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Who shares and who doesn't?

Results of the UK Sharing Economy Consumer Survey 2017

By Pinar Ozcan, Mareike Möhlmann
and Chandy Krishnamoorthy



Technological advancements in recent decades have changed the business landscape. The rise of the Internet and an ever-connected world has empowered individuals and enabled companies to create disruptive business models which are transforming economies, businesses, industries and even the public sector.

This cannot be truer than in the case of the sharing economy. The sharing economy is an umbrella term that has also been referred to as collaborative consumption, the collaborative economy, or the gig economy, and takes place in organized systems or networks, in which participants conduct sharing activities in the form of renting, lending, trading, bartering, and swapping of goods, services, transportation solutions, space, or money (Möhlmann, 2015¹). The sharing economy has increased in popularity, from being a minor phenomenon just years ago, to becoming a sizable business today and projected to become a substantial industry in the coming decade.

Previous investigations have highlighted the potential benefits and shortcomings of the sharing economy. But the majority of public knowledge on the topic is derived from media and controversies surrounding certain platforms. This does not shed light on how people use the sharing economy. The dramatic pace at which the sharing economy is growing and the potential effects on society merit the need to understand the phenomenon in more detail. This report therefore examines people's knowledge of, and attitude towards the sharing economy; their past and current level of participation in sharing platforms, and their future intentions to participate, in the UK context.

This report was developed by our research team at Warwick Business School at the University of Warwick. During the development of the survey, we frequently consulted with the management team as well as the members of Sharing Economy UK (SEUK), the major trade body for the sharing economy in the UK. While this report is an independent and non-commissioned piece of research, consultations with SEUK helped capture the nuances of sharing economy usage based on SEUK members' knowledge and experience of their user base. We would like to thank Felicity Burch, Bianca D'Orsi, Jenna Cane, Richard Laughton, and Tom Thackray of SEUK as well as the Warwick Business School for their support.

About the Authors



Pinar Ozcan is Professor of Strategic Management at Warwick Business School. She specializes in strategy, entrepreneurship, and the emergence of new markets. Her current work looks into the development of the sharing economy as well as the transformation of the banking sector into platforms. Professor Ozcan completed her Ph.D. at the Stanford Technology Ventures Program (STVP) at the Stanford University Management Science and Engineering Department, and also holds a Master of Science and dual Bachelor's degrees from Stanford University.



Mareike Möhlmann is Assistant Professor of Information Systems Management at Warwick Business School. Her work focuses on how digital technologies transform business, society, and human interaction. She specializes in the sharing economy, digital platforms, trust, and how big data and algorithms transform management practices. Mareike holds a doctorate from the University of Hamburg and a Master of Science in Management from the London School of Economics.



Chandy Krishnamorthy is an entrepreneur in the AI and Blockchain space and a doctoral researcher at Warwick Business School. He holds an MBA from Manchester Business School and is an experienced management consultant working with leading blue-chip companies in the UK, Europe and USA.

All three authors contributed equally to the development of this report.

¹ Möhlmann, Mareike (2015): Collaborative Consumption: Determinants of satisfaction and the likelihood of using a sharing economy option again, in Journal of Consumer Behaviour, 14, 193-207.

A Snapshot of our findings

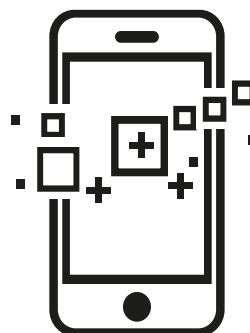
62% of the UK population has participated in the sharing economy

The survey, which was conducted in July 2017, captures 1220 responses, and is based on a representative sample of UK population based on gender, income level, education level, and place of residence in the UK. It was structured to ask questions about informants' current usage of, opinions about, and future intentions to use the following sharing categories: places to stay (e.g. Airbnb, Beds on Board), rides (e.g. Uber, Liftshare), rental cars (e.g. EasyCar, Zipcar), parking (e.g. JustPark, Your Parking Space), services (e.g. Parcelly, TaskRabbit), meals (e.g. MealSharing, Eatwith), pre-owned goods (e.g. eBay, Gumtree) and funding (e.g. Justgiving, Crowdfunder).

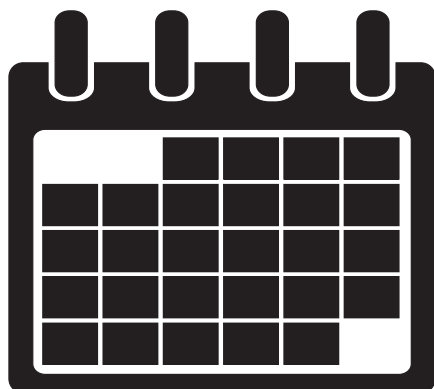


60%

This constitutes a 60% increase in participation in only 18 months, since our first survey in January 2016

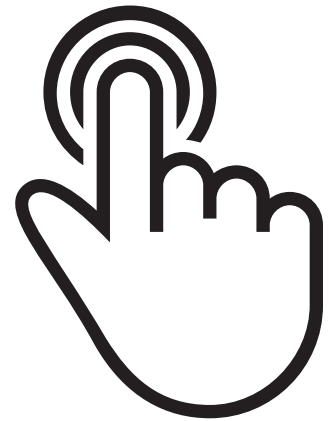


73% of people who engage in the sharing economy more than once a month also use multiple platforms

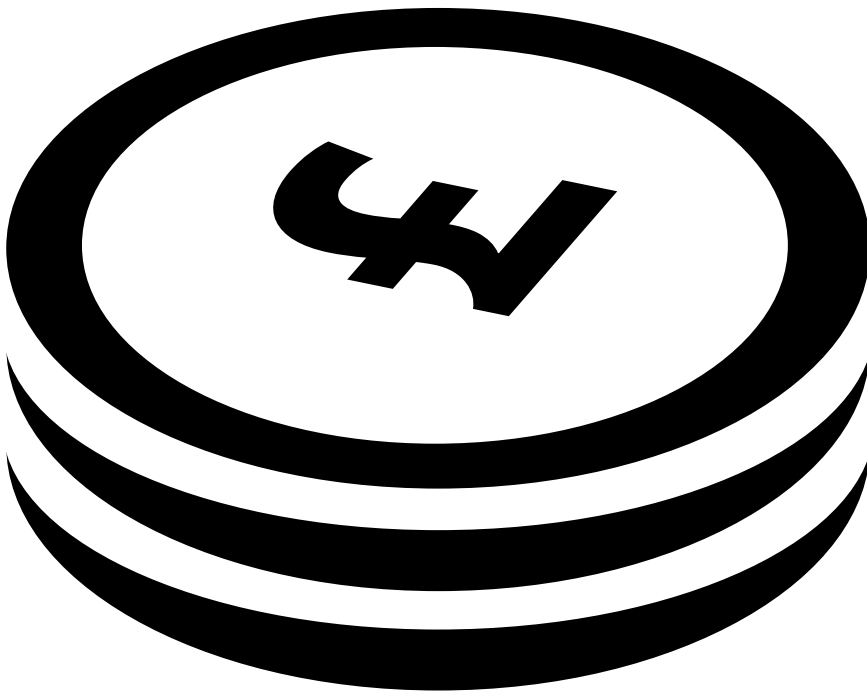


23% of the UK population uses sharing economy services more than once a month

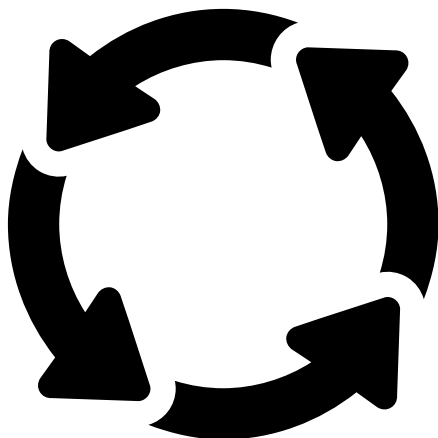
What drives sharing economy participation?



