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Neighborhood Borrowing, Over the Online Fence

By **JENNA WORTHAM**

THE first time I unboxed my gleaming Roomba, I beamed like a proud new parent as I placed it gently on my hardwood floor.

That evening, I watched it putter around my apartment, sweeping and inhaling dust bunnies. When it gamely bumbled around bulky pieces of furniture, I dashed about, too, lifting the obstacles out of its way. After the Roomba finished its chaotic dance, I put it back into its case and patted the sweet little machine good night. The next morning, I returned it to its rightful owner.

The Roomba was mine for only 24 hours. I had rented it through a service called [SnapGoods](#), which allows people to lend out their surplus gadgetry and various gear for a daily fee.

SnapGoods is one of the latest start-ups that bases its business model around allowing people to share, exchange and rent goods in a local setting. Among others are [NeighborGoods](#) and [ShareSomeSugar](#). Other commercial services are springing up, too, including group-buying sites like [Groupon](#), the peer-to-peer travel site [Airbnb](#) and [Kickstarter](#), which allows people to invest small sums in creative ventures.

The common thread of all these sites is that access trumps ownership; consumers are offered ways to share goods instead of having to buy them.

Ron J. Williams, co-founder of SnapGoods, based in New York, describes the phenomenon as the "access economy."

"There may always be certain products that you do need to buy," says Mr. Williams. "But there is also a growing cultural awareness that you don't always get enjoyment out of hyperconsumption. The notion of ownership as the barrier between you and what you need is outdated."

The most obvious reason for all of this is financial. Recession-battered shoppers can test pricey new devices before deciding whether to take the plunge or wait until the next

upgrade. (Roombas, for example, can retail for as much as \$600 for the newer models. I borrowed mine for a much more palatable \$10.)

For all the promise of these new marketplaces, analysts say they aren't likely to overtake more traditional models anytime soon.

"The holy grails of consumerism are convenience and choice," says Rachel Botsman, co-author of the forthcoming book, "What's Mine Is Yours: The Rise of Collaborative Consumption." "This is not the end of the old consumer way. But they could sit side by side. Peer-to-peer could become the default way to share."

There's much evidence that this is already happening. Do-it-yourself home improvers can borrow tools for a weekend project, and hobbyist campers can rent equipment per trip, rather than splurge on all-new gear. Travelers looking for inexpensive accommodations can spend the night in someone's spare bedroom for a fraction of the cost of a hotel room. For people who lend their stuff, it's a way to make extra money on possessions that are gathering dust.

"My Roomba is on track to pay for itself," says Luke Tucker, 31, a software engineer who rented me his robotic vacuum cleaner through SnapGoods.

But some experts think that there may be something bigger than thriftiness at play. These services may be gaining popularity because they reinforce a sense of community.

"It turns out to actually be a good way to meet my neighbors," says Mr. Tucker, who also lists a jigsaw, a digital camera and a wireless keyboard for rent on SnapGoods.

Charlis Floyd, a 22-year-old student, and Nema Williams, a 30-year-old comedian, who rent out their spare bedroom in Brooklyn on Airbnb, say that while the extra income helps — as any little bit does these days — they're much more interested in the revolving cast of characters they meet.

"We had a couple from England teach us how to make red curry," says Ms. Floyd.

"Another guy, an artist, promised to paint a mural in our kitchen," adds Mr. Williams.

Of course, that doesn't mean it always goes off without a hitch. "Sometimes people can be weird," says Ms. Floyd. "One girl drank all our milk and another person broke our toilet handle."

Even so, Ms. Floyd and Mr. Williams still like being in the rental business.

"It's a win-win situation," says Ms. Floyd. "You make some extra money and make new

friends.”

For entrepreneurs, there's a payoff in such commerce. Groupon, for example, says it's on track to generate \$500 million in revenue this year; Airbnb has said it is profitable, though it does not provide exact numbers.

Paul J. Zak, director of the [Center for Neuroeconomics Studies](#) at Claremont Graduate University in California, says that participating in a community like SnapGoods, Kickstarter, Groupon or Airbnb can ease social isolation and flesh out our network of friends.

“There is an underlying notion that if I rent my things in my house, I get to meet my neighbor, and if I'm walking the goods over, I get to meet them in person,” he says. “We're drawing on a desire in a fast-paced world to still have real connections to a community.”

Mr. Zak says he conducted a preliminary experiment indicating that posting messages on [Twitter](#) caused the release of oxytocin, a neurotransmitter that evokes feelings of contentment and is thought to help induce a sense of positive social bonding. He is now testing those ideas in research on a group of 40 people.

The social interaction “reduces stress hormones, even through the Web,” he says. “You're feeling a real physiological relationship to that person, even if they are online.”

MR. ZAK says Web commerce is moving beyond transactions by individuals and companies and embracing models that encourage social contact and interaction — a hallmark of the already robust social media phenomenon and a throwback to the good old days when people actually spent time socializing at local markets.

“The Web is bringing businesses back down to the individual as the average company becomes smaller, more niche and specialized,” he says. “Paradoxically, the Web is moving us back to a human-centric business model.”

Trust is a big factor in all of this. Otherwise, how can you be sure that someone won't just rip you off?

Marketplaces like [eBay](#) have long relied on ratings and user reviews to weed out unreliable participants. But in addition to safeguards like preauthorizing the price of rentals through PayPal, the latest wave of peer-to-peer systems make use of social networks like [Facebook](#) and Twitter to engender trust.

If someone wants to rent your [iPad](#) or crash on your couch, the person's online profile

leaves a trail of digital bread crumbs that makes it harder to pull off a scam, giving potential lenders and hosts reason to breathe easier.

“This new economy,” says Ms. Botsman, “is going to be driven entirely by reputation, which is part of a new cultural shift — seeing how our behavior in one community affects what we can access in another.”