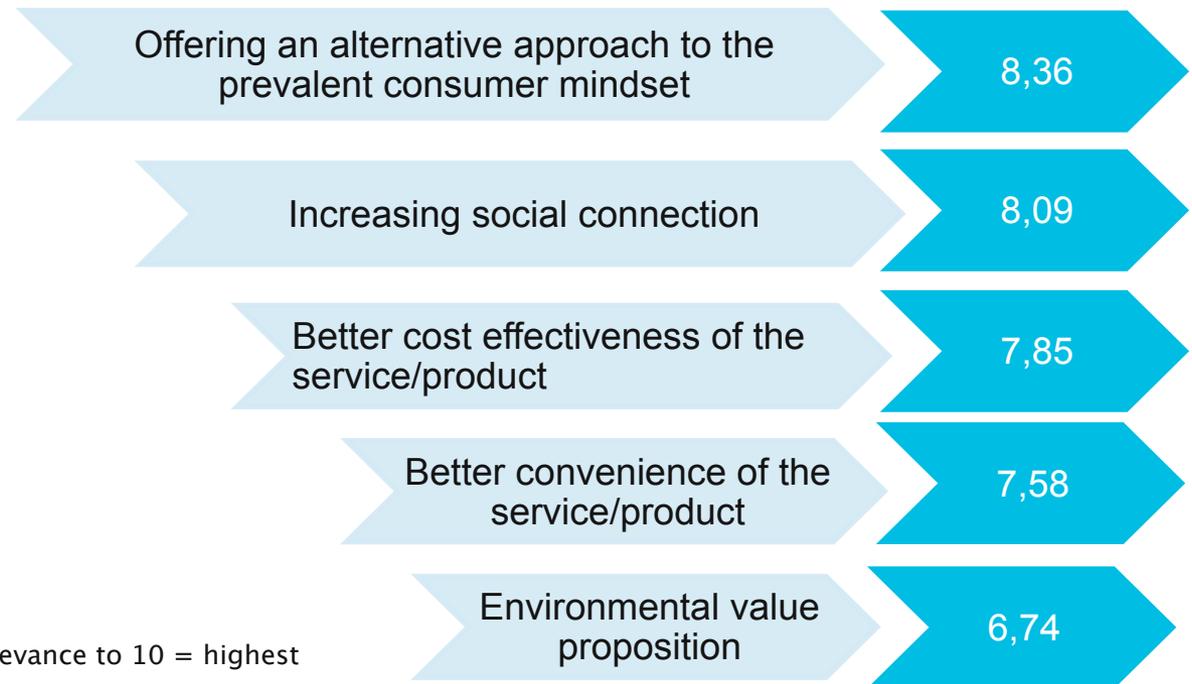
“There is a potential to solve problems around aged care and to engage people from older generations. Many elderly people are socially isolated and can be dependent on centralised systems that do not adequately serve their needs. On the flipside, you have assets and community support that can be mobilised in powerful ways” – Rachel Botsman

2.1. Value Proposition of Sharing Economy Initiatives

a) Questions raised:

- What is the value provided to the customers?

b) Key responses:*



WHICH IMPACTS HAVE YOU MEASURED?

Multiple answers possible



Figure 8: Economic, Social or Environmental impacts measured

*On a scale from 1-10, where 1 = lowest relevance to 10 = highest relevance

2.2. Value Proposition of Sharing Economy Initiatives

c) Highlights and interpretation:

- **Value proposition** for the users is seen to be first of all **beyond economic aspects** as it offers new possibilities to customers and disrupt the classical understanding of consumer–producer relationship.
- Sharing Economy initiatives also **offer cost effectiveness** and **utility** to their users due to the access to underutilized assets.
- **Environmental and social impacts** are also reflected in the value proposition but have the lowest priority.
- Nearly none of the initiatives measure their environmental (13%) or social (19%) impacts

2.3. Value Proposition of Sharing Economy Initiatives

d) Experts' view:

“It would be important to analyse how we can reach socio-economic levels beyond elitists. Apart from looking at the age angle of users of Sharing initiatives, we need to face the challenge of how to reach a broad spectrum of the socio-economic society and how to create more social value, e.g. how to reach migrants?” – Albert Cañigüeral

“Feedback loops on environmental change are very long and not something that is a day-to-day concern from the customer side. It is in the background, whereas economic challenges are so immense and more present.” – Neal Gorenflo

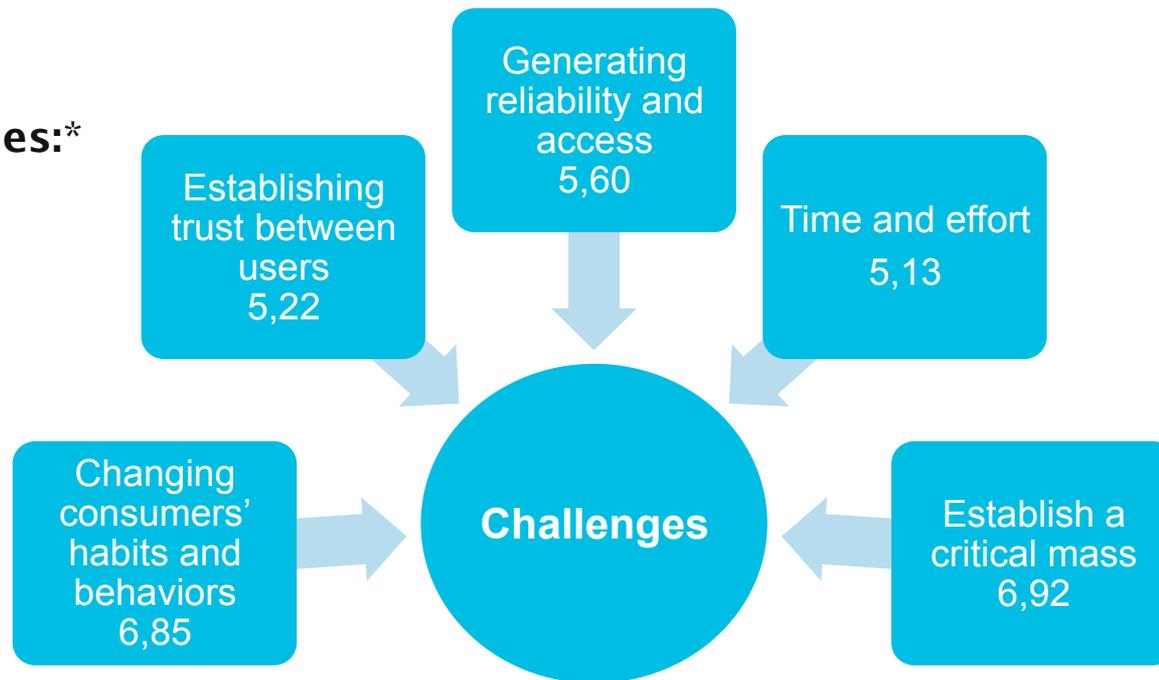
Initiatives claim to create an environmental impact but do not measure it. That is distracting. The initiatives rather go for the economic argument because it gets people in.” – April Rinne

3.1. Key Challenges of Sharing Economy Initiatives

a) Questions raised:

- Which are the greatest challenges to Sharing Economy initiatives?

b) Key responses:*



*On a scale from 1-10, where 1 = lowest relevance to 10 = highest relevance

3.2. Key Challenges of Sharing Economy Initiatives

c) Highlights and interpretation:

- The **creation of a critical mass** is seen as critical for the success of Sharing Economy business models.
- **Critical mass** might be sought to be reached through the focus on cities and new technologies.
- **Changing consumers' habits and behaviour** is regarded as essential for the establishment of a critical mass.
- **Improving access and outreach of technological development** contributes to the reliability and access of the transactions and encourage engagement.
- **Establishing trust** between users is of great importance for the success.