For more than 70% of ride sharing and accommodation sharing users, convenience/availability and saving/making money are top motivations to engage in the sharing economy



Environmental factors are also significant reasons for sharing, especially for providers of sharing services



Convenience/availability are top motivations for sharing in high income households

What about the non-users?



89% of non-users indicate that they could use help and training in order to participate in the sharing economy



31.5% of non-users have never heard of the sharing economy



94% of all respondents value the Trust Seal initiative of Sharing Economy UK as a critical indicator of good practice and standards

87% of current sharing economy users and 43% of non-users indicate that they have the intention to participate in the sharing economy in future



Users of the Sharing Economy

More than 62% of the UK population has participated in the sharing economy at least once

Of the 62 % of the UK population who are current users, more than 38 % (or 23 % of total UK population) use sharing platforms at least once a month, indicating high consumer stickiness.

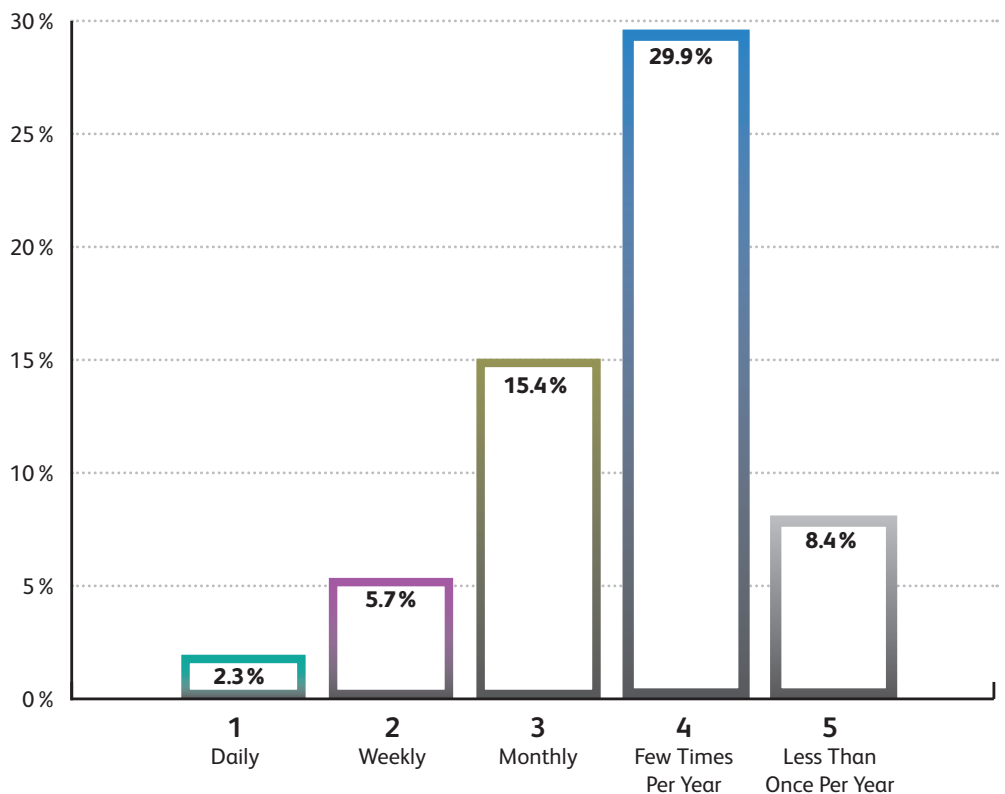
While these figures include usage of the well-established peer-to-peer exchange platforms for pre-owned goods like eBay and its subsidiary Gumtree, usage numbers are still significant when we exclude these two platforms from our analysis.

42 % of all respondents use sharing platforms in categories other than pre-owned goods exchange, and close to half of them use these other platforms more than once a month.

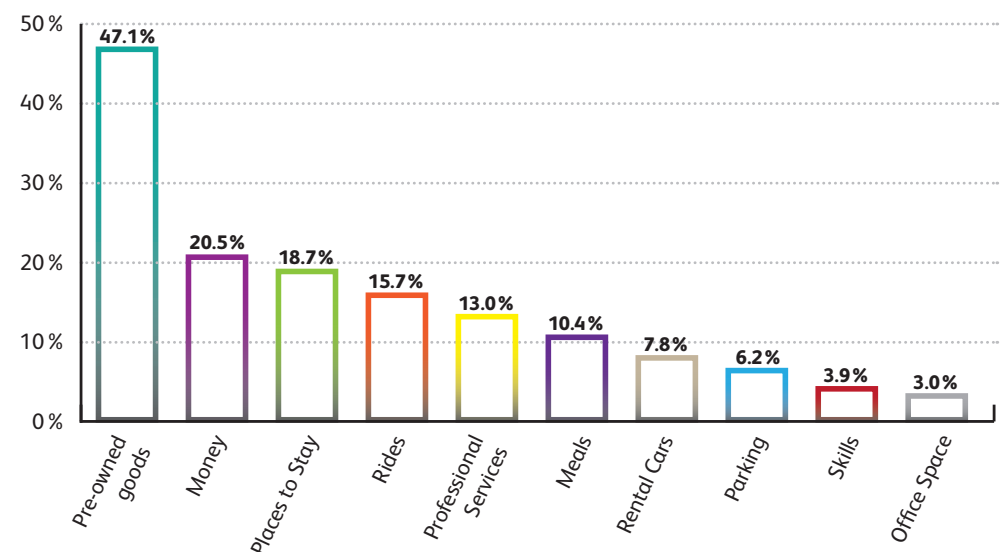
This constitutes a 60 % increase in sharing economy participation in only 18 months, since our first survey in January 2016².

We find that while pre-owned goods exchange platforms like eBay and Gumtree are understandably the most popular category with 47 % of the UK population using them, accommodation, ride-sharing and crowdfunding are also quite popular with more than 50 % of all respondents having used platforms in one of these three categories at least once. Popular platforms in these categories are Airbnb, Uber and JustGiving.

