

What's the Value of Collaborative Consumption?

Rachel Botsman scales the “collaborative revolution.”

By Hannah Piercey



Rachel Botsman was an early champion of the “collaborative revolution”- how renting, swapping, and other traditional forms of sharing have been scaled via new online and mobile technologies and social networks. She co-founded the [Collaborative Lab](#), an innovation consultancy focusing on shared consumption, and co-authored [What's Mine is Yours: The Rise of Collaborative Consumption](#). Botsman helped define the [collaborative consumption](#) movement and its impact on business, public service, and daily life. She shared her thoughts and insights with Hannah Piercey via Skype from Australia.

HP: How is collaborative consumption shifting how we understand ownership?



Collaborative consumption is tied to the digitization and de-materialization of goods. You used to walk into somebody's house and there were lots of physical manifestations of their lives- books, cds, and photos. Now a lot of those things have become digital services that are easily shared. When things become digital good the line around ownership becomes really fuzzy. We are paying to access the benefit of the product versus needing to own it outright.

HP: What are some examples of what people gain from consuming collaboratively?

RB: There are different motivations and context is really important. In some instances, people are actually motivated by self-interest- which is okay. It's often about cost, convenience, being able to access a unique space, or even being able to get an errand done in an efficient way with a [Task Rabbit](#). So, there's the self-interest but part of the beauty of the movement is that the self-interest is paired with community and a social mindset. People start using collaborative consumption because they see it as a way to save or make money but then they start to talk about how they are part of

this community. That feeds the 'social' and it makes us feel the glow of being a part of something that has a bigger meaning.

HP: Trust is clearly a huge element of the collaborative system, especially as more peer-to-peer networks emerge, but it's also a complex concept to cultivate. How does technology foster trust between strangers? Is it possible to do this solely online?

RB: One of the key reasons why collaborative consumption is taking off now is because technology enables trust between strangers in new ways. People actually build the trust online to have an offline exchange. You go through several exchanges online and then when you actually meet face-to-face and I've had this experience myself – you feel like you know those people. When they arrive at your house you don't need to sit down and interrogate them before leaving the keys. You've already done that before they've even arrived. I hear the same thing whether it's when people get in the car for rideshare or when somebody lets someone into their home to take care of their mother on Task Rabbit. The trust is already formed by the time the transaction takes place.

The trust barrier lowers once people start using these services. The first few interactions people go through typically involve quite a few exchanges. Once they figure out that most people are trustworthy and that the idea works, the amount of trust features they use for future interactions declines.

HP: How do you see the collaborative economy evolving over the next few years?

RB: More big brands are going to get involved. When collaborative consumption first started to really bubble up four or five years ago, many big businesses thought it was a niche thing and hoped it might go away. Some saw how it was a threat to their business. Now big brands, from banks to toy retail to clothing manufacturers, realize that this space is a powerful source of innovation. That's going to accelerate as these verticals really hit their stride. When big companies hear that peer-to-peer lending is going to be \$2 billion sector by the end of this year and that [Airbnb](#) received \$1 billion plus evaluation, those are numbers that are going to attract them into the space. I'm often asked if I have an issue with that and I don't. I actually think you need the big brands on board to help these behaviors go mainstream, to enable services to scale.

New startups will be emerging in spaces that we can't even imagine or seem a little bit ludicrous at the moment. [Dog Vacay](#) started as a pet-sharing site but now the founders have realized they can disrupt the whole kennel market because a lot of pet owners would rather leave animals with other pet owners instead of generic kennels when they go away. That may sound ridiculous but that's a huge market to disrupt.

HP: What's the potential for collaborative consumption in areas that are not high density population centers? Is scaling these systems locally in these areas more challenging?

RB: It's a good question. The beauty of many peer-to-peer systems is that you often see community or local adaptations of them that are not necessarily for profit. Even with peer-to-peer car sharing, you often see small regional car shares that pop up that work well. You need hyper-local activity and community champions to make those systems work. On [Whipcar](#) they were really surprised by how many cars are being shared in very remote regions. If you look at the map, on the fringes of Scotland there are cars being shared. In those places you're often in a small town and you need a car because you're traveling long distances but you might not need two cars per family so they're sharing the second car. Often you see banks and errand networks popping up in smaller communities and they work because there is already existing infrastructure and trust, people already know one another.

HP: What do you see as the potential of collaborative behavior to empower individuals?

RB: I love that sustainability is inherent but my core driver is how it empowers people. It empowers people to tap into skills and talent that they have but haven't found opportunities to make money from before. It empowers people to be in control of their jobs and their lives. It empowers people to make all new kinds of connections that are often quite tricky to make. It's easy to say "you should go and meet your neighbors because it builds stronger communities." To actually make that first knock on the door is quite difficult. A lot of what these marketplaces do is give you this local connection, a neighborhood lens. Whether it is where you live, or somewhere where you're travelling.

That is much more than a trend. It is part of this macro power shift that's underway from a world that's top down to bottom up. For corporations, one of the things that they should consider is that the competitive threat now is not just other companies. It is empowered individuals. For example, errand networks like [Zaarly](#) or Taskrabbit, can disrupt courier, moving, and delivery services in cost efficient, flexible, and personalized ways that big corporations will have to find new ways to compete with.

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Illustration by Christian Egea, senior interaction designer at frog

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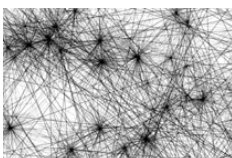
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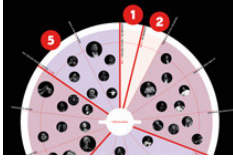
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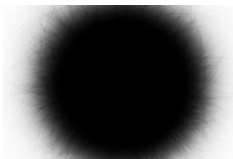
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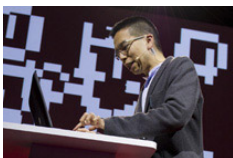
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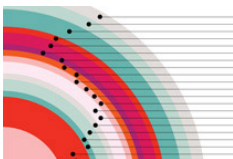
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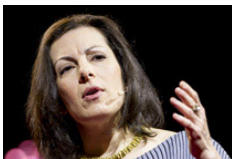
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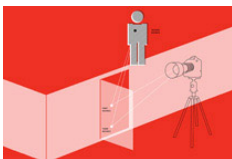


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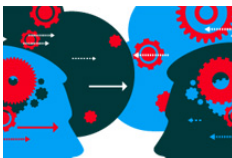
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