

The Sharing Economy: Where We Go From Here

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The Origins and Definition of the Sharing Economy

The concept of sharing and peer-to-peer exchange has deep roots in American culture. Early American colonists shared tools and labor on farms, and engaged in direct buying, selling and bartering of many goods and services. During the early 20th century, Andrew Carnegie donated much of his personal fortune to establish a system for book sharing, the public library. Nineteenth-century pioneers headed West with pooled resources, forming wagon trains to secure the common defense. The rise of the settlement house provided services and goods for new immigrants, while churches and civic groups established rummage sales, food pantries and soup kitchens to distribute used and donated goods to the poor. And by mid-20th century, the garage sale had become an iconic piece of American culture. All of these are early examples of what today is increasingly referred to as the “sharing economy.”

More recently, the Internet and social media have substantially amplified and broadened sharing and exchange dynamics in America. Sales of goods and services once bounded by geography now have national and even international audiences. Concurrently, brands that facilitate sharing have emerged. Online auctions like eBay and Craigslist, crowd-funding resources such as Kickstarter and Indiegogo, home-sharing services like Airbnb, and even long-distance fashion sharing like Rent The Runway – all are examples of sharing gone digital. Along with the emergence of these facilitators, digital content creation has fostered entirely new products and services where people can act as both consumers and creators. Wikipedia not only provides free, shared knowledge, but has developed a community of users who create it. Twitter, Facebook and hundreds of branded forums and blogs enable Americans to access opinions as well as share their own. Peer-to-peer advising has materialized in the form of Amazon user reviews, travel tips on sites like Trip Advisor, and movie suggestions on Netflix. And finally, GPS-enabled mobile technology has driven spontaneous sharing in real time, lending yet another new dynamic to the sharing milieu. Suddenly, ride-sharing services like Uber and Lyft can operate more competitively than the taxi industry. TaskRabbit and Mechanical Turks can be used to both outsource work or find temporary employment as needs unfold. Increasingly, almost every aspect of life has a sharing option.

Technology, however, is not the only driver of sharing and peer-to-peer exchange. Difficult economic times have undoubtedly served to accelerate the trend. Buying

used goods, selling no-longer-needed items, and sharing certain products and services have become an important survival strategy for many American families. The rise of urbanization and limited space also make sharing when needed an attractive option. The decline of natural resources concurrent with increased sensibility about sustainability makes the idea of extending the life of produced goods an attractive option. Not to mention practicality. Owners make money from underused or idle assets. Renters save money by paying less than if they bought the product outright, or used a conventional leasing company. In short, people can live the life they want to live, but do so affordably and without acquiring large amounts of debt. Even the sociability that emerges via peer-to-peer transactions and the networks that form around them are attractive to many people. To one degree or another, all of these dynamics have fueled the rise of the sharing economy.

By 2010, several business books threaded the needle between the rapidly emerging and diverse types of Web and mobile arrangements, along with more traditional forms of sharing. Referring to it as the “sharing economy,” “collaborative consumption,” and the “mesh economy,” these authors defined it as any means of sharing goods and services among willing participants, often outside of traditional channels, and taking the form of leasing, loaning, borrowing, donating, bartering, buying and selling goods directly, as well as the facilitation of these activities by third parties, and often involving used or communally owned goods and services.

A high degree of social interaction and the formation of social networks driven by peer-to-peer transactions are other differentiators from more traditional manufacturer and retailer transactions. The notion of sharing and exchanging is not new, but technology has rendered it almost unrecognizable from the sharing of old.

What is perhaps most important about the sharing economy in all cases is that it shifts the fundamental model to one in which access is more important than outright ownership. Lisa Gansky, author of “The Mesh: Why the Future of Business, Is Sharing,” was an early voice who argued that through Internet and mobile, our economy is undergoing a profound transformation, moving us far away from an ownership model of goods toward an access model where we selectively share goods when practical or necessary. And one in which business opportunities for entrepreneurs, as well as business challenges for large, ownership-based business abound. But in Gansky’s view, this transformation is driven not just by technology or the economy, but by a philosophical shift – one in which people are pushing back against the era of conspicuous consumption and transitioning toward a more desirable, altruistic and environmentally sustainable model. Gansky suggests that people have come to realize that a sharing model not only makes economic sense, but that it also represents a fundamentally better use of resources, resulting in goods that are “durable, flexible, repairable and sustainable,” all leading toward a more meaningful existence.

Rachel Botsman and Roo Rogers, in “What’s Mine Is Yours: The Rise of Collaborative Consumption,” make a similar case for the shift from ownership to access, and advance a similar cultural critique of the excesses of our consumer society and the potential for sharing arrangements to lead the way to greater

authenticity. But they go further, suggesting that the large and amorphous sharing economy can be (and needs to be) organized into component parts. They suggest three “systems” – product services, redistribution markets, and collaborative lifestyles – laying the groundwork for a more directed understanding of sharing dynamics and the implications for marketers.

Coupled with the impressive marketplace results of sharing enterprises, this thinking has led to increasing interest among marketers – both those who perceive threats to their more traditional ownership-driven models as well as those who see exciting opportunities to transform those models. At the same time, the sharing dynamic has captured the attention of the press with over 4,000 articles being written about it in just the past year.

Many articles have focused on the financial impact of sharing and on the potential for a real economic paradigm shift. While difficult to pin down, the broadly defined sharing economy is at least a \$110 billion market, Botsman and Rogers believe. Other valuations like market penetration and growth of various sectors within the sharing economy are similarly large and impressive.



Consumer Research on the Sharing Economy

All of the media buzz surrounding sharing, as well as it’s substantial and growing financial value, has led to the emergence of a variety of market research studies on the sharing space. Nielsen, Havas and VisionCritical, to name a few, have all conducted significant global studies in an attempt to develop key metrics such as penetration, interest and momentum, as well as to understand some basic sharing attitudes and behaviors, and to compare and contrast these across various countries. Yet with each subsequent wave of learning, new questions arise. At the same time, the plethora of sharing brands and products continues to grow at an exponential rate, causing research to become quickly outdated. Thus, much of what is known is insufficient for marketers interested in this space.

One reason for this is that almost all research into the sharing economy has been at the aggregate level, treating each country as if it were a homogenous entity when it comes to sharing. But there is substantial anecdotal evidence that countries – particularly large industrialized nations like the United States – contain populations that are not homogenous when it comes to sharing. Thus, as sharing goods and services have proliferated, there is a need to understand what appeals to whom.

In addition, none of the existing research explores a user-derived structure of the very diverse array of products and services currently described as being part of the sharing economy. A central thesis of many authors in the space is that one can place these diverse activities under a single umbrella. Thus libraries and garage sales along with crowd-funding and movie rentals are all treated as part and parcel of a single consumer mindset and thus a single “economy.” But is this really true?

And to the extent that some have created distinctions within the sharing economy, they have tended to rely on marketer definitions, sorting products and services by industry (transportation, housing, etc.), by whether the product is bought vs. leased, new vs. used, etc. But these may not reflect the way in which people organize the sharing economy. This suggests the need to learn if the sharing economy is one economy or many, and if the latter, what are the component parts, who is attracted to which ones, and why?

Finally, Nielsen’s work – which involved 60 countries – found that the United States lagged behind most other countries in willingness to share. This was surprising, given that the United States represents the largest economy in the world and the third-largest population, and given the wealth and access to innovation in the US economy – all of which might have led one to expect the country to be a leader when it comes to the emerging phenomenon of the sharing economy. This begs the question of why this dynamic exists in the United States and what it means for US marketers.



Objectives of the Leo Burnett Sharing Economy Research

Our interest in studying the sharing economy in the United States stemmed from three observations.

ONE

A recent global study about sharing by Nielsen revealed that sharing economies have been embraced unevenly throughout the world, with America, in particular, lagging rather than leading. Given the United States represents the largest economy in the world and the third-largest population, and given the wealth and access to innovation in the US economy, one might have expected the country to be a leader when it comes to the emerging phenomenon of the sharing economy.

Why does the United States lag and what does this mean for United States?

TWO

Almost all research into the sharing economy has been at the aggregate level. Data is reported by country, as if a country were a homogenous entity when it comes to sharing. But there is substantial anecdotal evidence that countries – particularly large industrialized nations like the United States – contain populations that are not homogenous when it comes to sharing. At the same time, as sharing goods and services have proliferated, there is a need to understand what appeals to whom.

Can Americans be segmented based on their orientation and behavior to sharing, and if so, does this reveal differentiated opportunities?

THREE

Most authors in the space have bundled diverse activities under a single umbrella of sharing. Thus libraries and garage sales along with crowd funding and movie rentals are all treated as part and parcel of a single consumer mindset and thus a single “economy.” But is this really true? And to the extent that some have created distinctions within the sharing economy, they have tended to rely on marketer definitions. But these may not reflect the way in which people organize the sharing economy.

Is there a single sharing economy or are there multiple economies? And if the latter, who is attracted to which economy and why?

Major Findings

- ONE

US adults’ awareness and understanding of the sharing economy are far more limited than press coverage would suggest.
- TWO

US sentiment toward the sharing economy is mixed.
- THREE

Diversity of sentiment is mirrored by diversity of behavior.
- FOUR

Some of the most talked-about sharing brands are not yet on the radar screens of most Americans.
- FIVE

When Americans do engage in sharing, they have splintered motives, often as personal in nature as they are collective.
- SIX

Barriers to sharing are also significant and diverse, suggesting a sharing tug-of-war in America.
- SEVEN

The value placed on ownership should not be underestimated.
- EIGHT

Barriers to sharing frequently outweigh motives.
- NINE

There is no such thing as the sharing economy. Rather it is a collection of economies, which Americans organize differently than marketers.
- TEN

Despite the diversity of views, behaviors and motives, and despite a lot of low brand awareness, sharing is on the upswing in America.
- ELEVEN

In some quarters, however, sharing skeptics abound.
- TWELVE

Sharing in America already extends well beyond the young, urban stereotype.
- THIRTEEN

When it comes to sharing, what a person says versus what they do are two different things.
- FOURTEEN

Given the diversity of views and behaviors, sharing in the United States can only be understood and acted upon through the lens of segmentation.

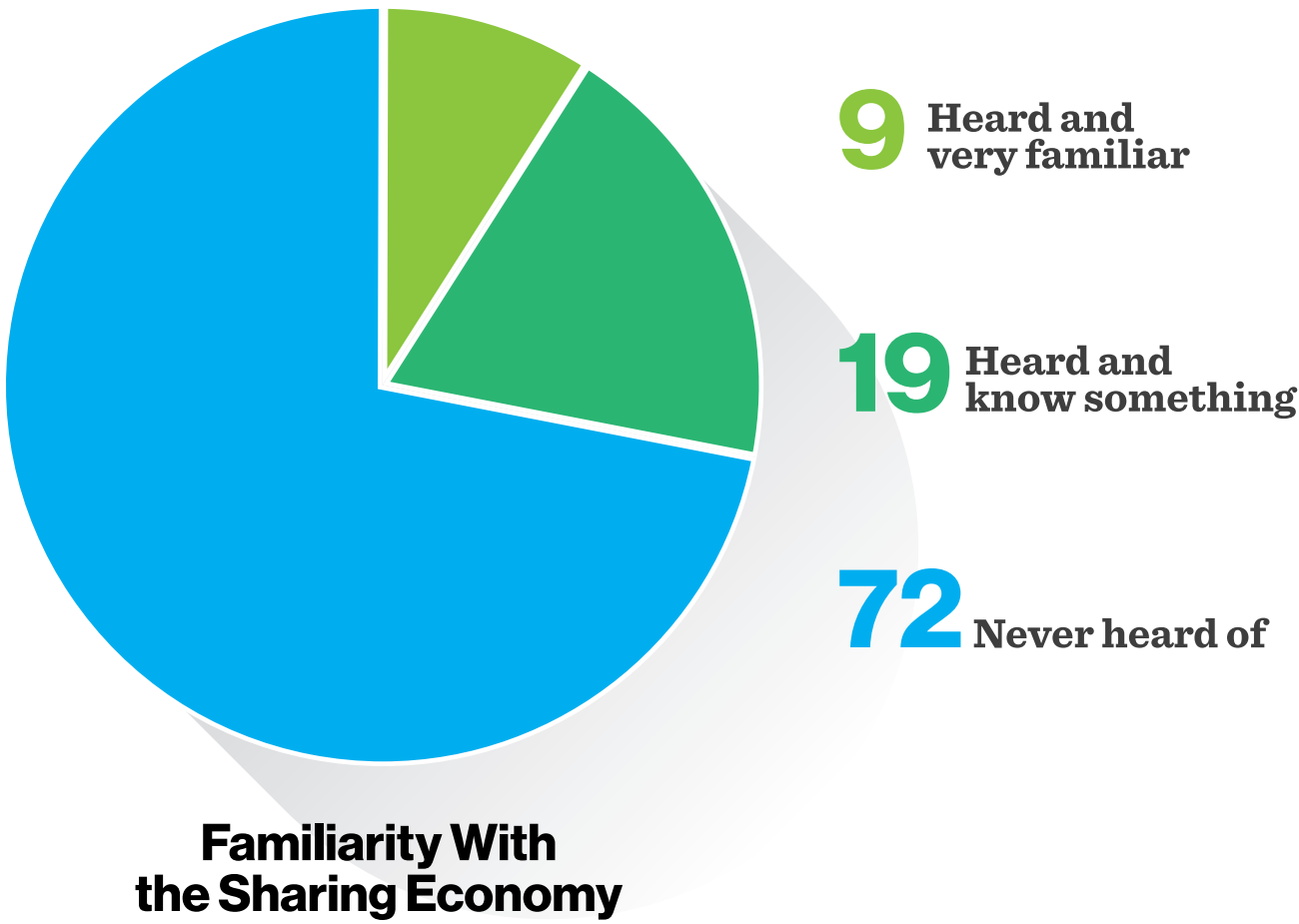
ONE

Awareness and understanding of the sharing economy are far more limited than press coverage would suggest.