Intensity of sharing economy usage (out of all respondents)



Popularity of sharing economy categories (current sharing economy users)



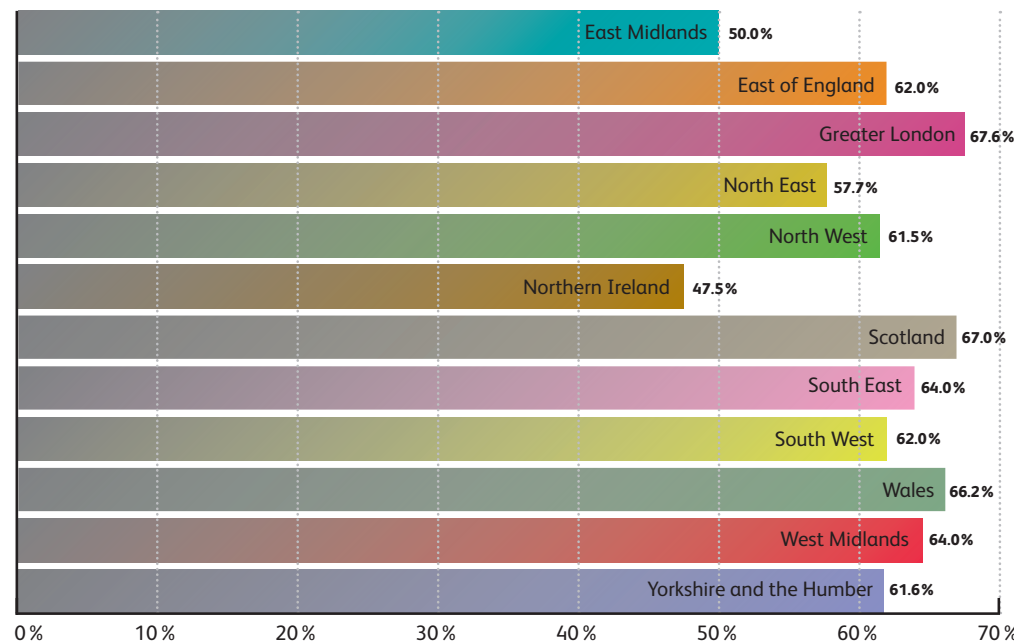
² Please contact the authors for more information on this original survey.

Sharing Activity Across the UK

In 9 out of 12 regions in the UK, more than 60% of the respondents have participated in the sharing economy.

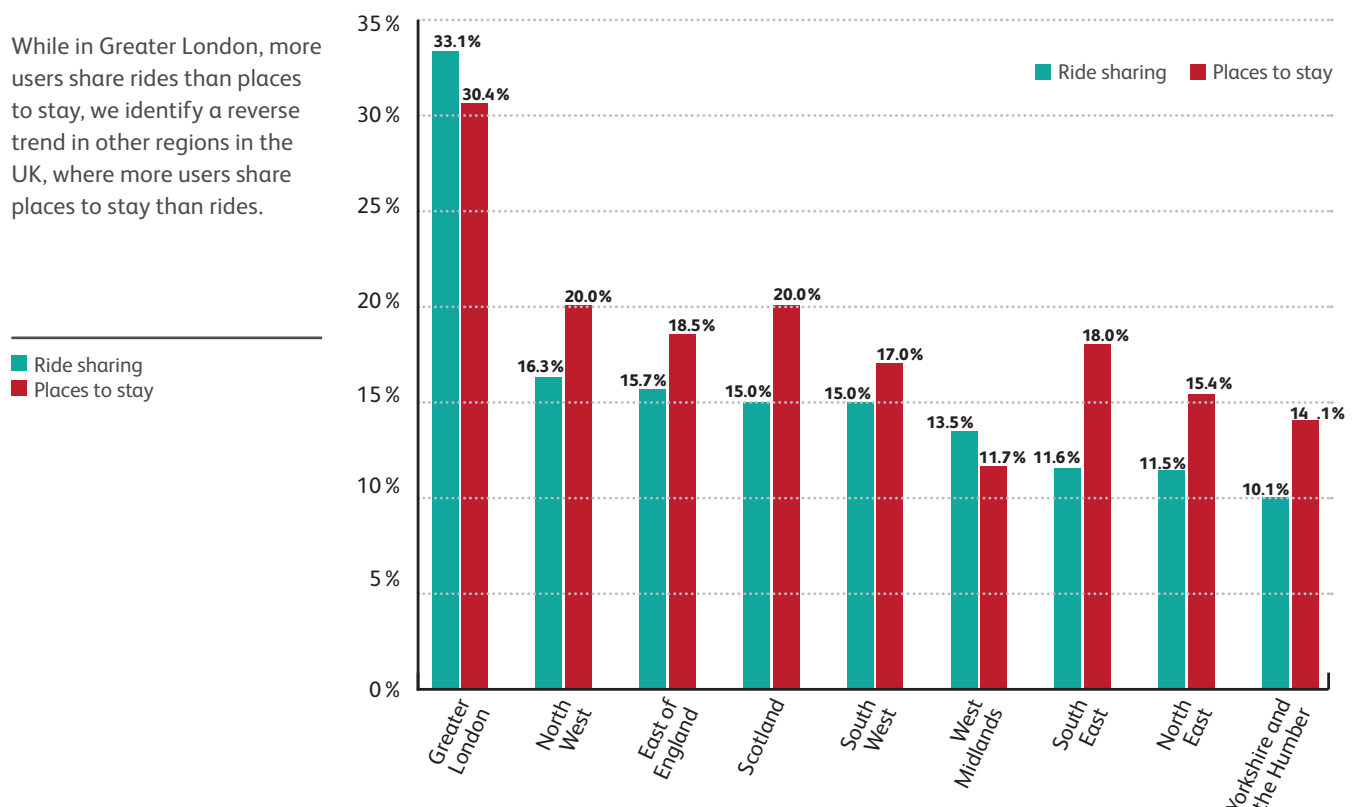
We detect particularly high activity in the sharing economy in Greater London (67.6%), Scotland (67%), and Wales (66.2%).

Sharing economy activity across regions in the UK



While in Greater London, more users share rides than places to stay, we identify a reverse trend in other regions in the UK, where more users share places to stay than rides.