3.3. Key Challenges of Sharing Economy Initiatives

d) Experts' view:

“There is a need for cultural change. Sharing needs to become normal rather than cool.” - Albert Cañigüeral

“We have to make sure the first experience a user has is a good one because you need to engage them and make clear the benefits.” - Rachel Botsman

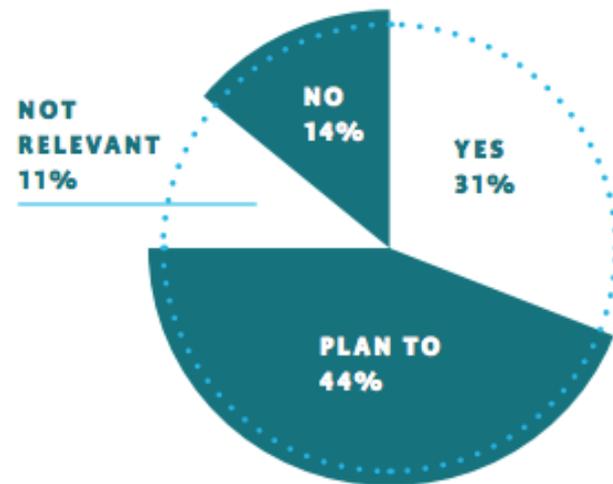
5.1. Relevance and Dimensions of Scaling up

a) Questions raised:

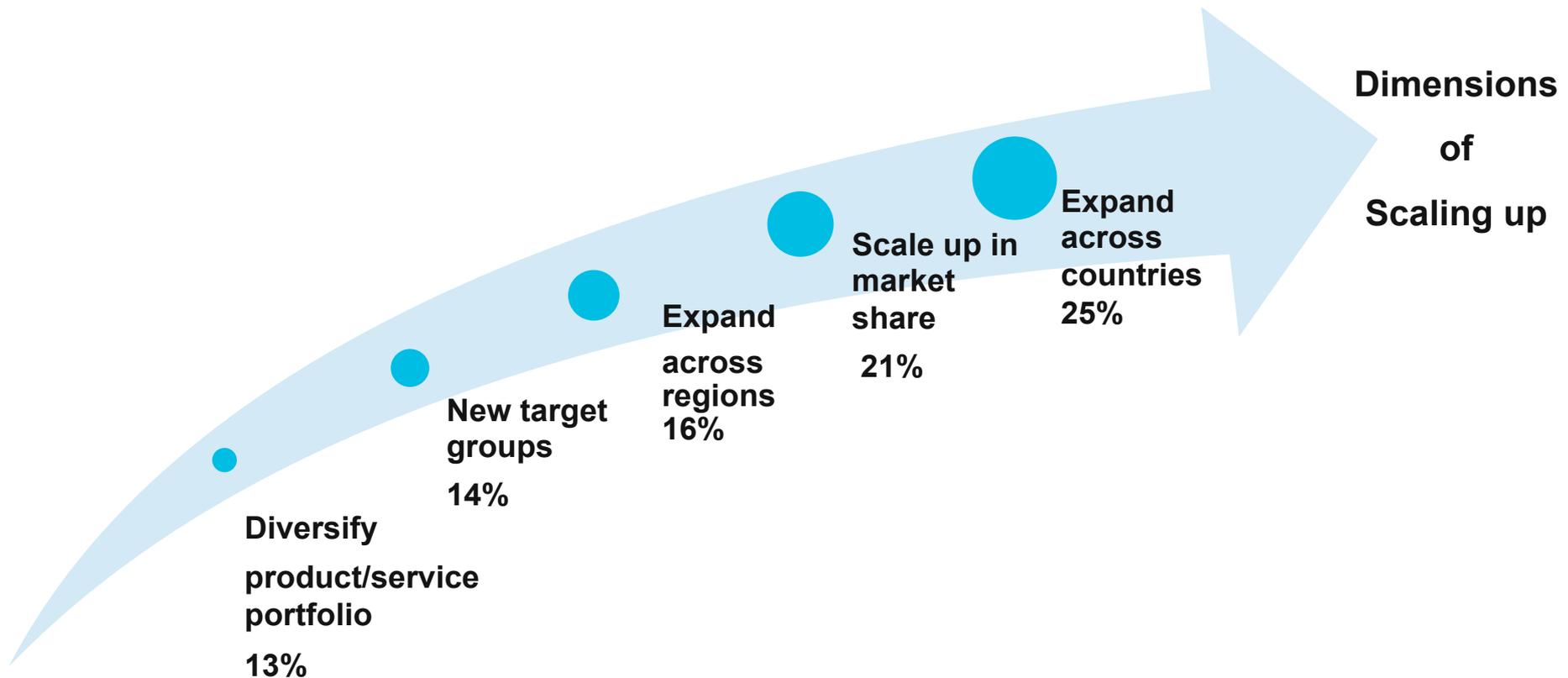
- Did the initiatives already scaled up or plan to?
- In which dimensions did they scale up or plan to?
- What are the barriers to scaling up?

