

What we know about the Global Sharing Economy

A Report by Benita Matofska
Founder, Compare and Share

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www.compareandshare.com

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Introduction

In January 2014, I embarked on a mission to gather all the global data on the Sharing Economy in order to understand the scale, growth and potential of this worldwide phenomenon. As an early expert in this space, I knew that the Sharing Economy represented a significant, global, societal shift; what I didn't know was that the Sharing Economy is growing faster than Facebook, Google and Yahoo combined.

This new market is valued at \$15 billion in its first 7 years, compared to the combined growth of Facebook, Google and Yahoo of \$11 billion over a comparable period. But what makes it significantly more valuable, is that it not only provides an exceptional investment opportunity and a significant contribution to the global economy in monetary terms, but it puts the environment and sustainability at the heart of the way in which it operates.

The creation of this social and environmental capital means that the Sharing Economy has the potential to become a true sustainable economic system.

What we know about the Global Sharing Economy is the first comprehensive overview of data on the Sharing Economy from around the world. It is also the first piece of living research.

As new studies are carried out, we will add to and update this data, so that this remains to be the most comprehensive source of evidence on this new economic system built around the sharing of human and physical resources.

Methodology

Our approach was simple, given that each study has been carried out by different organisations, taking different approaches, we have not attempted to compare or amalgamate studies.

Instead, we have grouped the findings into subject areas e.g. participation; valuation; barriers etc. and put them into accessible infographics. It is in summation that they give us a true picture of what is happening on a global scale.

What's clear from the data is that there is still much research to be done on the Sharing Economy. In particular, more work needs to be carried out to achieve a comprehensive valuation that quantifies and measures the total economic contribution and also calculates the social and environmental value. It is only then that we will know the true value of the Sharing Economy. This report would not have been possible without the hard work of researcher Elena Denaro who I had the pleasure of working with for a year. I would like to publicly thank Elena for

What we know about the Global Sharing Economy



her valuable contribution to *What we know about the Global Sharing Economy*.

This living research is intended to be widely shared. If you have new studies on the Sharing Economy that you'd like to add please email: research@compareandshare.com or if you find errors or omissions do let us know also so that we can make this as accurate, comprehensive and up-to-date as possible.

A People's Economy

The data on participation rates speaks for itself. The Sharing Economy has been driven from the bottom up. We know that more people want to engage and that the biggest barrier is trust - people need to feel safe and secure.

In order to address this issue and to propel further global growth of the Sharing Economy, I have led the development of a trust kitemark called Sharetrade that will enable consumers to engage in sharing activities safely and securely. I first wrote about Sharetrade in January 2011 and have since worked with a

number of people and organisations to develop this. I believe, Sharetrade will help to de-risk the Sharing Economy, hugely increasing investment and participation rates, which in turn will make a significant contribution to the future global economy.

A handwritten signature in black ink that reads "B. Matofska".

Benita Matofska
Chief Sharer & Founder, Compare and Share

March 2015

Valuation of the Sharing Economy

There are

\$3.5 Trillion

of idle resources -

(The People Who Share, 2014)



The Sharing Economy is valued at

\$15 Billion globally. Estimated to

rise to **\$335 Billion**

by 2025 (PwC, 2014)



Sharing within the workplace brings significant economic

returns **\$46 Billion**

in Australia in 2014

(Deloitte, 2014)

\$\$\$

The circular economy has been estimated to provide material costs savings of up

to **\$1 Trillion** p.a.

by 2025

(Ellen MacArthur Foundation, 2014)



Company Valuations in the Sharing Economy:

Airbnb £20 billion, 2015

Uber \$40 billion, 2015

UK consumers earned

\$4.6 Billion

in 2013

(The People Who Share)

\$10 Billion of value

created from idle capacity in the car industry alone

(Arun Sundararajan, NYU Stern 2015)

Participation

28% of adults globally are members of sharing services

(Havas Worldwide, 2014)

Highest participation rates in Asia-Pacific with **78%** willing to share their own goods and **81%** willing to rent from others

(Nielsen, 2014)

46% of people globally prefer to share goods rather than own them

(Havas Worldwide, 2014)

68% of adults globally are willing to share or rent goods for money

(Nielsen, 2014)

64% adults participating in sharing activities in the UK

(Nesta, 2014)

80 Million sharers in the US

(Crowd Companies, 2014)

Participation rates in sharing services could **double** in the next year

(Crowd Companies, 2014)

53% have participated in sharing activities in Australia

(Vision Critical, 2014)

There are over **7,500** sharing platforms globally.
compareandshare.com Global Sharing Economy Directory has **7,553** listings.