Top sharing activities by region (current sharing economy users)

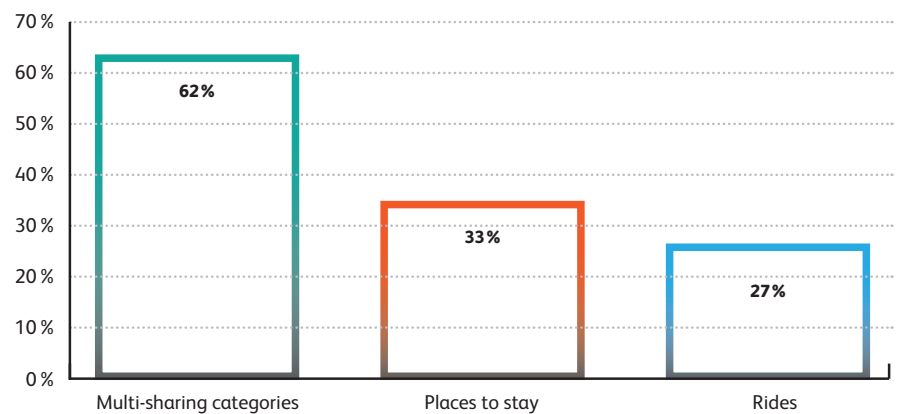


Sharing is a Lifestyle

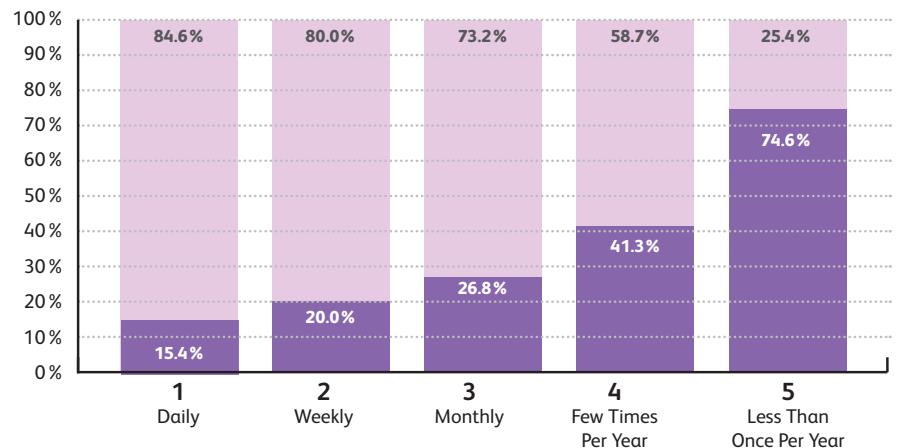
89 % of respondents who indicate participation in the sharing economy are consumers (rather than providers) of sharing services, with 27 % of them using rides, 33 % accommodation, and 62 % receiving services in more than one category.

Interestingly, we find that once consumers start to use sharing platforms more, it becomes a lifestyle, with over 73 % of those who use sharing platforms at least once a month using multiple platforms. Top subgroups of consumers using ride sharing, places to stay or multiple platforms are described below.

Consumers who use multiple sharing categories

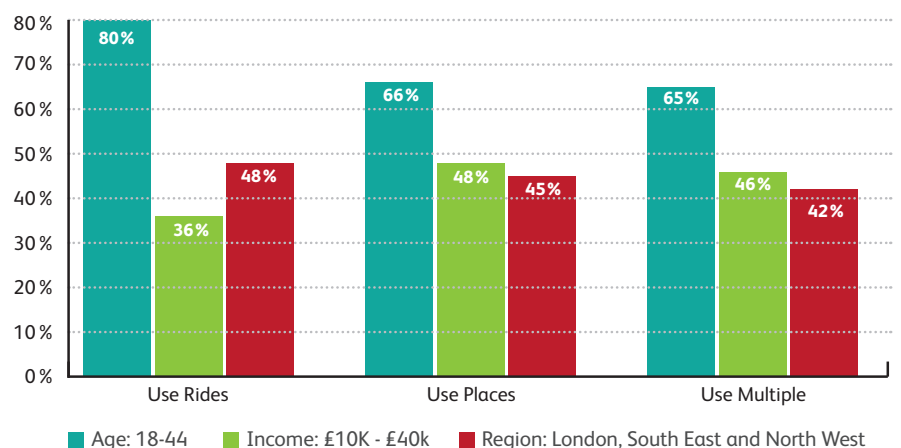


Consumers who use multiple sharing categories broken down further by frequency of usage (current users)



Usage of multiple sharing economy services
Usage of one sharing economy service

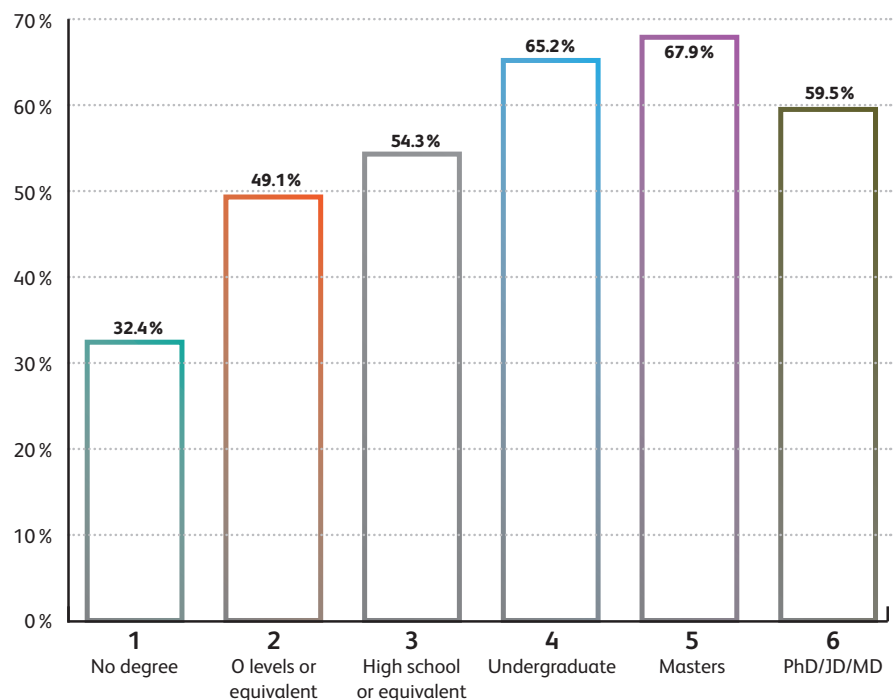
Top subgroups of consumers who use multiple sharing categories, rides and places to stay



Usage Level Increases with Education

Consumption of services on sharing platforms is higher among respondents with O level qualifications than those with no educational qualifications. Consumption increases further with higher educational qualifications up to the level of the Master's degree.

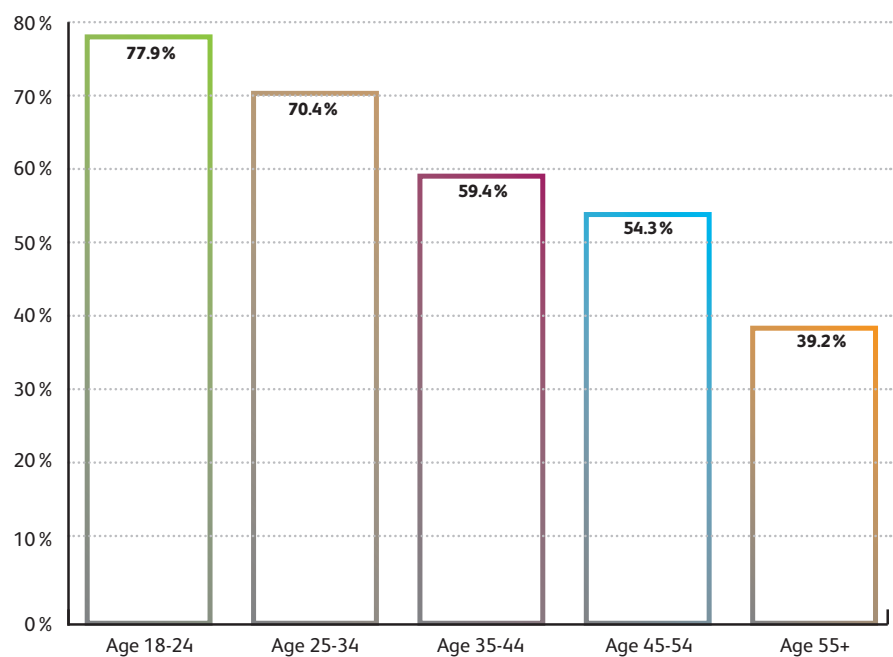
Usage levels by education



Young People Participate in the Sharing Economy More

Given the high penetration of smartphone usage among the younger population, it is not surprising that they are also heavy users of sharing applications. More than 70% of survey respondents in the age group 18 to 34 have used sharing platforms at least once. Participation is lower for higher age groups, falling to 54% for the 45 to 54 age group, and to 39% among the 55 plus age group.