b) Key responses:

HAVE YOU SCALED UP YOUR INITIATIVE?

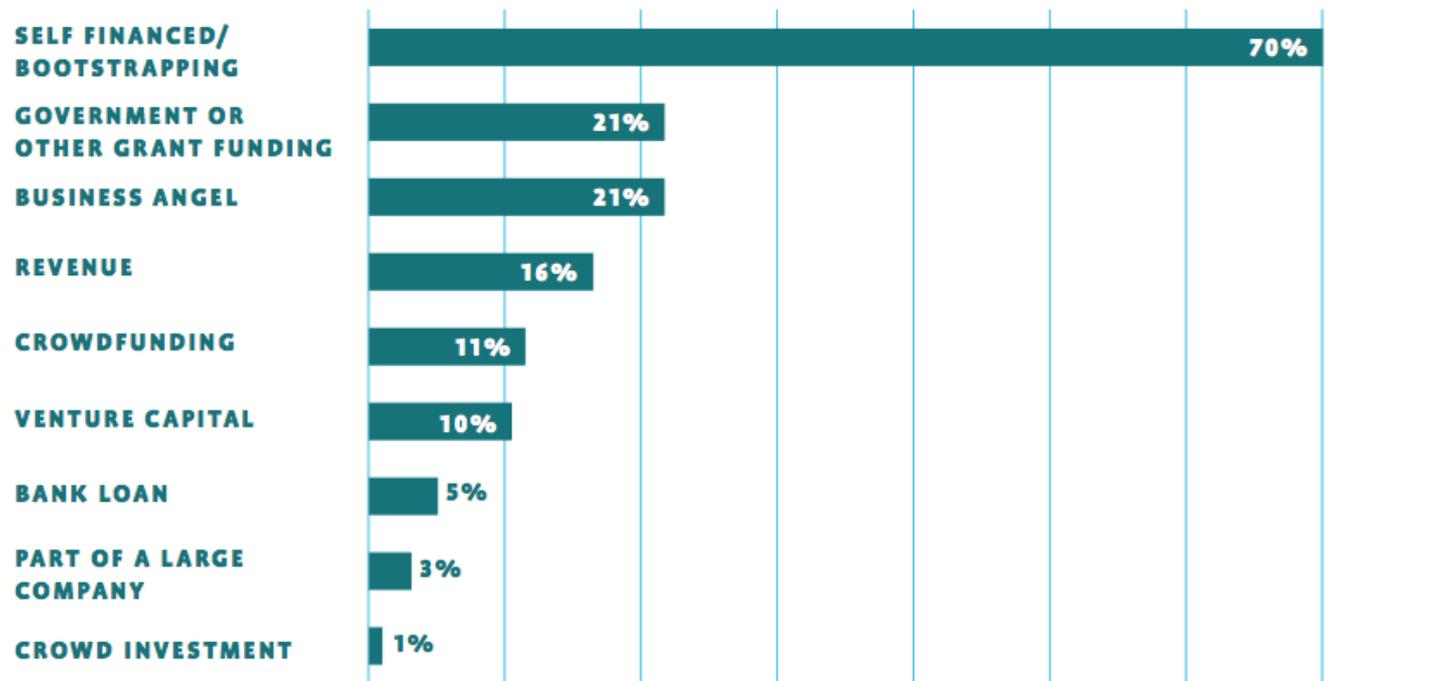


5.2. Relevance and Dimensions of Scaling up



5.3. Financing the initiative

How do you finance your initiative?