When asked if they had heard of the “sharing economy,” the “mesh economy,” or “collaborative consumption,” three out of four Americans claim they have not. This despite more than 3,800 publications citing these concepts in the past 12 months alone.

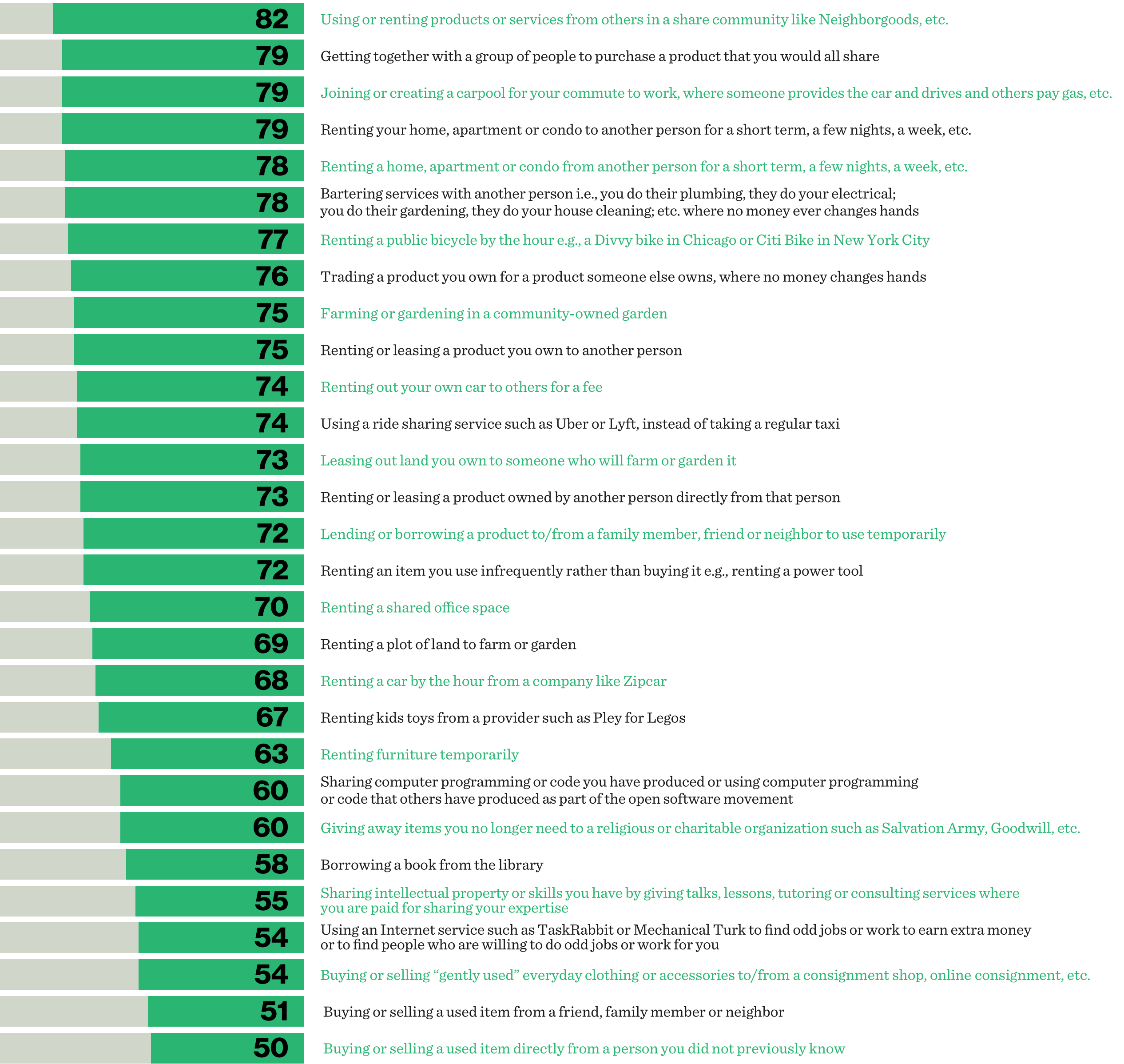
Even when we read a description of the sharing economy, complete with examples of the range of activities that constitute it, nearly a third of American adults still claimed they had never heard of it. And the percentage who claimed they’d heard of it and were very familiar increased to only 12%.

So, the survey results indicate that, even when prompted, the terminology is not something that registers with Americans at substantial levels. Perhaps this is to be expected, since the term “sharing economy” is not really a consumer term, or at least not yet, and thus may not be naturally associated with the broad body of activities it encompasses. The likelihood is that when someone goes to rent a Zipcar they probably are not thinking of themselves as participating in the sharing economy. Nevertheless, the lack of awareness is important framing for other findings.



When we gave people a list of specific products and services and asked them to indicate which ones they felt were and were not a part of the sharing economy, only about half of the list was chosen by more than 50% of Americans. **And what they chose primarily involved leasing, communally owning or trading physical goods and services.** This included things like renting products, shared ownership, carpooling, renting out your home, bartering services, and using publicly available bikes in large cities. These top the list in terms of association with the sharing economy.

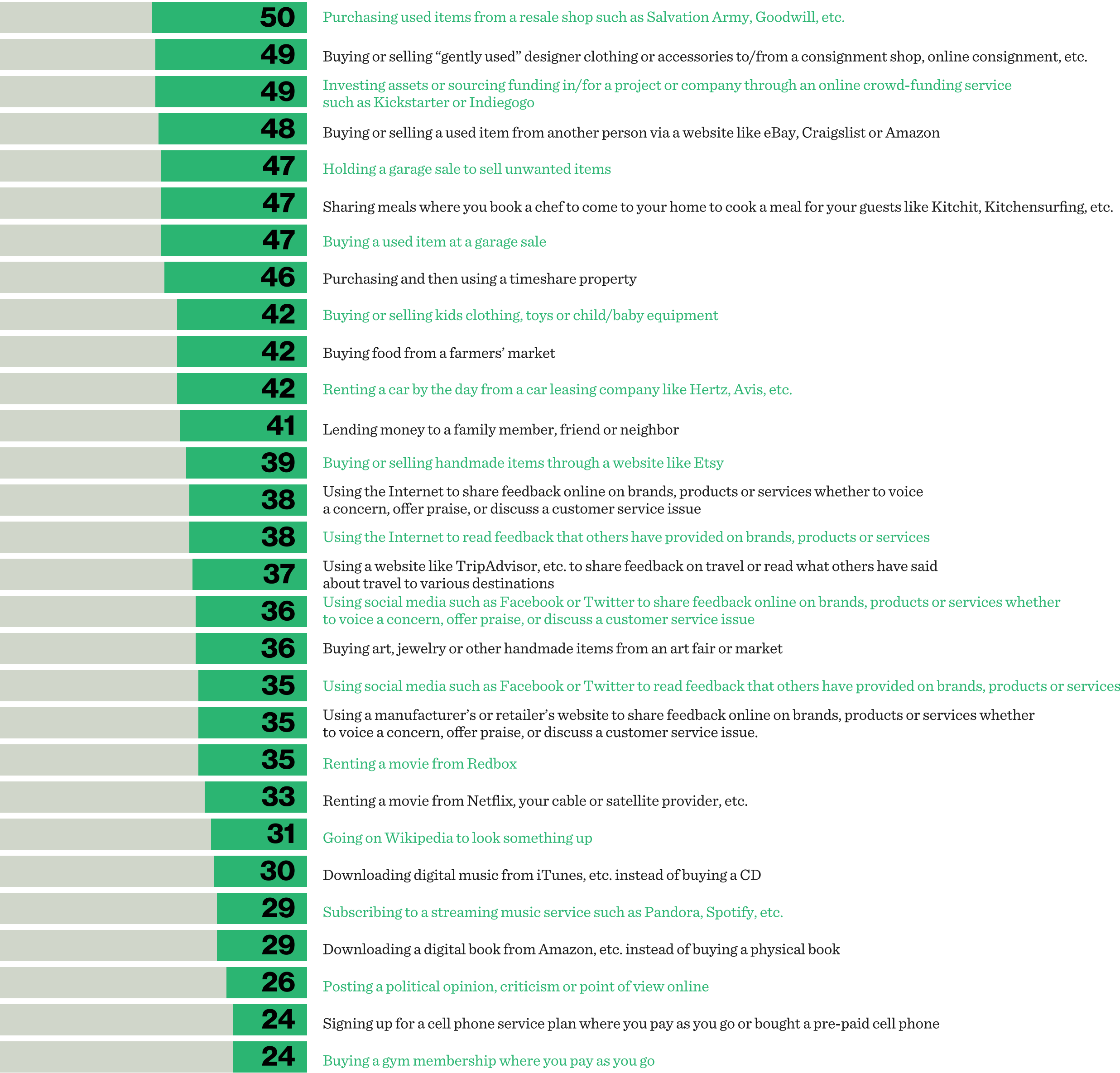
% Yes, it is part of the sharing economy (50% or greater)



Moving further down the list are a host of activities often described in the press as cornerstones of the sharing economy – user reviews, Craigslist, Netflix, Wikipedia. Yet most Americans simply don’t make that association with agreement here. All are below 50%, and often well below it. By the time you get to digital books, opinion sharing, and pay-as-you-go services, levels of agreement have fallen into the 20% range. **Thus, it appears that many of the innovative digital and community-based products and services that underpin expert definitions of the sharing economy don’t make the list of the average American.**

This is not to say that the term “sharing economy” won’t one day enter the consumer lexicon. Nor does it mean that people don’t engage in some of the behaviors that they exclude from their Sharing Economy definition. Rather the data simply shows that the terminology of “sharing,” as well as the things that constitute it, have just not gelled in the minds of most Americans. Perhaps they will, or perhaps Americans will opt for a different definition.

% Yes, it is part of the sharing economy (< 50%)



TWO

US sentiment toward the sharing economy is mixed.

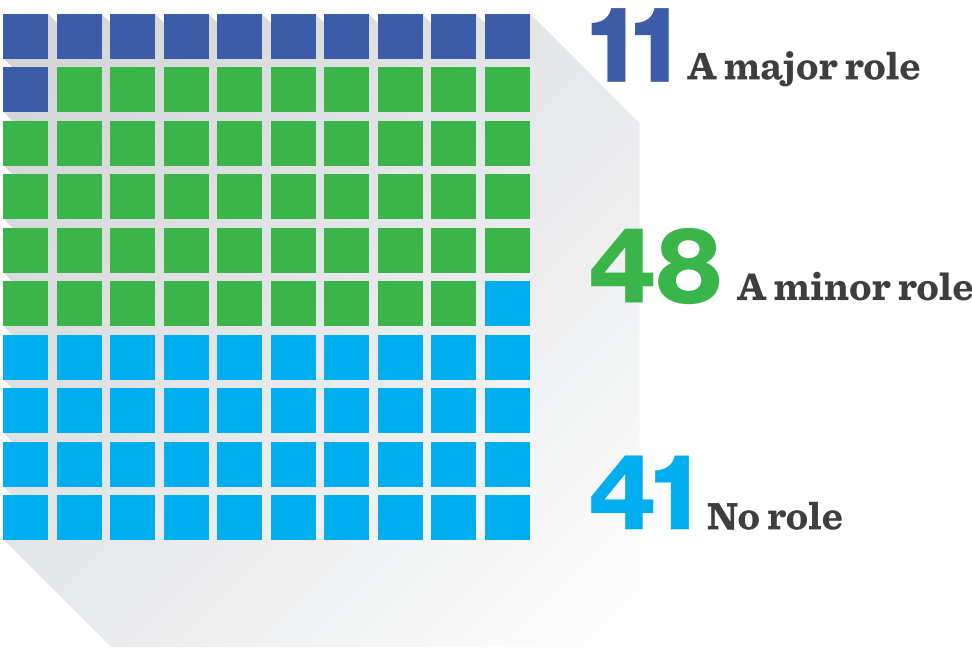
The United States is very diverse with regard to the appeal of sharing. Some people aren’t attracted to it at all, others are involved in a minor way, and a small group is quite committed. There is no real norm.

