

# The Sharing Economy:

New Emperor – or just putting on a new set of clothes?)

New entrepreneurship



# The Sharing Economy:

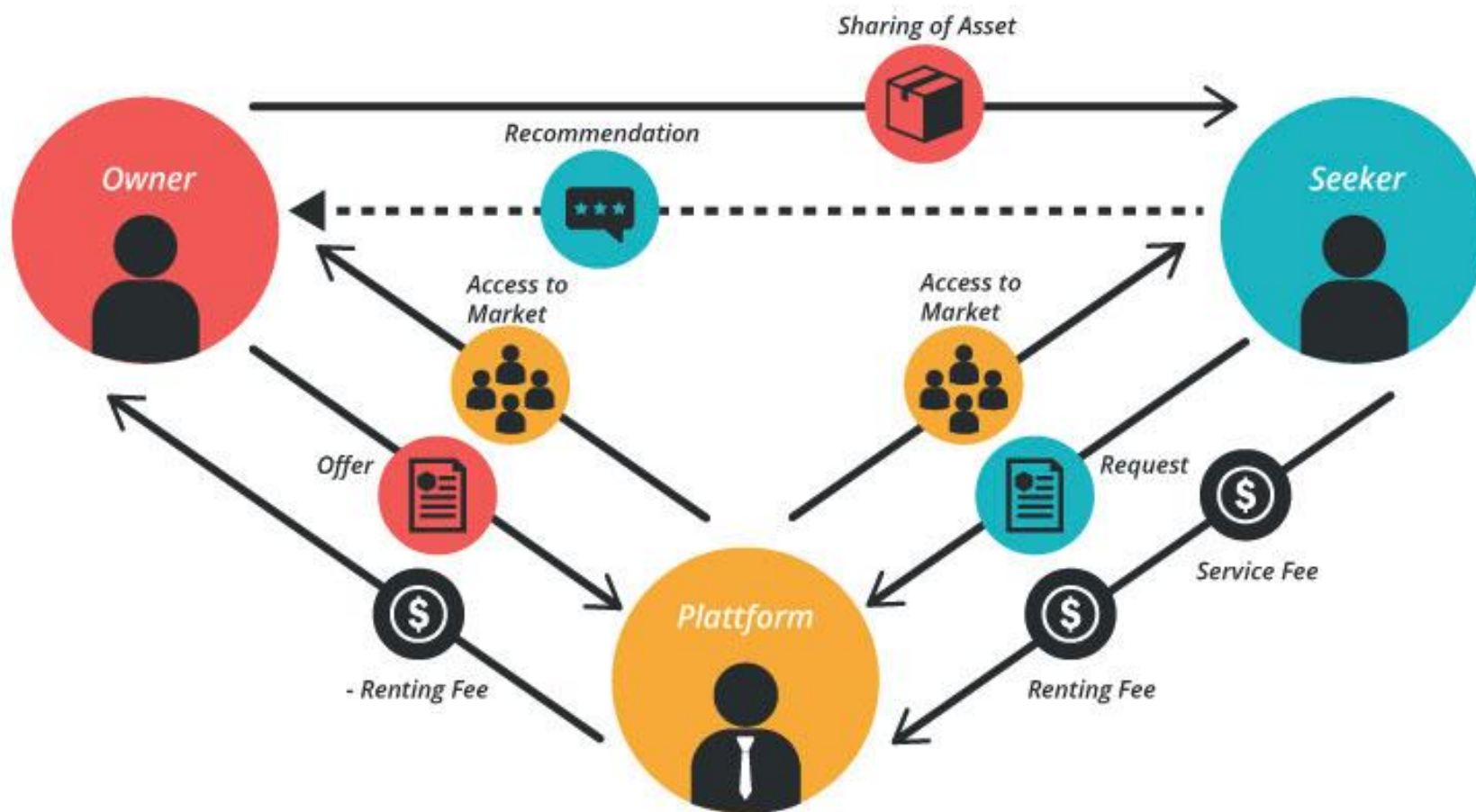
An economic model defined as a **peer-to-peer** (P2P) based activity of acquiring, providing, or sharing **access** to goods and services that is often **facilitated** through a community-based on-line platform.

The sharing economy involves short-term peer-to-peer transactions to share use of idle assets and services or to facilitate collaboration.

- It often involves some type of online platform that connects buyers and seller.
- It has been rapidly growing and evolving, but faces significant challenges in the form of regulatory uncertainty and concerns about possible abuses.

*(<https://www.investopedia.com/terms/s/sharing-economy.asp>, 25. jun. 2019)*

# The Sharing Economy:



# You don't need to own the cow to drink the milk....

There's a need to be cautious!

- Worst case – one might become locked in and dependant on the big actors – even more than today
  - As object owners, they may set conditions – and customers might not be in a favorable position to negotiate...
  - Sharing must become 'real and equal'. This implies issues like user-control, community engagement and - involvement needs to be strengthened and secured



sharing economy



Alle

Bilder

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Mer

Verktøy

Omtrent 661 000 000 resultater (0,47 sekunder)

Annonse · <https://www.rentle.io/>

## What is the sharing economy: definition, examples, and pros &...

Rentle is the perfect choice if you are looking for all-in-one rental booking system. Start renting your products with Rentle. Inventory Management. Multiple Locations. Online Store.