5.4 Barriers to Scaling up



*On a scale from 1-10, where 1 =lowest relevance to 10 = highest relevance

5.4. Relevance and Dimensions of Scaling up

c) Highlights and interpretation:

- **Scaling up is of high relevance** for most initiatives due to their position as start-ups.
- **Expanding across borders** is easy due to the mainly online-based access.
- **Targeting new customer groups** could be a potential response to the challenge in establishing a critical mass.
- **Generating reliable revenue streams** is the strongest barrier when scaling up as only the financing in the starting phase is usually secured.
- **Financial barriers** might be associated with the **perceived price-sensitivity**.

5.5. Relevance and Dimensions of Scaling up

d) Experts' view:

“The model of investment and structure in these initiatives should reflect their core values. Billion dollar plus companies are emerging in the space but their equity structure does not reflect their core values. Even though users are often the providers of the services and that is how these platforms generate value, the equity and financial return is still held by a relatively small group of VCs and company shareholders.” - Rachel Botsman

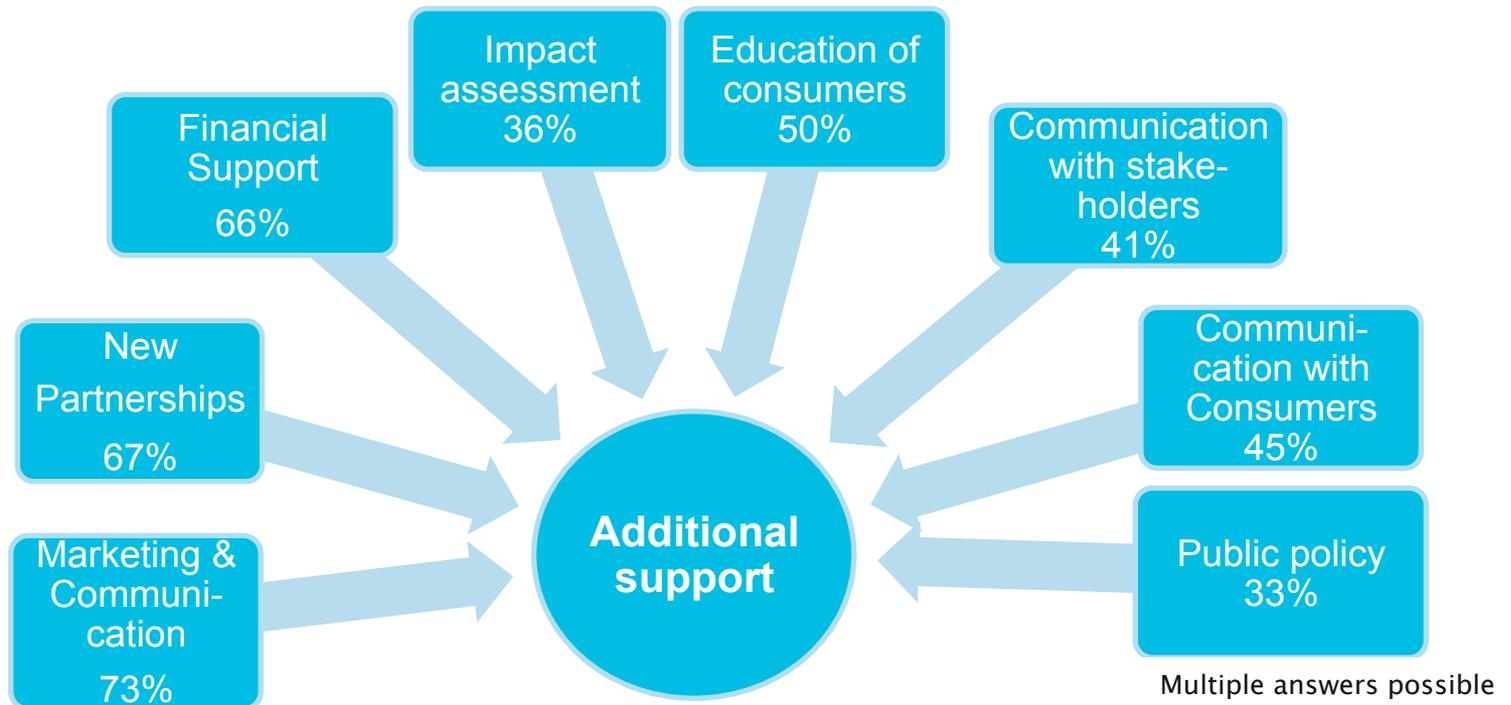
“There is a culture in entrepreneurship of going for the big money very early. It might be better to develop the initial versions of the platform with as little funding as possible. There are now free or quasi-free tools that make it relatively simple to create your own platform and associated services.” - Albert Cañigueral