For example, when asked to think about the past year, 41% of people said the sharing economy played no role at all in their lives, and another 48% said it only played a minor role. Only 11% said it played a major role.

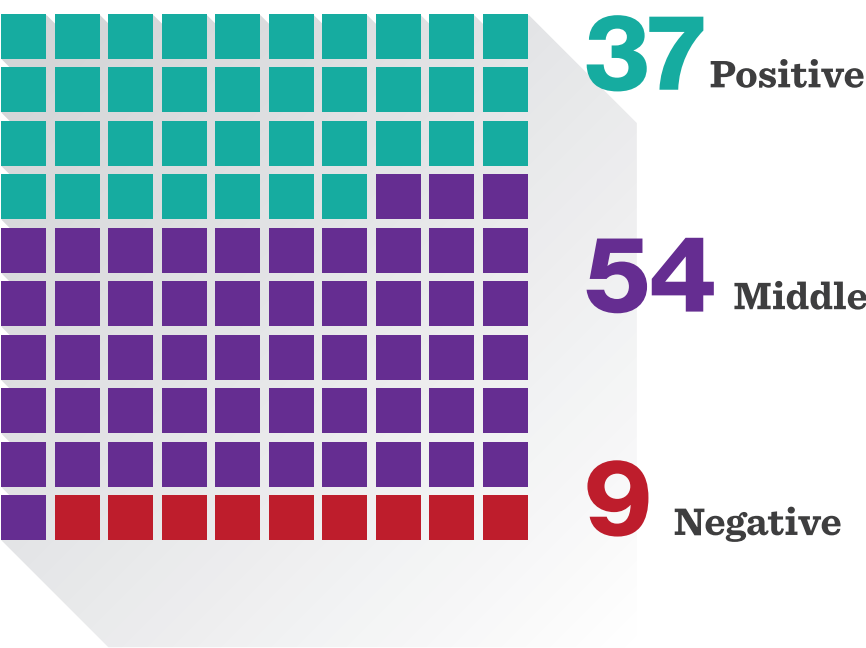
In a similar vein, just over half of US adults sit in the middle when asked about how positive or negative they are about the sharing economy. Few have extreme negative views, while 37% are positive.

So despite recent buzz about the sharing economy, brands can’t assume most Americans are attitudinally committed to or enthusiastic about it – some are, some aren’t.

Role of sharing economy in your life in the last 12 months



In general, how do you feel about the sharing economy?



THREE

Diversity of sentiment is mirrored by diversity of behavior.

The sharing economy, when defined broadly, encompasses a wide array of experiences and behaviors. Americans engage in some of these at very high levels, some at moderate levels, and some barely at all.

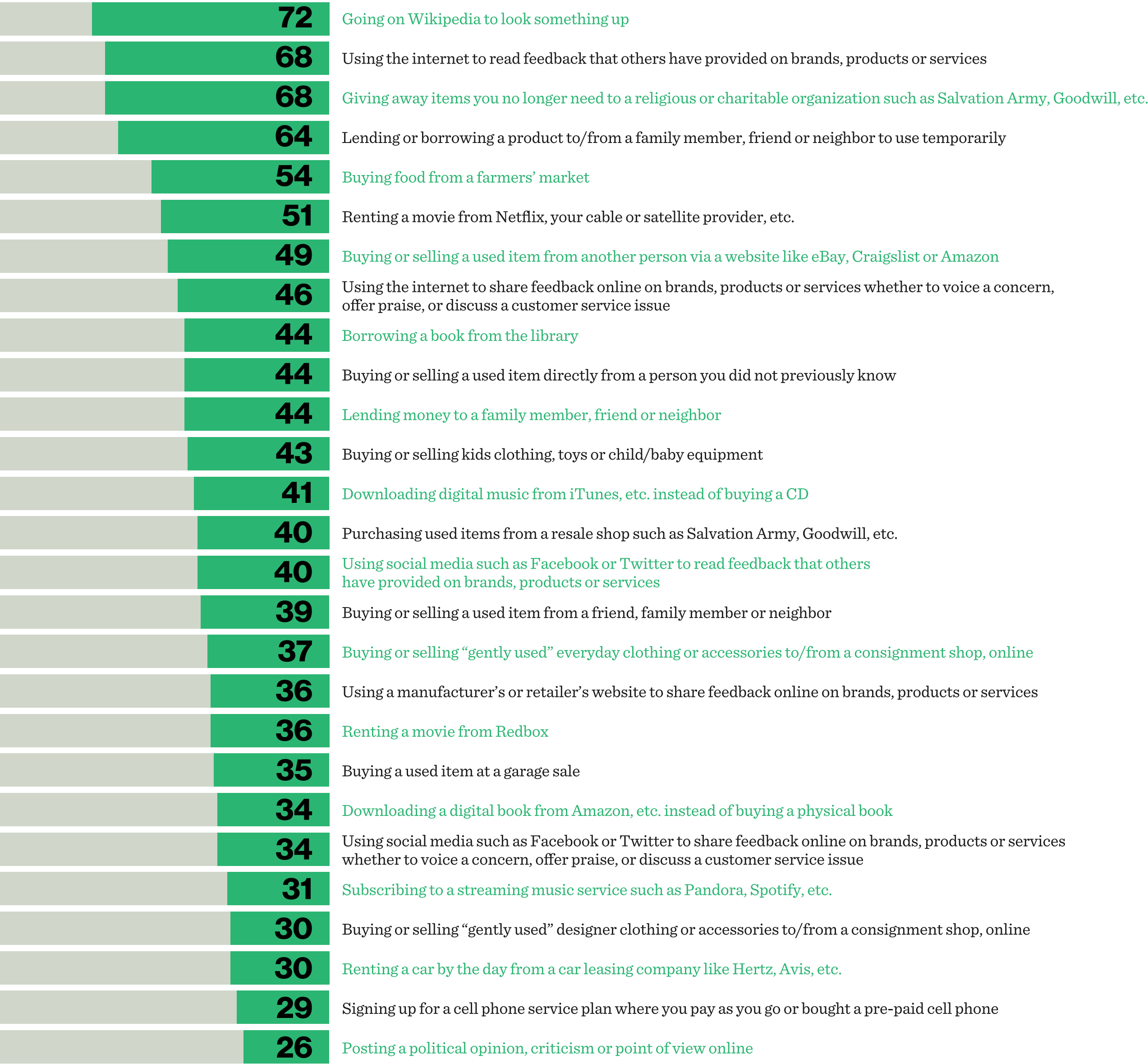
The most common sharing behaviors Americans participate in are substantially less cutting edge than the press-reported phenomenons of Uber, Airbnb, and TaskRabbit. Instead, the top behaviors engaged in by more than 50% of Americans include traditional methods of sharing, coupled with more established digital methods. Topping the list are looking something up on Wikipedia, going online to seek feedback from others about brands or products, donating items to charity, buying food from a farmers’ market, loaning something to a family member or friend, and renting a movie from Netflix or a cable/satellite provider.

By contrast, many of the cutting-edge activities being held up as examples of a burgeoning new economy have been engaged in by only a small fraction of American adults.

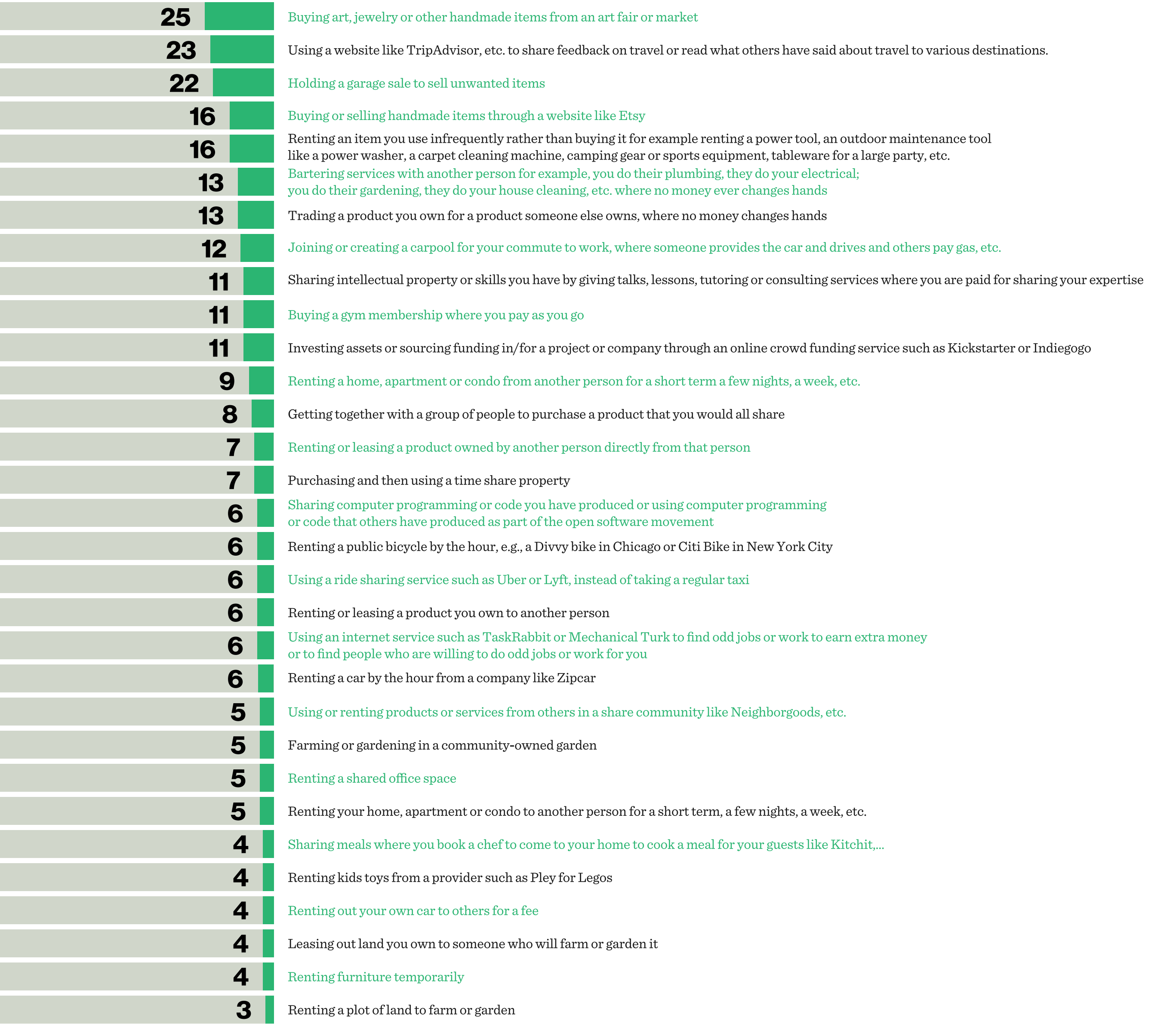
Activities such as Zipcar rentals, rideshares, rentals of private property, renting products or services through a sharing community etc., are all experienced by only 1 in 20 Americans. So while sharing is occurring, it is not occurring in the most talked-about ways. Rather, actual sharing is occurring in more traditional ways.

This suggests there is a complicated dynamic between what people think of as sharing and what they are actually doing.