Usage levels by age group



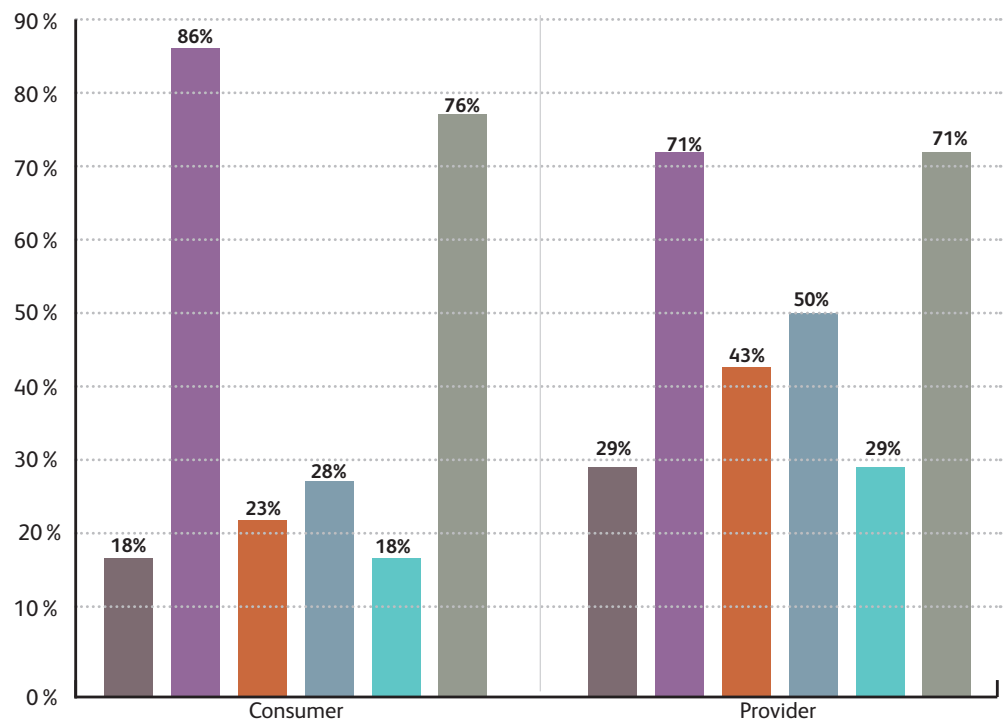
Motivations for Using the Sharing Economy

In this section, we compare the motivations of usage for two different types of sharing, rides versus places to stay. Survey respondents were asked to rate the importance of six different motivations for using sharing platforms in these categories. They could choose multiple motivations at the same time.

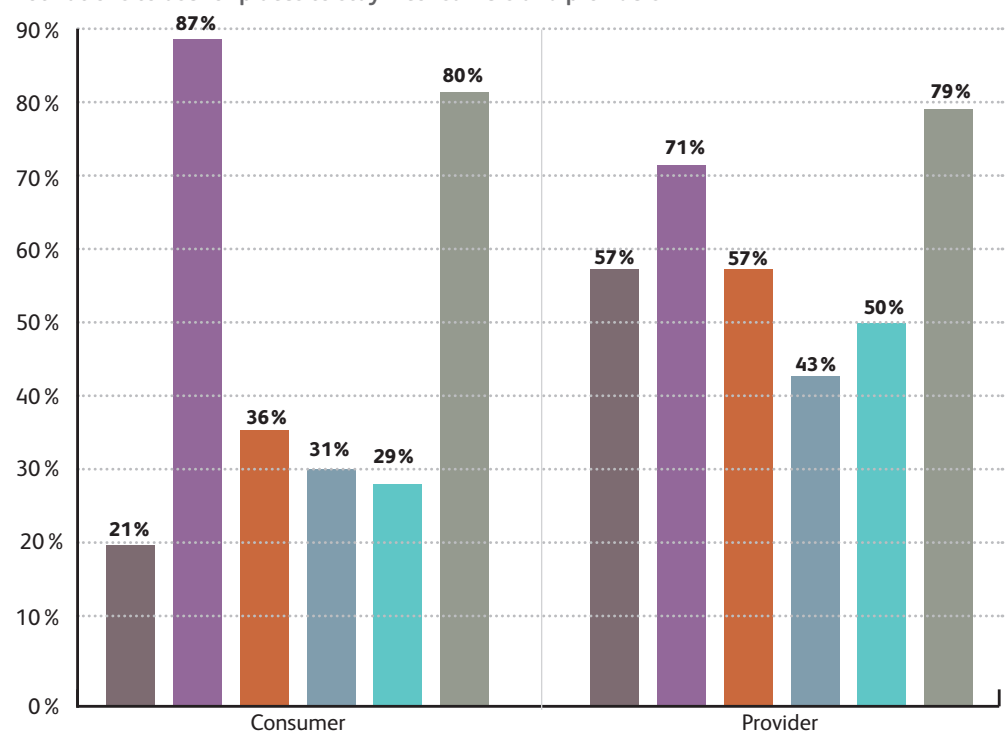
We find that saving/making money and convenience/availability are the major factors of why the UK population participates in the sharing of rides and places to stay. Interestingly, consumers of both types of services value convenience/availability more than the financial aspect. For providers, environmental motivations seem to matter a great deal as well, particularly in the ride sharing category. For providers of places to stay, social reasons such as to meet new people and idealistic reasons such as being part of a movement are also important motivations for participation.

We also find that reasons for consuming services on sharing platforms vary by income levels. While at income levels lower than £40K, 84% of users indicate they participate to save money, 87% of sharing platform users with household income more than £80K use these services primarily because they are easily available and convenient.