6.1. Partnership & Co-Creation for Scaling up

a) Raised questions:

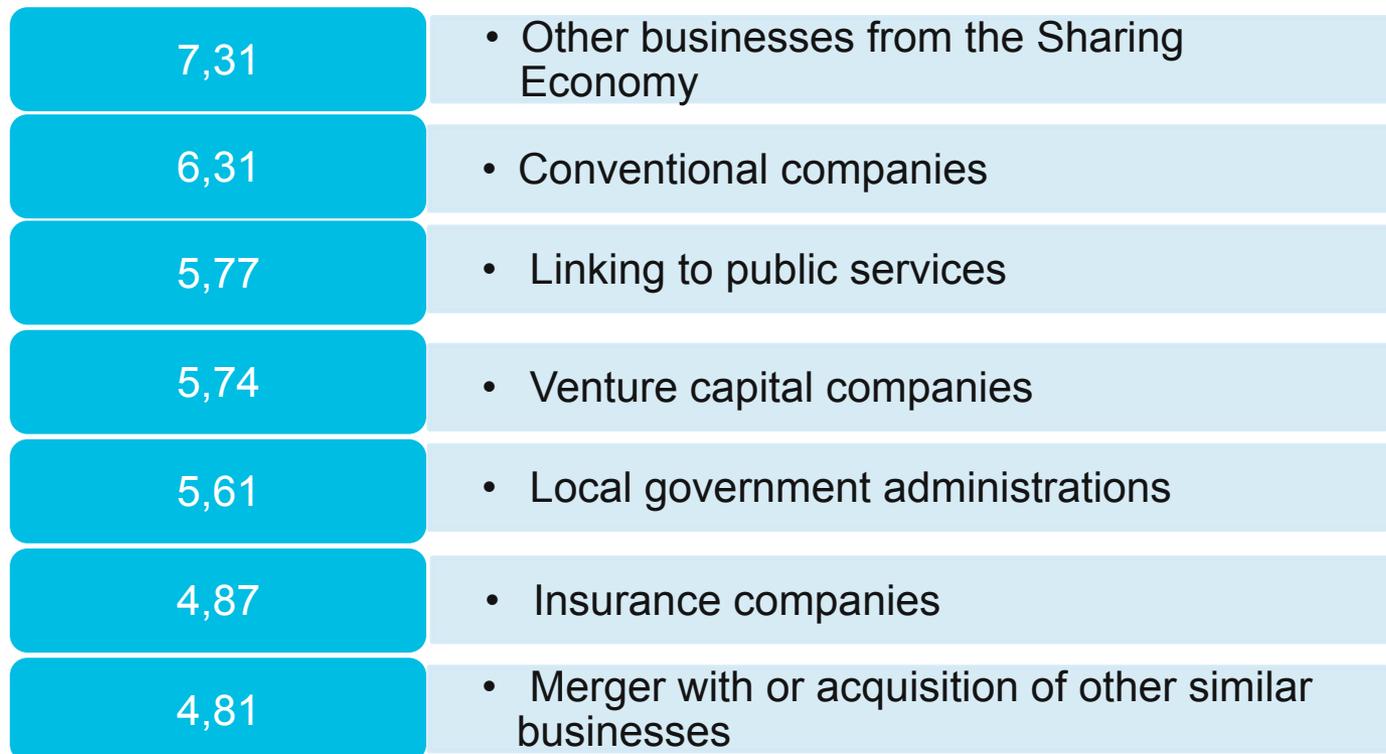
- What additional support is necessary when scaling up the impact?
- Which partnering opportunities are considered promising?