% Penetration in past 12 months



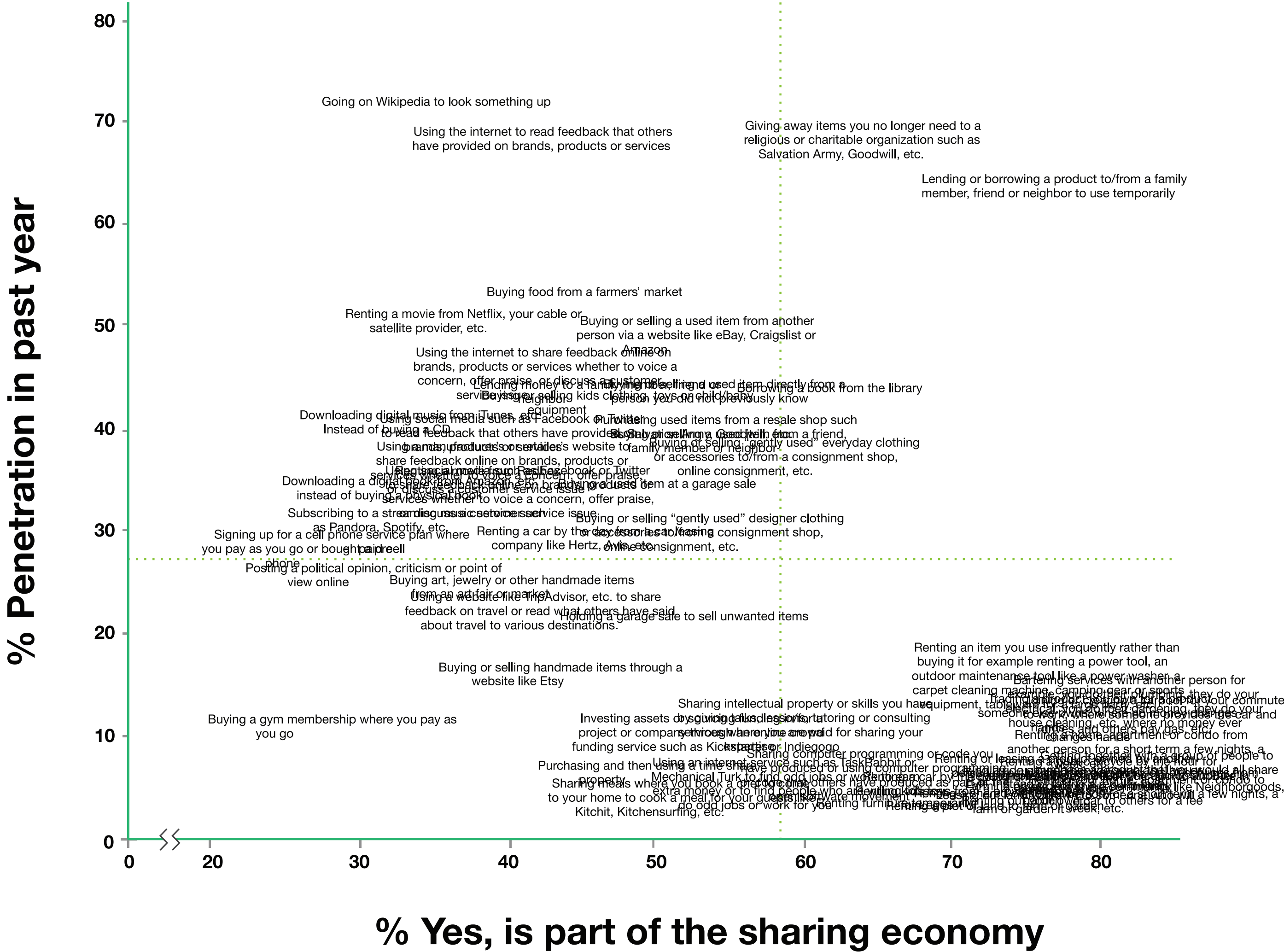
% Penetration in past 12 months (< 25%)



Crossing people’s perceptions of whether or not something is a part of the sharing economy with whether or not they actually engage it, reveals that the two are actually inversely correlated.

Many activities most perceived as a part of the sharing economy are not actually engaged in very heavily by Americans, while those that are most frequently engaged in are often not thought of as part of the sharing economy. Plotting the penetration of an activity against how much it’s seen as part of the sharing economy reveals an inverse relationship of -.55.

This means that marketers should be cautious in assuming that a new sharing-driven product or service will actually be perceived that way. While it may garner enthusiasm and trial, the reasons may have little to do with sharing.



FOUR

Some of the most talked-about sharing brands are not yet on the radar screens of most Americans.

While almost all Americans have heard of established brands like eBay, Craigslist and Netflix, most are unaware of the latest brand developments.

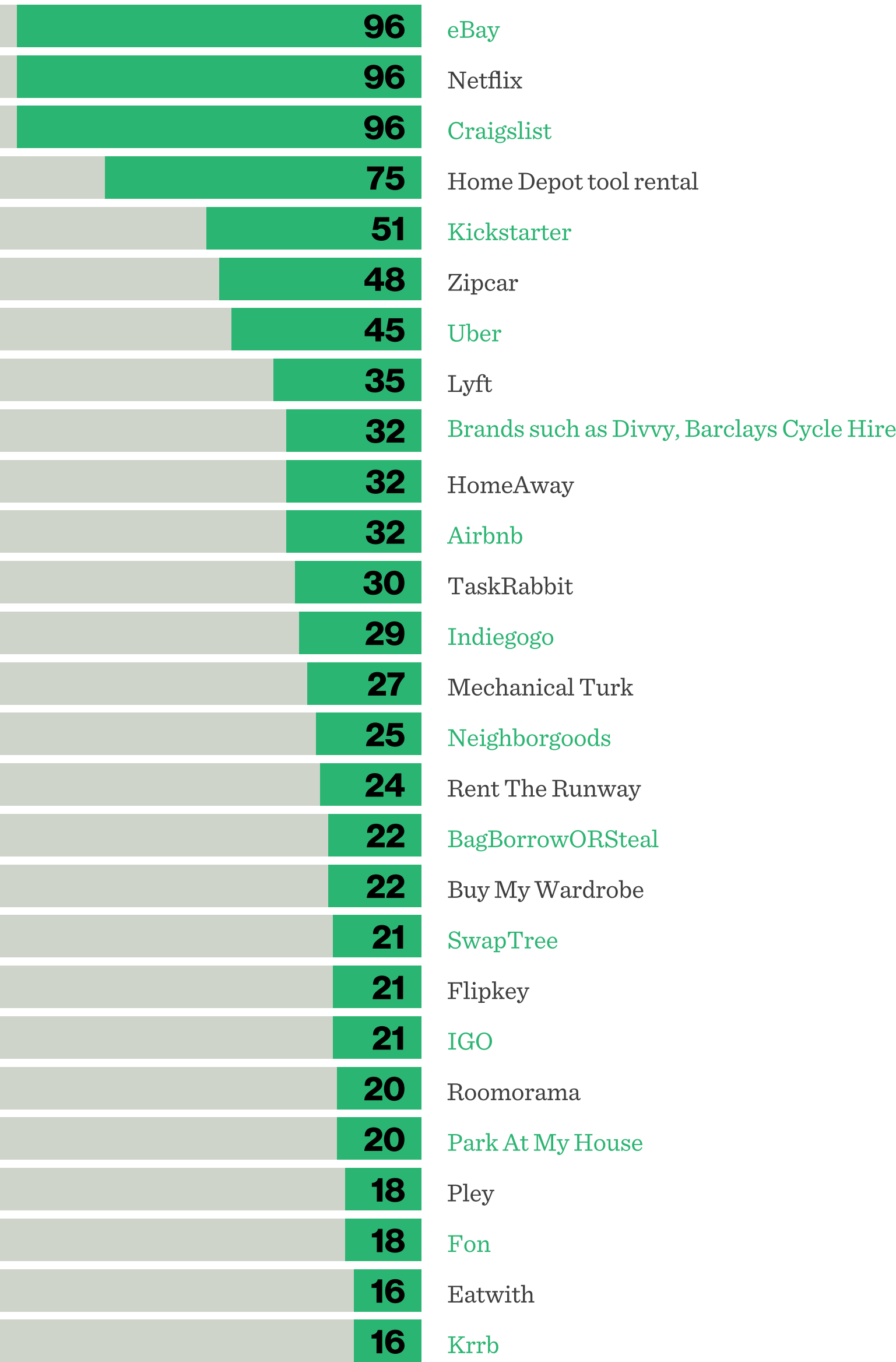
For example, only a third of US adults claim to have ever heard of Airbnb or TaskRabbit, and only 1 in 5 claims awareness of brands like IGO and Pley.

So while there is a group of people who know of the most talked-about, cutting-edge sharing brands, they are in the minority.

This doesn't diminish the importance of these brands or of their potential to gain broad penetration. Years ago, brands like eBay and Netflix were in a similar situation, yet grew to both high awareness and high penetration and to becoming huge financial successes.

What it does mean is that marketers who launch new and innovative sharing brands, should plan for niche acceptance, initially, and, as you'll see later, occurring primarily within a specific segment of Americans.

% ever heard of



FIVE

When Americans do engage in sharing, they have splintered motives, often as personal in nature as they are collective.

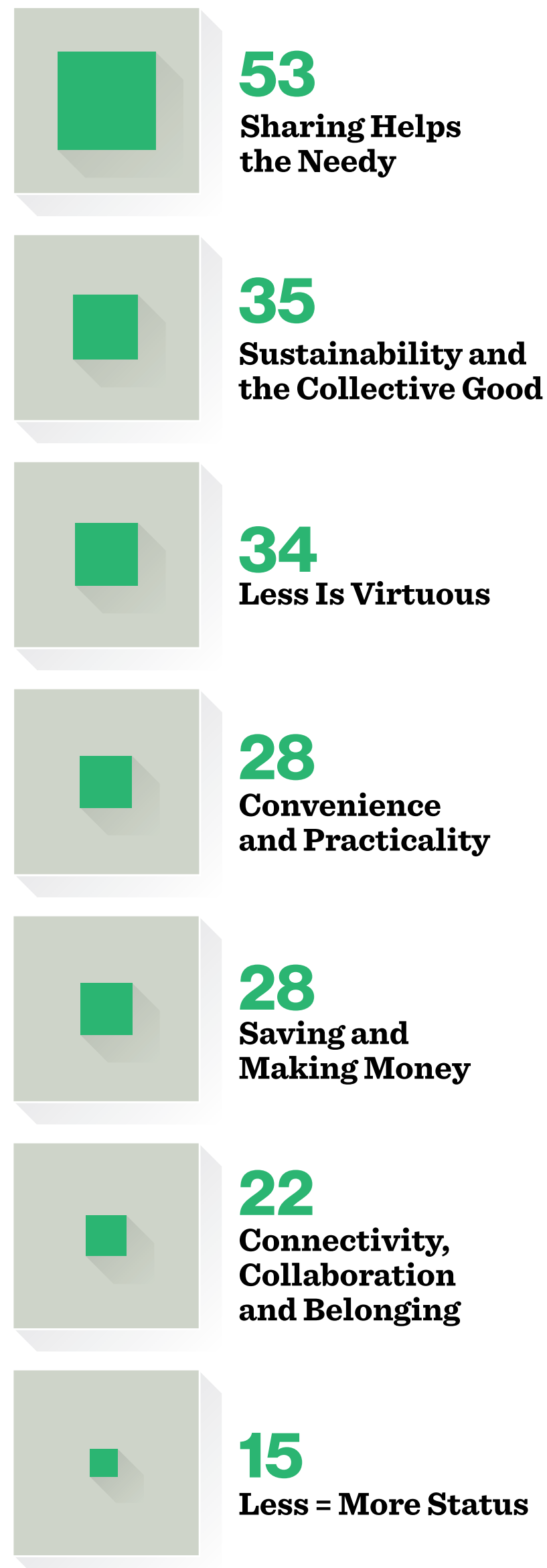
While the press has frequently focused on the benefits to the collective good that sharing can bring, Americans share for a variety of reasons – often highly personal.

In order to get at motives for sharing, we administered a broad battery of attitudes to Americans and asked the degree to which they agreed or disagreed on a 10 point scale. We then factor analyzed these items and found that they formed 7 groups of sharing motives. Examining the Top 3 Box agreement levels (strong agreement) reveals several things.

First, the only true consensus for engaging in sharing is an “old school” reason – simply to help the needy, which clocks in at 53% strong agreement. Beyond that, sharing motives that reflect newer thinking tend to splinter with levels of anywhere from a third to a quarter of Americans agreeing. Some are collective – in order to promote sustainability and the collective good, because using less is virtuous, and in order to enjoy a sense of connectivity and belonging that accrues from a collaborative rather than competitive approach. Others, however, are quite self-focused – for reasons of simple convenience and practicality, and in order to save or make money. Finally, only 15% strongly agreed with “less” connoting greater status as a reason for engaging in sharing activities.

This diversity of motives means that brands should not assume a one-size-fits-all approach to sharing among Americans. Depending upon the product and the user base, motives will vary substantially.

% Top 3 Box Sharing Reasons



SIX

Barriers to sharing are also significant and diverse, suggesting a sharing tug-of-war in America.