Motivations to use for rides – consumers and providers



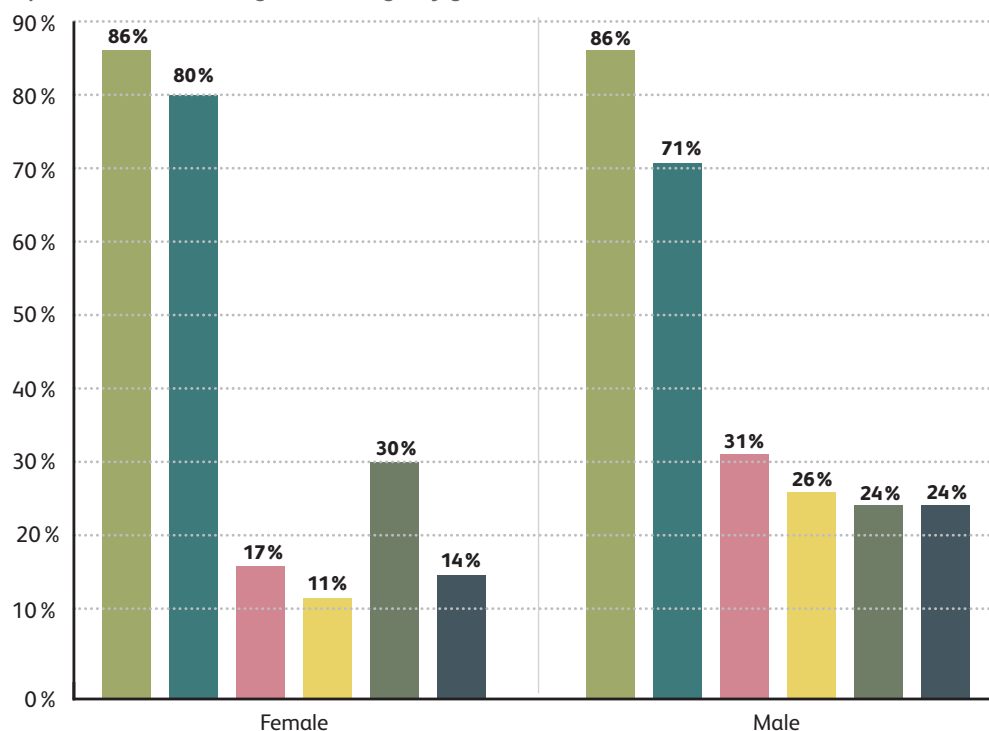
Motivations to use for places to stay – consumers and providers



- Being part of a movement
- Convenience & availability
- Curiosity
- Environmental reasons
- Meeting people
- Saving/making money

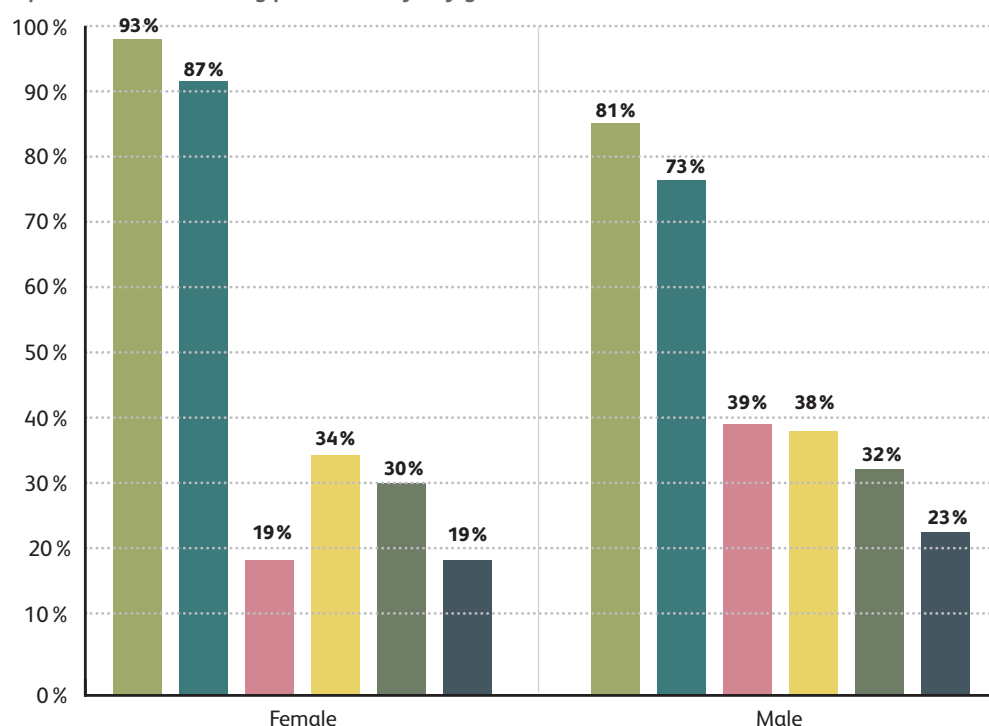
Looking at gender differences in motivation, we find that both for male and female consumers using ride sharing, saving money and convenience/availability are the key motivations. However, for female consumers, environmental reasons seem to be a stronger motivation to share rides than for male consumers. For male consumers, meeting people is a more important motivation to share rides than for female consumers.

Top motivations for using ride sharing – by gender (current consumers)



For female and male consumers using places to stay, saving money and convenience/availability are again the major reasons for participation. For both groups, meeting people and environmental reasons also come up as strong motivations.

Top motivations for using places to stay - by gender (current consumers)



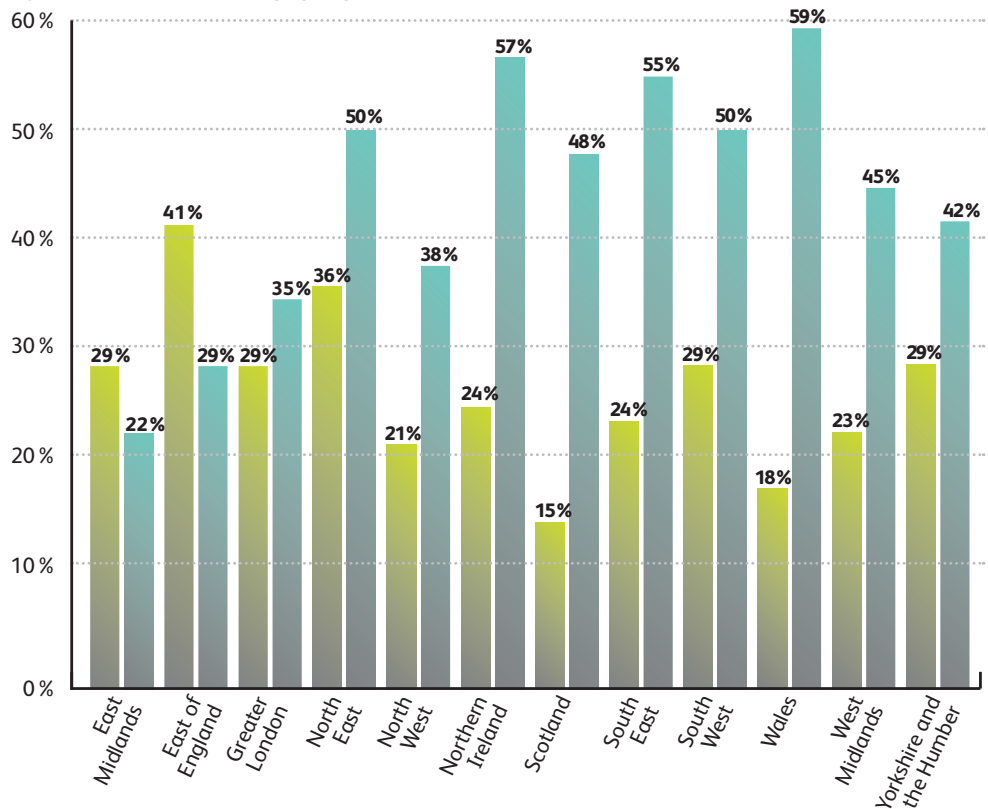
- Convenience & availability
- Saving money
- Curiosity
- Meeting people
- Environmental reasons
- Being part of a movement