\$28 Million a day is invested in Sharing Economy startups

(Crowd Companies 2014)



Startups and Investment



37% of Sharing Economy startups are VC funded

(Crowd Companies 2014)

80% of Sharing Economy startups see crowdfunding as the best way to raise capital

(Compare and Share, January 2015)

Motivation and drivers

1. Saving & making money

(Vision Critical & Collaborative Lab, PwC, 2014)

65%

2. Sustainability and the collective good

(Leo Burnett, 2014, Havas Worldwide, 2014)

50%

3. Technology

(Zipcar, 2013, Lattitude & Shareable, 2010)

65%

4. Changing values & shift towards community and away from hyper-consumption

(Vision Critical & Collaborative Lab, 2014, Havas Worldwide, 2014, IPSOS, 2013; Heinrichs & Grunenberg, 2013, Leo Burnett, 2014)

5. Convenience

(Vision Critical & Collaborative Lab, Crowd Companies, PwC, 2014)

6. Better value

(Vision Critical & Crowd Companies, 2014, PwC, 2014)

7. Desire not to own

(Vision Critical & Collaborative Lab, 2014)

8. Trying out new services and couldn't find elsewhere

(Vision Critical & Crowd Companies, 2014)

9. Recommended by others

(Vision Critical & Crowd Companies, 2014)

10. Helps the needy

(Leo Burnett, 2014)

Demographics

Generation Share Millennials

Millennials are **34%** of the population **17.5 million**
Millennials in the UK, **2.68 billion** globally

(The People Who Share, 2014)

51% of Millennials prefer to share rather than own

(Havas Worldwide, 2014)

Millennials are most likely to participate (Nielsen, 2014)

50% of Millennials try products that support good causes

(JWT Intelligence, 2013)

73% say the Sharing
Economy is important to them

(American Planning Association, 2014)

People in full or part-time employment, in managerial and
professional work are most likely to engage in sharing

(Nesta, 2014)

33% of Millennials used Sharing services to save money

(JWT Intelligence, 2013)

25-34 year-olds are driving the Sharing Economy

(Havas Worldwide, 2014)

A middle-class phenomenon, popular
amongst higher income groups
earning over **\$100,000** in the US
and over **\$60,000** in the UK

(Crowd Companies, 2014)

Generation Share is a term coined by Benita Matofska, global Sharing Economy expert and CEO of Compare and Share and refers to the Millennials who are driving the Sharing Economy, choosing to access rather than own goods and participate in sharing activities.

57% say they can find anything they
need to rent or borrow online

(Havas Worldwide, 2014)

40% of Millennials used Sharing
services to earn income or learn new skill

(JWT Intelligence, 2013)

Low Income communities
twice as likely to give up
ownership

(Arun Sundararajan, NYU Stern 2015)

Who benefits ?

Sharing Economy has
3x greater impact for
low income communities

(Arun Sundararajan, NYU Stern 2015)

Barriers

1. Trust Issues

(Vision Critical & Collaborative Lab 2014, Nesta, 2014, PwC 2014)

2. Ease of sharing

(Cooperatives UK)

3. Don't know any users, social proof

(Vision Critical & Collaborative Lab)

4. Time it takes to learn new platforms

(Nesta 2014)

5. Insufficient knowledge of how to get started

(Vision Critical & Crowd Collaborative Lab, 2014)

6. Concerns about scams or fraud, privacy & safety risks

(Vision Critical & Collaborative Lab and Nesta 2014)

What is being shared ?

Australia

Car sharing 34%

House swapping 22%

P2P goods rental

(Vision Critical & Collaborative Lab, 2014)

Electronics

 28%

(Nielsen 2014,
Havas Worldwide 2014)

Global

Skills

 26%

(Nielsen 2014)

Sports
Equipment

 41.5%

(Havas Worldwide 2014,
PwC 2014)

Pre-loved goods

 34%

(Vision Critical & Crowd
Companies, 2014)

Media

 10%

(Nesta 2014)

Appliances

 48.5%

(Havas Worldwide
2014)

U.K.

Car sharing 36%

Pre loved goods 51%

(The State of the Sharing Economy, Opinium Research
for The People Who Share, 2013)

Future predictions

The circular economy, a subset of the Sharing Economy, has been estimated to provide material costs savings of up to **\$1 Trillion** p.a. by 2025 (Ellen MacArthur Foundation, 2014)

By 2025, the total value of 5 sectors of the Sharing Economy is estimated to rise to **\$335 Billion** globally (PwC, 2014)

40%

say they will attempt new types of sharing

(Havas, 2014)

50%

of Millennials intend to engage in more sharing in the coming 12 months

(Havas, 2014)

60%

of adults in the UK say they'll swap goods in the future

(The State of the Sharing Economy, Opinium Research for The People Who Share, 2013)

91%

of adults show an appetite for continued sharing in the future

(Vision Critical & Crowd Companies, 2014)

91%

of sharers say they will recommend the sharing services they partake in via social media

(Vision Critical & Crowd Companies, 2014)

Taxonomy of the Sharing Economy

17 sectors of the Sharing Economy have been identified:

1. Transport
2. Property & Spaces
3. Tasks, Job & Skills
4. Finance
5. Goods
6. Utilities
7. Leisure & Entertainment
8. Food & Drinks
9. Creativity & Media
10. Knowledge & Learning
11. Health & Fitness
12. Eco
13. Pets
14. Securities & Trust
15. Communities & Networks
16. Public governance & Services
17. Logistics

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