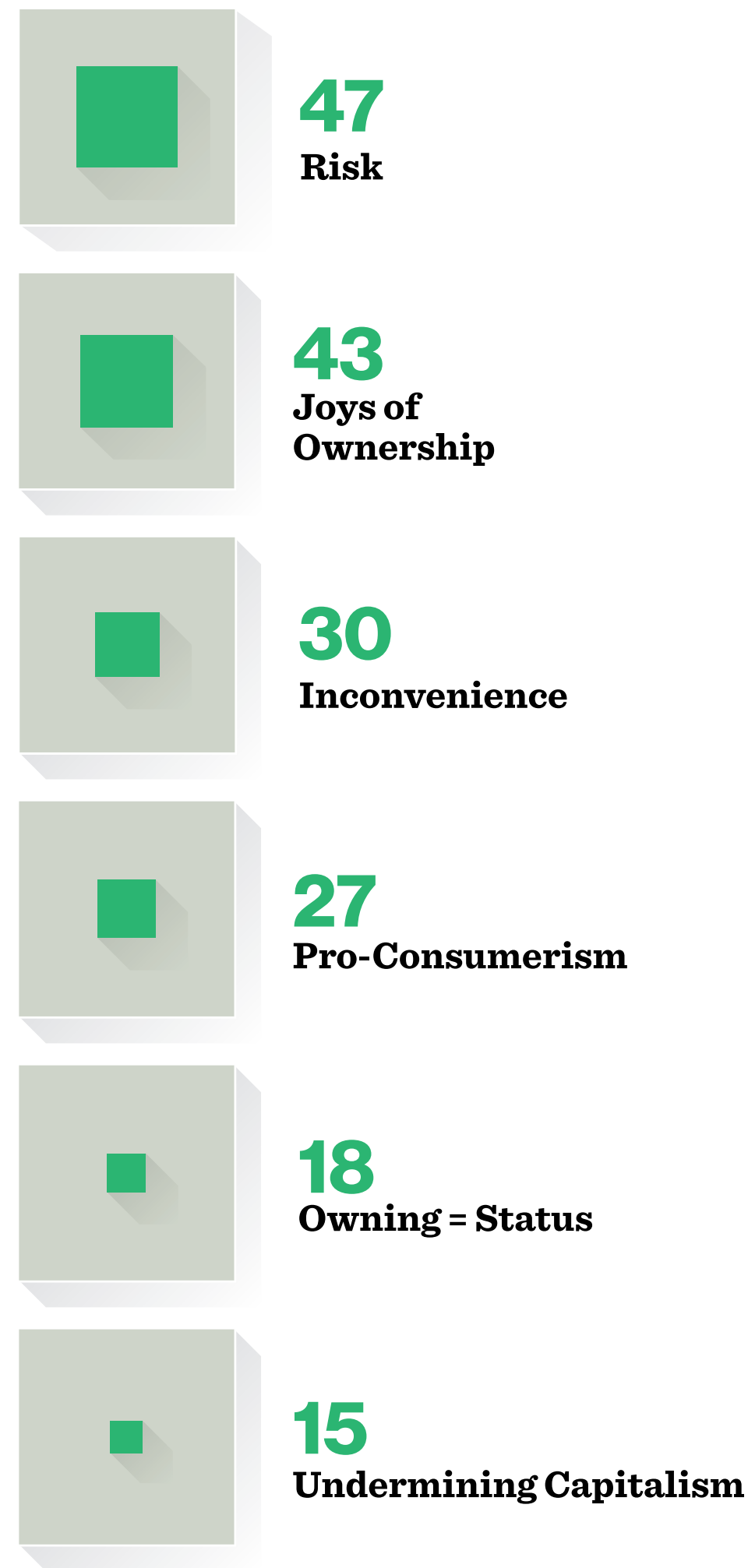
While many Americans acknowledge that there are certain benefits to sharing, many also agreed with statements about the benefits of owning. This suggests a bit of a tug-of-war within individuals when it comes to deciding whether to share or not to engage in sharing activities.

As with motives in favor of sharing, our factor analysis identified six barriers to sharing. As it turns out, there is no consensus (50%+) as to why not to share. The largest agreement involves fear of risks associated with sharing such as worn-out or poorly maintained products, privacy and identity-theft concerns, and worries about personal safety when leasing to or from others, and so on. Another major barrier is that Americans enjoy ownership – the emotional well-being it produces, the ability to customize owned products, the liberation of owning, the responsibility it promotes, and so on.

Beyond this, there is splintered agreement about various disadvantages of sharing ranging from 30% down to 15% strong agreement. These include the potential for inconvenience, a sentiment of pro-consumerism involving the fun of shopping for things as well as its importance to a healthy economy, the belief that owning conveys status and power, and finally (among only a small contingent) the belief that sharing undermines free-market capitalism.

This suggests that brands considering sharing options need to be prepared for push back – though, depending on the product and the user base, barriers will vary substantially.

% Top 3 Box Sharing Barriers



SEVEN

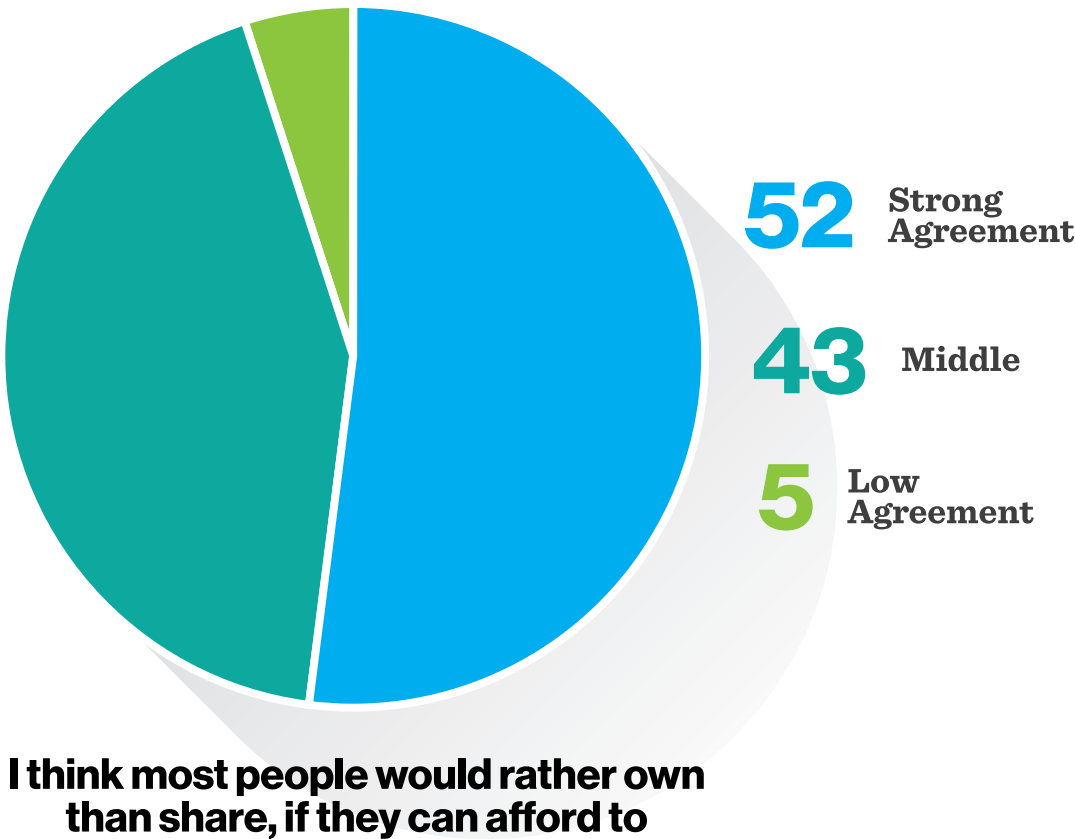
The value placed on ownership should not be underestimated.

Despite the long history of sharing in the United States, there is also a long history of private property and a cultural affinity for ownership.

For most Americans, owning a home and a car and advancing the next generation higher up the economic ladder are still the defining characteristics of the American dream of success.

Ownership is appealing for a variety of reasons but can be categorized into five primary constructs, each with significant levels of agreement. People like owning products because it allows customization, it has an emotional impact, it conveys responsibility, there is sense of permanence, and it can be more practical than other arrangements.

These levels of agreement with the benefits of ownership raise an important point about the sharing economy, and its premise that a major shift is underway from ownership to access. What this data suggests is that in the United States, the shift will be more selective. Access probably works well for sharing products such as movies or ride sharing, where the concept of access through rental has been well established for some time. Where it may have more difficulty gaining broad traction is with products where ownership and its benefits are very entrenched and valued, often for non-rational reasons. In a country like the United States, anything that begins to call into question the benefits of ownership or pushes too hard toward the collective will likely face an uphill battle.

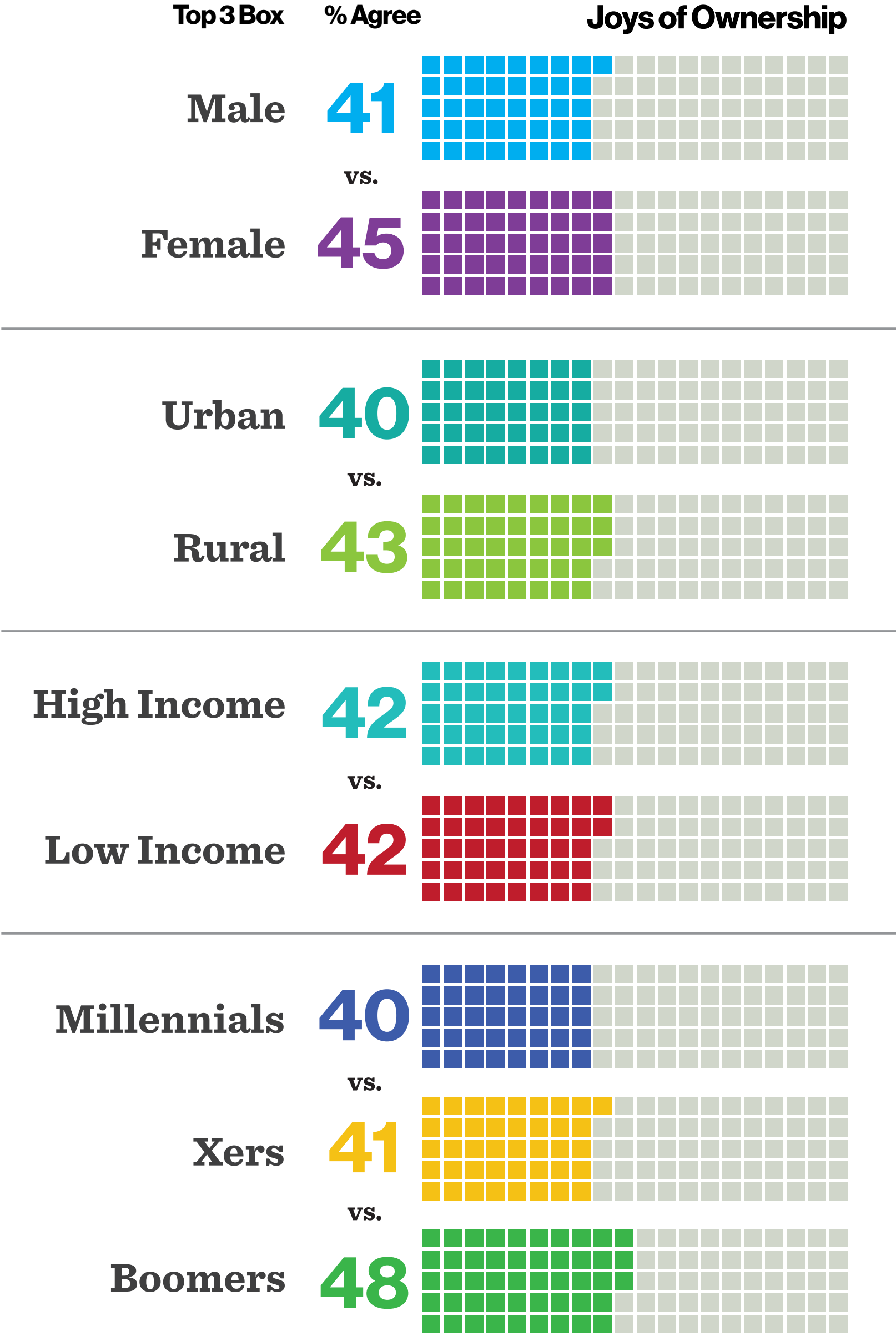


Construct	%Top 3 Box	Attribute
Customization	49	One of the nice things about owning something rather than renting, leasing or sharing it, is that you can customize it just the way you want it to be.
Customization	45	When you own something, it's liberating. You can do whatever you want with it - you don't have to follow rules and timelines.
Customization	41	One of the nice things about owning something rather than renting, leasing or sharing it, is that you can customize to be a true reflection of who you are.
Emotional Attachment	46	When you own something, you tend to develop a greater emotional attachment to it - it takes on more meaning than something you share or lease.
Emotional Attachment	42	There's something about the notion of owning things rather than renting or borrowing them that is appealing. It's yours and no one else's.
Responsibility	44	Ownership encourages people to be more responsible with their possessions and to maintain and improve them.
Permanence	36	Owning things rather than sharing or leasing them gives me a sense of permanence and security.
Practicality	32	In general, it makes more economic sense to own most things - the cost over the years is substantially less than if you kept leasing or renting it.