Non-Sharers

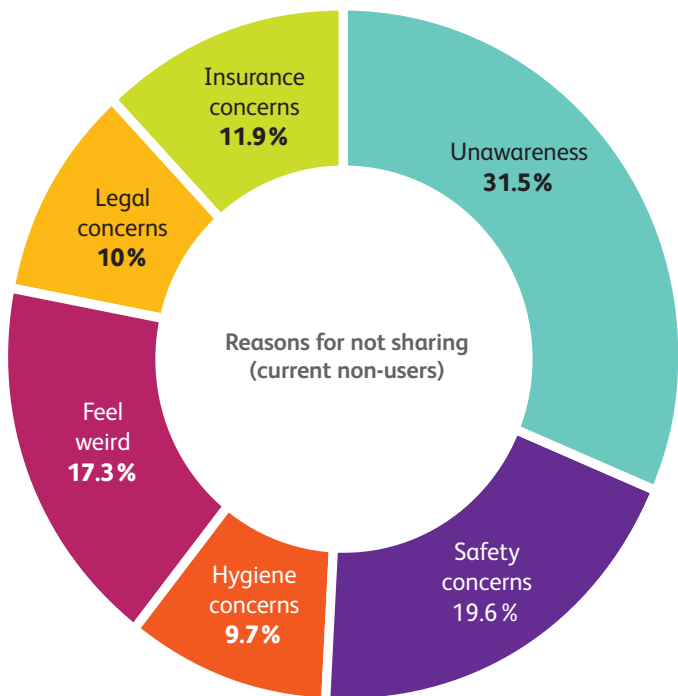
Of our entire sample, 38 % indicated that they have never participated in a sharing platform. The data reveals the primary reason why these respondents do not participate is because they have never heard of sharing platforms. Unawareness is particularly prominent in regions such as Wales, Northern Ireland, and the South East.

■ Safety concerns
■ Unawareness

Top reasons for not sharing by region (current non-users)



Next to unawareness (31.5% of all reasons stated), non-users are reluctant to engage in sharing economy activities due to safety concerns (19.6%), feeling weird sharing with strangers (17.3%), insurance concerns (11.9%), legal concerns (10%), and hygiene concerns (9.7%).



Perceived Barriers to Efficient Usage

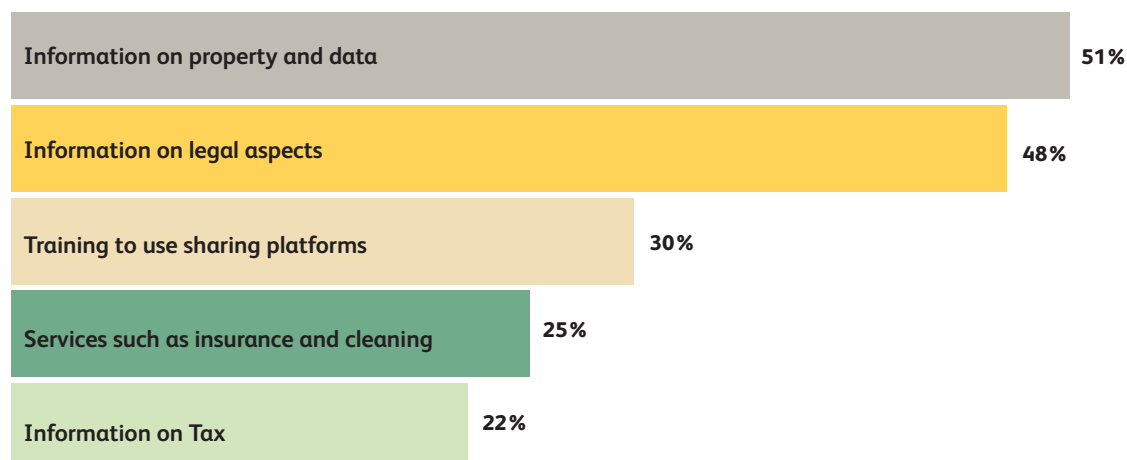
Given that the sharing economy is a relatively new phenomenon, more than 60% of non-users indicate hesitation about being able to learn how to use sharing platforms skilfully. These hesitations are highest among age group 55 plus and among retirees, in line with the lower technology adoption in those demographics.

When asked, 89% of all non-users say they could use help in at least one of these categories: information on property and data, information on legal aspects, training to use sharing platforms, services such as insurance and cleaning, information on tax.

Main barriers that non-users expect in using sharing platforms (multiple answers possible)



Non-users say they would like help with (multiple answers possible)