### See Example Rental Stores

Meet the... See our customers rental websites.

Rentle... learn more.

With **660 million hits (2019)**

### Pricing

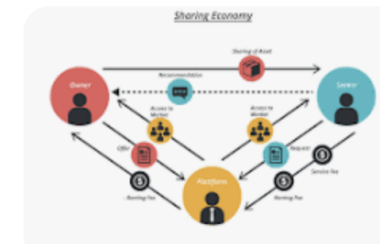
See our flexible plans.

### Product Updates

Check the latest product updates. We are constantly... .ie.

What is a Sharing Economy? A sharing economy can be described as **an economic model in which goods and resources are shared by individuals and groups in a collaborative way such that physical assets become services**. The sharing economy's growth has been facilitated through advances in big data and online platforms. 7. nov. 2022

<https://corporatefinanceinstitute.com> › Resources



# Roots go way back – but do also connect to the modern technology

- Early societies did solve issues on a common basis, and relied on their fellow citizens – cooperative solutions, sharing in the group, caring for the weaker etc
  - We find historical examples of borrowing, exchanges, gifting ...
- Most of the solutions we find today, have been initiated/ promoted/ upheld through recent advances in technology.
  - New advances in technology links us closer together
- The most preferred models are based in 'dual-sided-markets; markets based upon the use of ICT, developed and maintained through a third party with the aim of enabling sharing economy

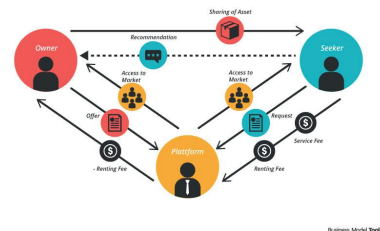
*Wikipedia: Collaborative Consumption*

# Dual-sided markets

- Markets where one/several platforms enables interaction between producer (seller) and end-user (buyer), and recruits participants by offering attractive conditions (a 'not too high' price)

*(Rochet og Tirole 2006)*

- May be purely physical (the village market – then the market itself is the platform, or working through digital platforms (e.g. Uber and AirBnB)



# Information technology (ICT)

- Enables control over multitudes of issues and items – as well as the use and location of these
- Enables the tracking of ourselves (think mobile phones)
- And – not only can link items to ourselves – there are apps dedicated to doing so.
- Items get linked to other items - **the internet of things**:
  - Fridges may monitor price of electricity and us when cheapest
  - Engines may monitor themselves and report to maintenance when needed
  - A catch of fish may be divided and sold as soon as the catch is on board,
  - The tree is automatically analyzed and valued at logging for optimal pricing by the right buyer
- Strongly reducing time and need for intermediate work: **Peer – to - Peer**



# A wide spectrum...

- In Finance: Crowd-funding, Kickstarter and other platforms for financing and enabling peer-to-peer solutions
- In Design: Crowd-sourcing, open source structures and a multitude of models for collaboration
- Changes in industrial approaches: aiming for circular and bespoke conditions, quality of life and rethinking ownership

This is all enabled and promoted – and actually shows to be cheaper, simpler and more desirable (also environmentally!)

– *and at same time providing higher profits*

# Mandatory demands

# Durability

Sharing Economy needs to focus on

- **Longevity**
- Waste reduction and
- No postponing of problems into the future

# Usability

- Make room for turning 'waste' into usable goods.
  - And yes, also to create and spread knowledge about this
- An ideal to reduce total consumption (e.g. Less transport, Less stuff,)
- Reducing energy and material cost through longer life and **more intense usage**
- Focus on **the local dimension** for more optimally linking production and consumption

# Sense of Community

- Sharing economy builds – or reinstates – the sense of community
- Enhances social capital, innovation and entrepreneurship

# Why (how) is SE relevant in a community entrepreneurship setting?

It promotes more efficient uses, and reduces the need for individual ownership and control over all things

- How much of a day is the average car moving around?
  - Less than 5 % of the day!
- How often are house appliances or electric garden tools used?
  - Less than 1% of the time
- So – do we really all need to own our own of everything?

# Car sharing apps

(was one of the first attempts!)

- Uber and Bolt
- Neighbourcar
- Local car sharing groups
- ...
- Today there are simple apps that let entrepreneurial people set up efficient car-sharing models even in small, rural settings!
  - You may establish a service based on your own car, with your mobile phone as your only tool....

# «Naboen» (the Neighbour)

- A Norwegian sharing app/structure for all forms of house, home, garden, hobby utensils
- Based upon the ever growing knowledge on
  - How little of the time the things we own really are actively used
  - The fact that modern (efficient) homes are small and have no room for very many things...
  - Peoples willingness and experience with paying for services



# The Hackers Ethics

Main focus on performance (the services provided) rather than on the product itself

- When value (and customers willingness to pay) connects directly to utility, all forms of intermediaries become less important
  - remember: also when it comes to pricing
- Thus, the need for 'secrecy' or exclusivity in the processes become reduced, as value connects directly to the customers experiences
- Resulting is openness and sharing as principles for developing apps and platforms, since they are more vehicles for easing customer satisfaction than tools for wealth