Demographically, there are almost no differences when it comes to affinity for ownership.

When it comes to how strongly they agree with the items relating to Joys of Ownership, on average, we found virtually no differences based on gender, income and urbanicity. Even generational status reveals little to no difference on how ownership is perceived. While Baby Boomers are slightly more enthusiastic about ownership, Millennials, for example, are no different than Gen Xers.

Another way to examine affinity for ownership is to look beyond the United States at other countries. Nielsen’s study of sharing across 60 countries first called our attention to the lagging nature of sharing in the United States. When we examined their by-country scores on willingness to share in the context of where each country is located, and on the basis of each country’s score on the annual Index of Economic Freedom, we found a bit of a pattern. High likelihood of sharing is somewhat associated with lower scores on the Index and vice versa. At the same time, countries in Asia and the Middle East/Africa are generally more likely to share than are European nations. Least likely are North America and Oceania. This suggests that both economic and cultural dynamics have an impact on sharing. Countries that are communist, formerly communist or socialist, and particularly if that is coupled with Eastern cultural traditions, are somewhat more likely to share. The reverse is true for more capitalist and Western-based cultures.



EIGHT Barriers to sharing frequently outweigh motives.

More often than not, Americans agree more strongly with motives to not share than they do with motives to share. For example, the fear of risk associated with sharing far outweighs the connection and collaborative benefit of sharing. In addition the joys of ownership also far exceed the idea of saving and making money – also helping to explain Americans’ substantial credit card debt.

Americans also view the convenience and practicality of sharing a little lower than its inconvenience. And they give a small edge to owning as the conveyor of status, as opposed to minimal possessions conveying it.

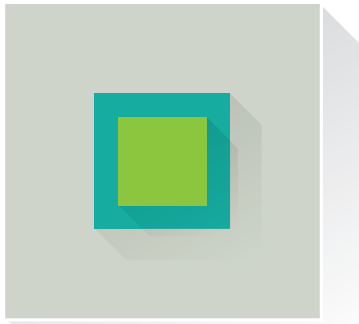
By contrast, people are coming around to the fact that owning less can lead to a more virtuous lifestyle as opposed to the rampant consumerism prior to the recession – something that we also found to be a “silver lining” in the BrandShelterSM series of studies we conducted during the recession. The strongest draw for the sharing economy, however, is people’s belief that the collective good and the environmental sustainability fostered by sharing goods and services exceeds any fears they have that it will somehow undermine free-market capitalism.

This suggests that goods and services in product categories where an appeal to the collective good, the virtue of less, or environmental sustainability can be reasonably made will face lower hurdles to adaption. By contrast, certain products and services in categories where any type of risk from sharing is present, where there is a history of the value of ownership, or where renting or leasing poses real inconvenience will face a much more uphill battle in terms of launching sharing alternatives. Brands would be wise to measure the degree of these motives and barriers to sharing in their product category in order to gauge breadth of people and the potential for a slow or rapid adaption curve.

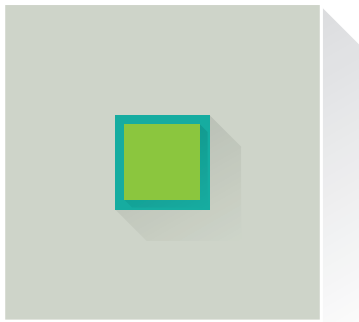
% Top 3 Box Sharing motive vs Not Sharing Motive



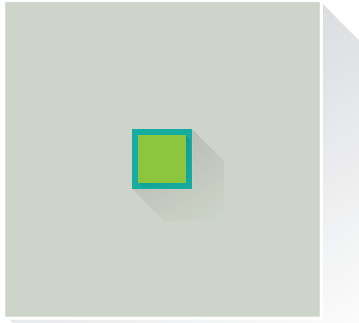
22 Connectivity, Collaboration and Belonging
vs.
47 Risk



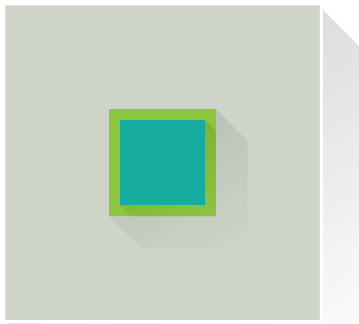
28 Saving and Making Money
vs.
43 Joys of Ownership



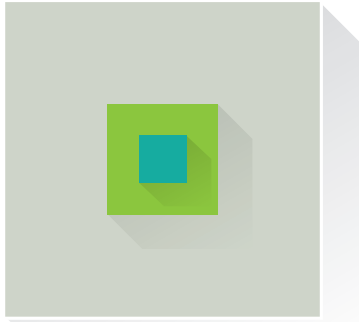
24 Convenience and Practcality
vs.
30 Inconvenience



15 Less = More Status
vs.
18 Owning = Status



34 Less is Virtuous
vs.
27 Pro-Consumerism



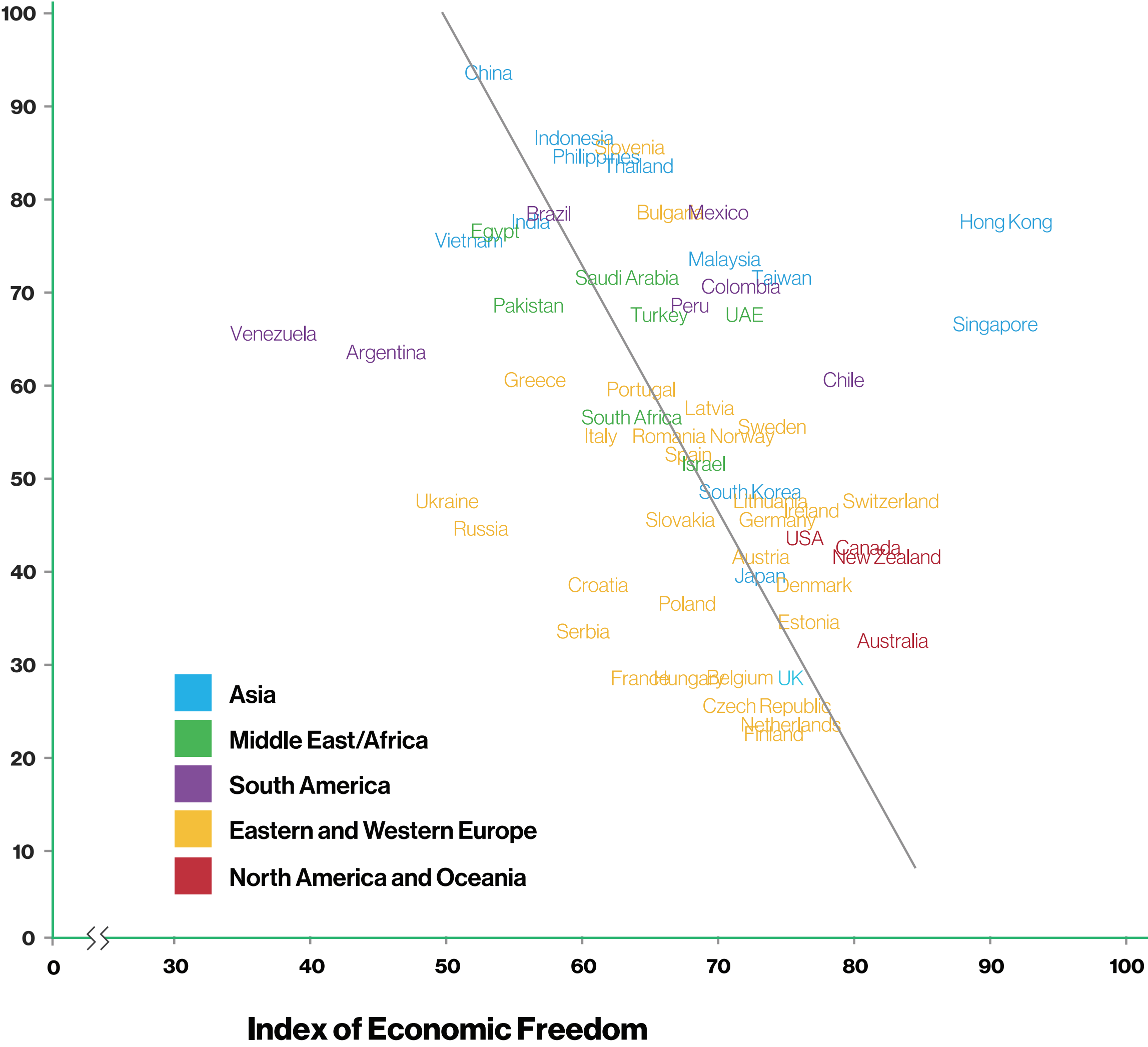
35 Sustainability and teh Collective Good
vs.
15 Undermining Free-Market Capitalism

The Index of Economic Freedom is calculated annually by the Heritage Foundation, based on ten quantitative and qualitative economic freedom indicators that fall into four broader categories:

- Rule of Law (property rights, freedom from corruption);
- Limited Government (fiscal freedom, government spending);
- Regulatory Efficiency (business freedom, labor freedom, monetary freedom); and
- Open Markets (trade freedom, investment freedom, financial freedom).

Each of the 10 economic freedoms within these categories is graded on a scale of 0 to 100. A country’s overall score is derived by averaging these 10 economic freedoms, with equal weight being given to each.

Nielsen %
Agreement
Score for
Willingness
to Share
with Others



NINE

There is no such thing as the sharing economy.

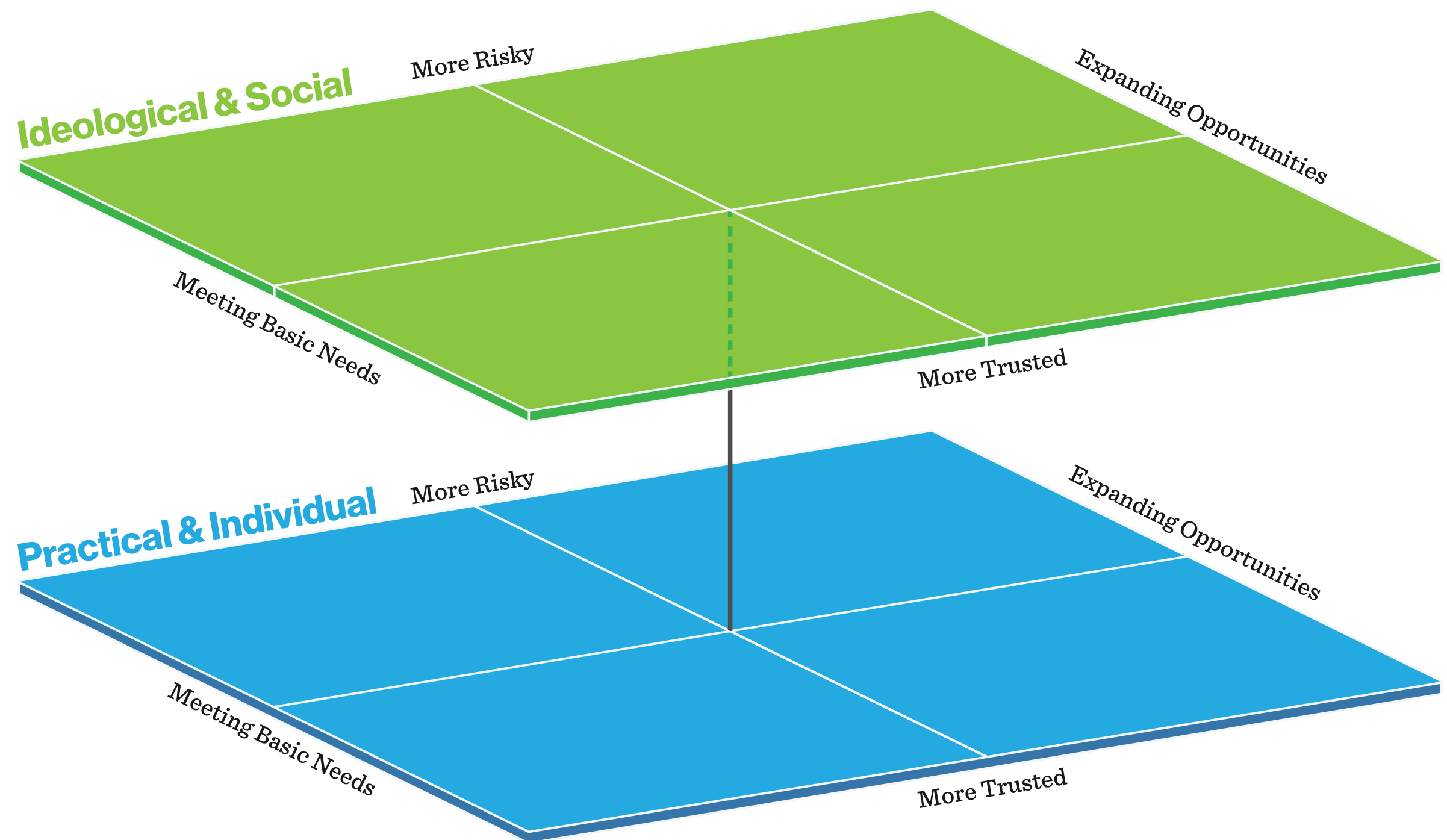
Rather, it is a collection of economies, which Americans organize differently than marketers.