b) Key answers:



6.2. Partnership & Co-Creation for Scaling up

Promising partnering opportunities:



*On a scale from 1-10, where 1 = lowest relevance to 10 = highest relevance

6.3. Partnership & Co-Creation for Scaling up

c) Highlights and interpretation:

- **Marketing and communication** of the products and services is regarded as most supportive in the process of scaling up as products and services still need to gain wide-spread acceptance.
- **Financial support** is also relevant for scaling up of the impact, therefore requesting for an improved investment environment and partnerships.
- The **education of consumers** in terms of consumption behaviour and awareness raising is also considered as important for scaling up as it positions products and services of Sharing Economy initiatives as alternative options.

6.4. Partnership & Co-Creation for Scaling up

d) Experts' view:

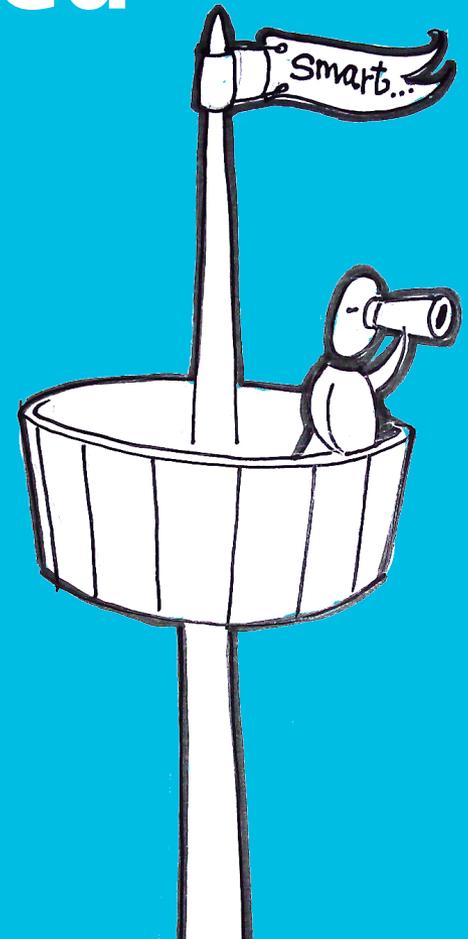
“Partnerships between start-ups and big companies are beneficial for both. Big companies get fresh blood and ideas and they can give scale to the start-ups. Big corporations have to be adaptive to change, otherwise they risk to fail.”

– Albert Cañigueral

“I think that the best way to encourage collaboration between companies, between new and existing models is when new businesses create capabilities the existing businesses to encourage collaboration between start-ups and conventional need. The conventional companies also have capabilities which sharing initiatives need, for example either logistical or reputational.”