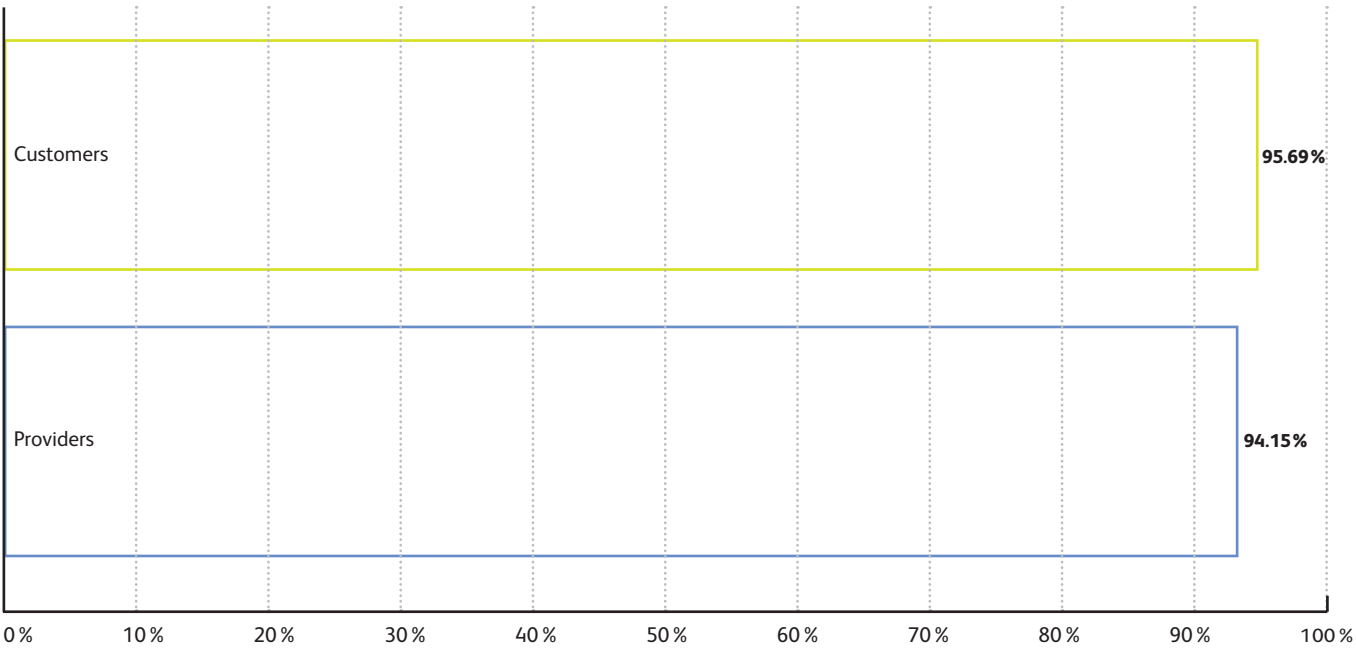
Importance of the Trust Seal

Over 94% of all survey respondents value the Trust Seal initiative from SEUK

Sharing Economy UK has implemented a kitemark called the Trust Seal, which refers to a set of good practices for sharing economy businesses to follow in order to maintain high standards. We asked the respondents about their perception of the Trust Seal initiative as an indicator of the good practices and high standards when implemented by the sharing sites.

Results indicate that a significantly high proportion of the respondents, both users and non-users of the sharing economy, highly value the Trust Seal. There is also very little difference between consumers and providers of sharing services in this regard.

Importance of trust seal – consumers vs providers

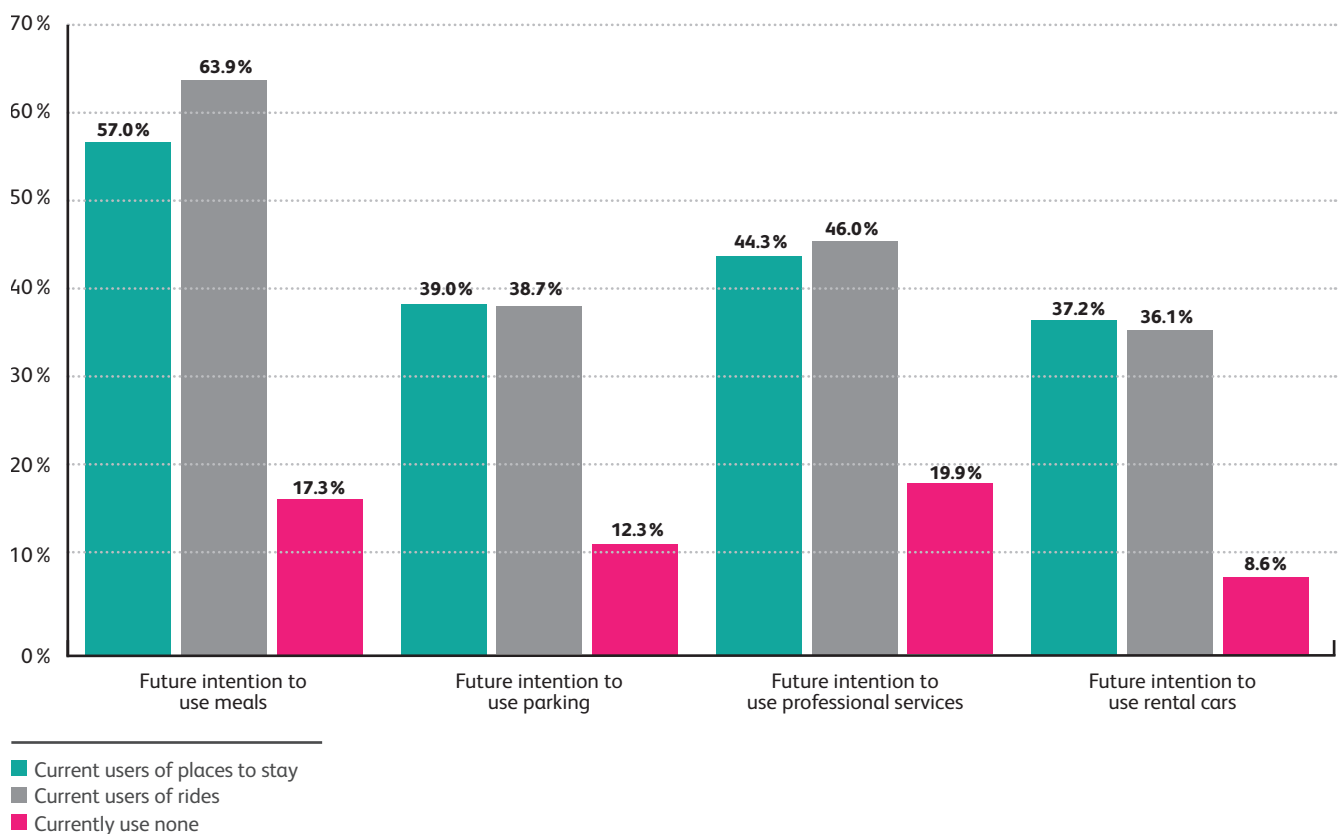


Future Intentions to Use the Sharing Economy

87% of current sharing economy users and 43% of non-users indicate that they have the intention to participate in the sharing economy in the future.

The survey also revealed that current users of rides and places to stay are three to four times more likely to use other sharing categories such as meals, parking, professional services and rental cars when compared to non-users. This could be referred to as the spillover effect, where positive experiences in one sharing category increases users' propensity to try other sharing categories.

Current users of rides and places to stay are more likely to use other sharing categories in the future than current non-users



Recommendations

Companies have already identified confidence in using the Internet as a barrier to technology adoption and have taken steps to meet the challenges. For example, Barclays runs the Digital Eagles initiative to help their consumers build digital trust and Internet skills. Similar initiatives aimed at the sharing economy platforms will enhance awareness, removing the top barrier to usage.

Digital trust lies at the heart of the sharing economy phenomenon and while there are initial inhibitions to start with, once consumers enjoy a positive experience from one application, this trust can be expanded to providers on other platforms too, as highlighted by the spillover effects discussed above. This highlights an important point that the different players in the sharing economy sector have a lot to gain from collaborating with other platforms. For example, joint marketing efforts by sharing platforms to increase awareness will be beneficial for the sector as a whole.

Our data suggests that awareness campaigns to highlight Trust Seal implementation by sharing economy sites should be beneficial to remove barriers to usage among non-users and also improve usage among current users.

We also would like to emphasise that clearer laws and guidelines from the government about the legal aspects of sharing (e.g. taxes, liability) will significantly reduce barriers to participation.

From our study, it is evident that the sharing economy is not just a fad, but well on its way to making a difference in society. We hope that our recommendations will help further ease the hesitations of non-sharers and make it possible for people to better leverage the resources available in society through sharing.

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