Several paradigms have been developed in various studies in an attempt to organize the brands, products and activities in the sharing economy. But all of these have been based on external marketing constructs (digital vs. not, leased vs. bought/sold, transportation vs. entertainment, products and services vs. redistribution markets vs. collaborative lifestyles etc.), rather than on how people naturally organize the space. By contrast, our goal was to explore a human-centric organization.

To accomplish this, we asked Americans to rate 110 sharing brands, products and activities on a battery of 91 attributes, which cover a wide array of benefits that accrue to various types of sharing. From this we were able to determine how the sharing economy naturally organizes by the people who engage in it. This creates a distinctly different and more insightful organizational structure.

To uncover this structure, we first factor analyzed the 91 attributes, and then applied correspondence analysis to reveal how both the attributes as well as the brands and products map into space. These analyses reveal that Americans organize the sharing economy around three basic constructs:

- **Who benefits and how?** Does it primarily benefit people in need or under economic pressure who rely on sharing to meet basic needs, maintain their lives and get by, or does it primarily benefit people with at least some means or ambition to seek new and enriched experiences, grow their lives, and expand opportunities to achieve greater knowledge, power or success?
- **What is the nature of the connectivity?** Is it broad, more public/anonymous, or highly reliant on others, thus potentially more risky, or is it more selective, known, private, and thus more trusted?
- **What is the motivation?** Is it more ideological, social and even utopian in the sense of fostering social justice or human connectivity, or is it more practical, individual and self-focused?



The Eight Sharing Economies

Much of the writing and buzz about the sharing economy lumps all sharing activities together into one phenomenon.

We found that consumers don’t bundle all the diverse sharing activities under a single umbrella of sharing. They see vast differentiation among sharing brands and activities, and not just along the lines of what product category or industry they involve. Consumers separate sharing activities into eight distinct categories with different motivations. For instance, a brand like Rent the Runway is seen by consumers as a Poser Shortcut, while Neighborgoods is seen as part of an Old School Community. And there can be differentiation seen even within a certain industry like transportation: Uber is seen by consumers as a Radical Pioneer, while bike-sharing brands like Divvy in Chicago are seen as Dependable Dollar Stretchers.

For a brand to properly engage with sharing, it needs to understand how people see sharing in regards to its offering and what they hope to get from it.

Hope and a Handshake Economy

Activities that are intended to do good for others or be mutually beneficial, but have potential for negative consequences if one party cannot hold up its end of the bargain. Some examples include lending money to a family member or friend, and bartering services with another person.

Old School Community Economy

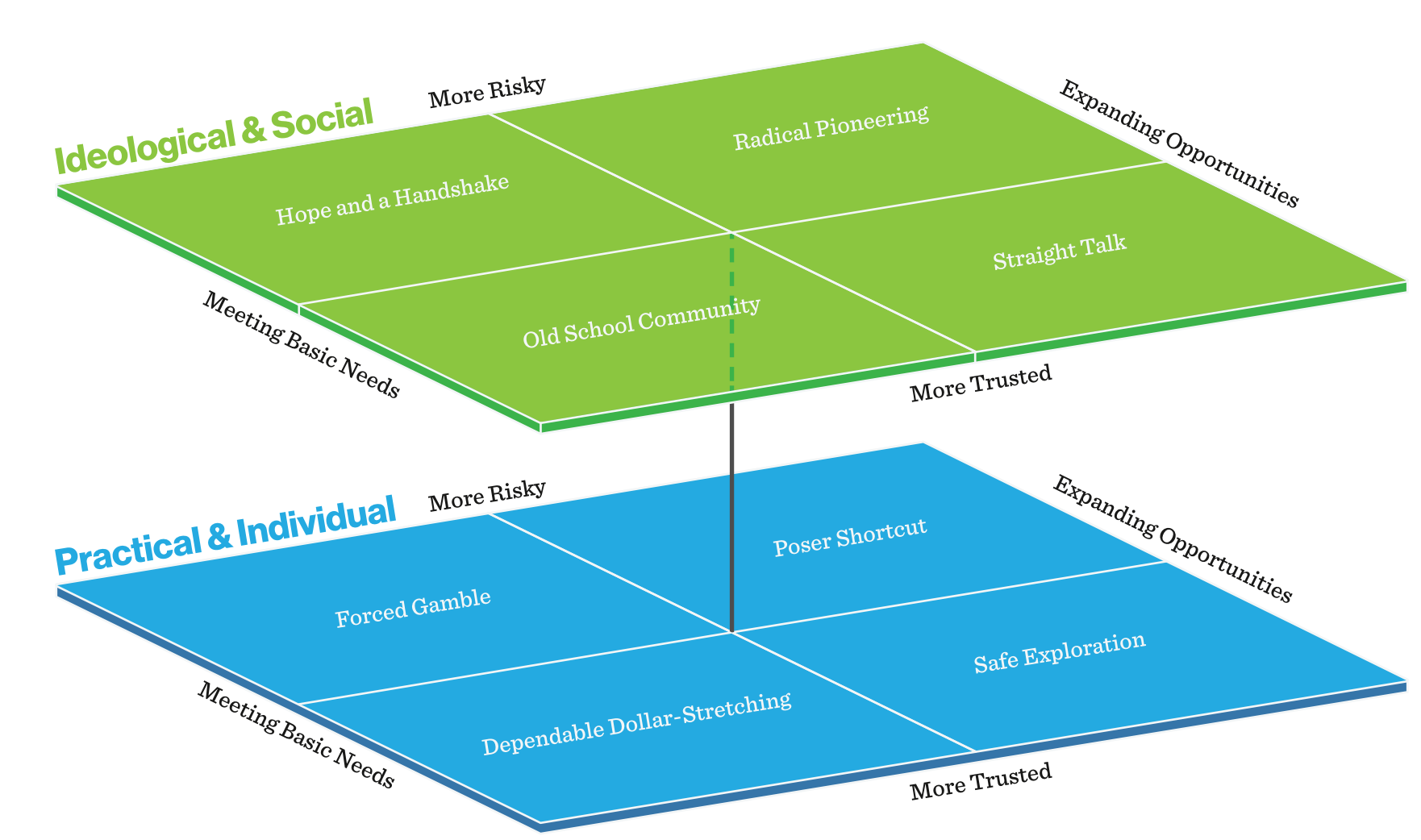
Activities or services that help people while also strengthening a community. Some examples include a public library, buying/selling clothing via a consignment shop, garage sales, community gardens, buying/selling used items, charitable donations, carpools, and Neighborgoods.

Radical Pioneering Economy

New ways of doing things – often using technology to connect people – that disrupt the status quo but also might come with some perceived risk. Some examples include crowdfunding, Zopa, TaskRabbit, Uber, Skillshare, Fon, and feedback on brands via social media.

Straight Talk Economy

User-generated content that is more authentic and transparent than what a brand or company could provide. Some examples include Wikipedia, TripAdvisor, Etsy, and online feedback on brands.



Forced Gamble Economy

Activities that may pose some risk or inconvenience, but are done more out of need. Some examples include renting out your home/apartment, renting furniture, RelayRides, renting a product you own to others, and a group purchase that everyone would share.

Dependable Dollar-Stretching Economy

Ways to earn money via selling unneeded assets or to save money by avoiding having to make a purchase. Some examples include renting or borrowing an infrequently used item rather than buying one, public bike rentals (such as Divvy in Chicago), selling items no longer needed, uSell, and thredUp.

Poser Shortcut Economy

Ways to get something you otherwise might not be able to have/own, sometimes via a channel that doesn’t seem likely to last long-term. Some examples include BagBorrowOrSteal, Rent the Runway, Pley, and timeshare properties.

Safe Exploration Economy

Brands/services that are seen as safe and reliable while providing convenient access to what you want or help you increase your efficiency. Some examples include Redbox, iTunes, Netflix, Pandora, tool/truck rental, and Zipcar.

TEN

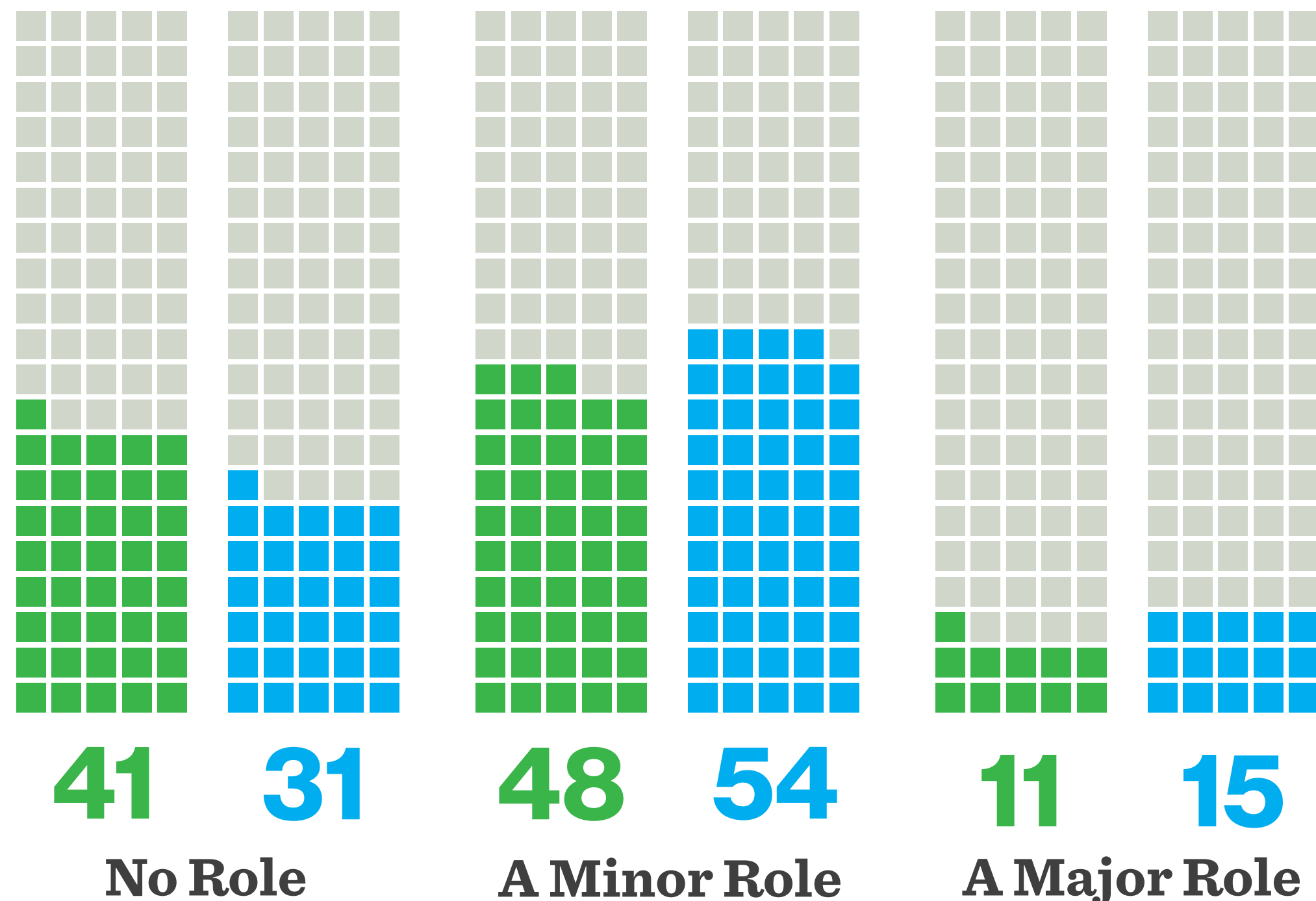
Despite the diversity of views, behaviors and motives, and despite a lot of low brand awareness, sharing is on the upswing in America.

By this time in 2015, another 10% of Americans who today say the sharing economy plays no role in their lives predict that it will play at least a minor one, and another 4% who claim it plays only a minor role predict it will play a major one.