– Arun Sundararajan

III. Outlook: Potential for the Sharing Economy and required research



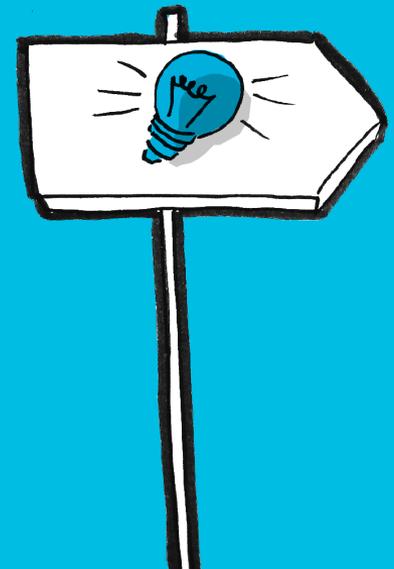
Opportunities for the Sharing Economy

Potential for development of the Sharing Economy and required research:

- **Identifying needs of potential new target groups** as e.g. the ageing population
- How can the Sharing Economy **spread to rural areas**
- Changing **consumer behavior & culture of mass consumption**
- **Identifying** new partnership potentials and framework conditions
- **Building a beneficial legal framework** in cooperation with policy makers, e.g. Sharing City approaches
- **How can the the environmental, social and economic impacts** of SE be assessed and communicated
- How can **products be designed** that are tailored to need of the SE?
- **Identifying further areas** where sharing can contribute to environmental and social resilience

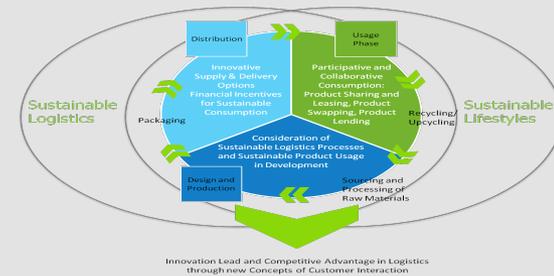
Current Research Project: ILoNa

Innovative Logistik für Nachhaltige Lebensstile



Research Project: ILoNa

Innovative Logistics for Sustainable Lifestyles



BMBF Research Project (2015–218) analyzing the link between logistics and sustainable lifestyles

Relevance of the Sharing Economy:

„What role does the Sharing Economy play with regards to consumer behavior and logistics“

Project Partners

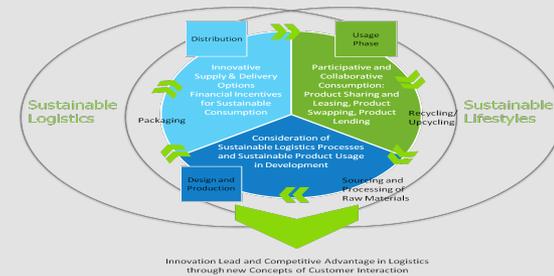


GEFÖRDERT VOM



Research Project: ILoNa

Innovative Logistics for Sustainable Lifestyles



Relevance of the Sharing Economy:

„What role does the Sharing Economy play with regards to consumer behavior and logistics“

Identification of different Sharing Economy models and their potential to enable sustainable consumption

Alternative Mobility:

Car-Sharing, Bike-Sharing, etc.

Alternatives to logistics:

P2P Delivery, e.g. Nimber; „On my way“ by Amazon, Uber Cargo

Alternative Consumption:

Sharing & Lending (e.g. clothes sharing)

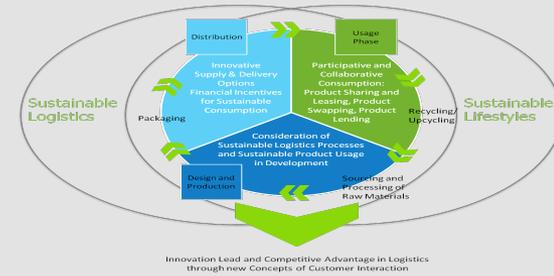
Reducing Logistics:

Regional Food Coops, e.g. CropDots



Research Project: ILoNa

Innovative Logistics for Sustainable Lifestyles



BMBF Research Project (2015–218) analyzing the link between logistics and sustainable lifestyles

Next Steps:

- Research
- Expert Interviews

Publication of a model on the interaction between logistics and sustainable lifestyles, covering the Sharing Economy as a factor





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THANK
YOU!

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