So while the number for whom sharing is a non-starter will still be close to one-third of all American adults, there is definite projected movement toward greater engagement in the sharing economy. This is generally consistent with other analyses, which predict a large surge in sharing here. The key difference in our data is that it suggests the surge will still be gradual, and that for most Americans, the sharing economy will still be relegated to a minor role in their lives, rather than a major one.

This suggests that brands considering engagement in the sharing market should temper rapid growth expectations and instead treat the move to sharing as a more gradual evolution. It also suggests that the surge is more likely to occur within certain of the eight sharing economies that have garnered greater historic participation.

Role of sharing economy in your life in the
past 12 months & next 12 months



ELEVEN

In some quarters, however, sharing skeptics abound.

About 15% of American adults believe that sharing is really a way to circumvent regulation, so as to make more money.

They applaud it as entrepreneurial, unfettered capitalism, yet suspect that regulatory “solutions” will ultimately be imposed by local, state or federal government. A similar-sized group have a slightly different view, pushing back against sharing because they believe it is anti-capitalist, driving our economy backward.

Either way, these views are starting to ring true, with burgeoning regulatory discussions now unfolding at various levels of government. As brands consider sharing as a business model, they should be prepared for at least growing skepticism on the part of their potential consumers – people questioning whether the product or service (or its attractive price) will withstand regulatory reform.

NATIONAL REVIEW ONLINE

November 3, 2014

A Big Conservative City is About to Strangle Its Sharing Economy



November 3, 2014

Disrupting Regulation: Uber, Airbnb, and Tesla Challenge the Status Quo

COMPUTERWORLD

November 5, 2014

Airbnb, Uber and problems with the digital-sharing economy

TECH CITY NEWS

October 16, 2014

Guy Levin says we need a zero-based regulation approach to the sharing economy review

CITY A.M.

November 12, 2014

Uber taxi app wins the hearts of US Congress members in 2014 midterm elections

The New York Times

November 4, 2014

Airbnb Listings Mostly Illegal, New York State Contends



November 5, 2014

Sharing Economy 2.0: Can Innovation and Regulation Work Together?

WIRED

November 11, 2014

Airbnb and Hotels: What to Do About the Sharing Economy?



October 13, 2014

How Uber and the Sharing Economy Can Win Over Regulators

Alaska Dispatch News

October 19, 2014

As Uber and its ilk expand, cities like Anchorage struggle to regulate the 'sharing economy'

THE NATIONAL LAW REVIEW

October 17, 2014

What Needs To Be Shared About the "Sharing Economy"

Forbes

June 23, 2014

Is The Sharing Economy Just A Scam To Dodge Good Regulations?

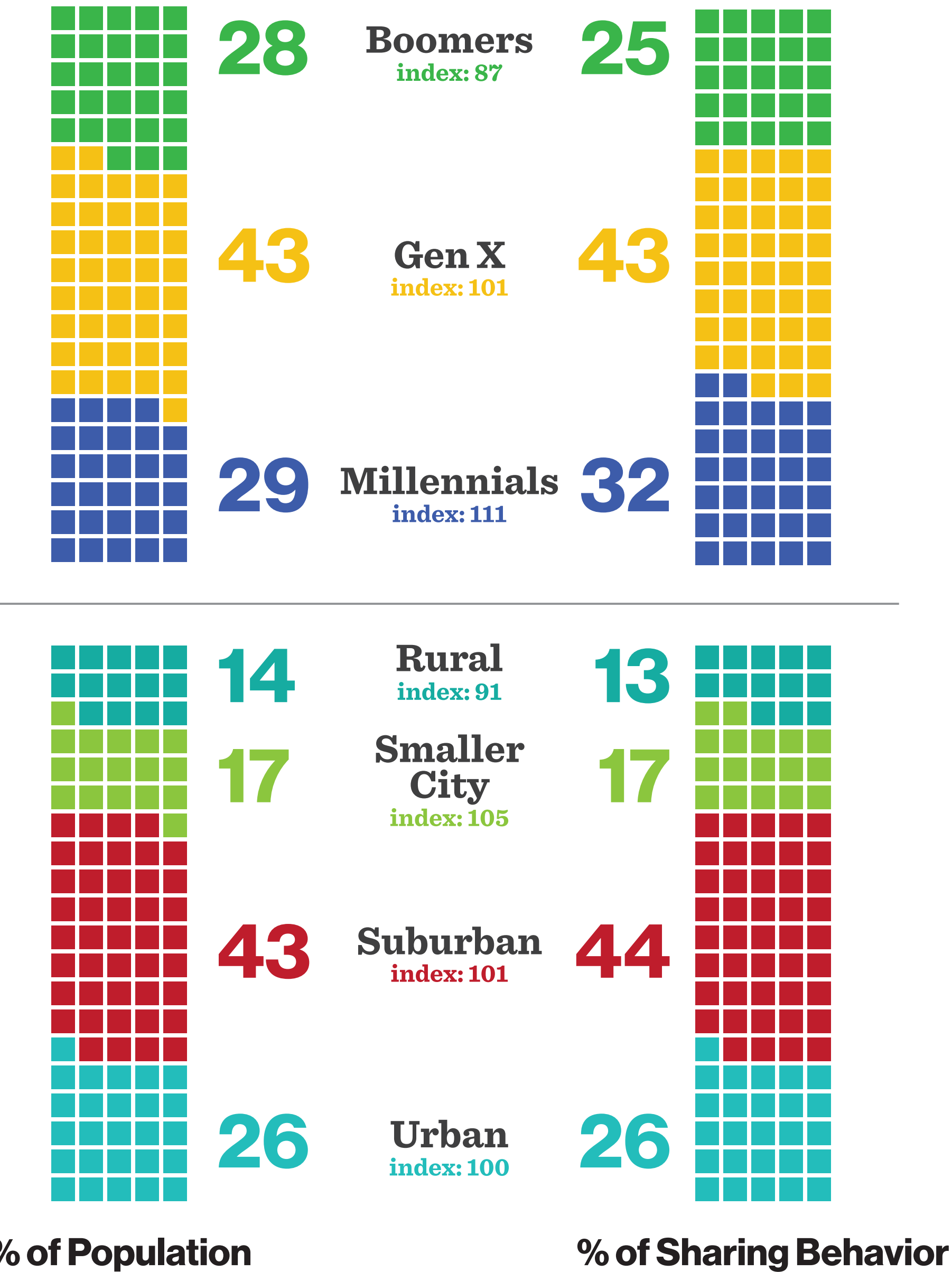
TWELVE

Sharing in America already extends beyond the young, urban stereotype.

While certain types of sharing are more concentrated in certain demographic groups than others, overall sharing levels are not well predicted by demography.

While our data shows that Urban Millennials lead the way when it comes to myriad cutting-edge sharing brands like Zipcar, bike sharing, Uber, Lyft and TaskRabbit, and so on, older and less urban Americans share just as heavily – albeit through more established channels such as the library, eBay, Craigslist, tool and equipment rentals, and all sorts of digital communication and entertainment. Thus when sharing is examined in total, demographic skews are remarkably flat.

This suggests that brands considering engagement in the sharing market should avoid falling prey to the myth that sharing is only for the young and urban. Depending upon the type of product, there are marketing opportunities among the young and the old, among the urban and the suburban, small city and rural. It all depends upon the nature of the product or service itself.



THIRTEEN

When it comes to sharing, what a person says versus what they do are two different things.

A desire to share sometimes fails to translate into actual sharing behavior. Conversely, the action of sharing is frequently sometimes unsupported by desire.

We found some adults with extremely positive attitudes toward the sharing economy rarely engage in sharing activities. While agreeing that sharing drives a more sustainable future or represents an altruistic way to live, their own personal sharing consists primarily of using Wikipedia, creating or consuming digital content, or accessing entertainment like Netflix. Conversely, some very heavy sharers actually oppose the notion of a sharing economy. Often driven by need, not ideology, they frequented garage sales, used libraries, lent and borrowed among friends, and sold used items on eBay or Craigslist, but ultimately would rather have been owners or first-time users.

As a result, the overall correlation we found between sharing attitudes and sharing behaviors was modest – at .37 – meaning that less than 15% of the variation between attitudes and behavior is related. This suggests that marketers considering sharing options should be cautious about assuming that attitudes and interests will actually materialize into business, or that existing behaviors can be amped up by appealing to the benefits of sharing. Both behaviors and attitudes need to be taken into consideration.

0.37

Correlation between attitude and behavior

FOURTEEN

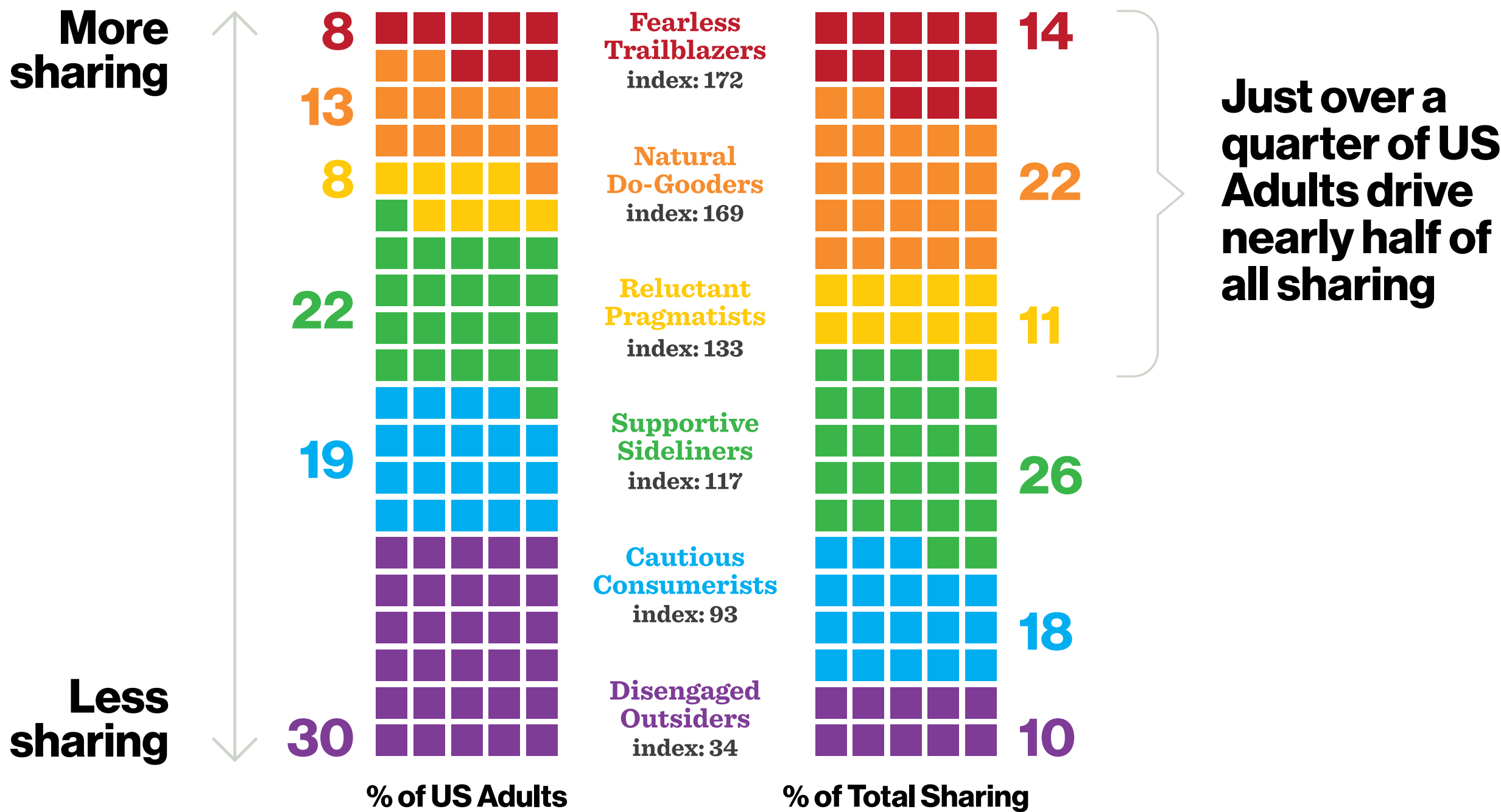
Given the diversity of views and behaviors, sharing in the United States can only be understood and acted upon through the lens of segmentation.

The fact that US sharing opinions, motives, behaviors and demography are so diverse can only mean one thing: There are clear-cut segments of Americans who approach and engage in the sharing economy very differently.

To best sort out these dynamics and create a clear overview of various types of sharing opportunities today and in the future, we created a segmentation to explain how different people engage in the sharing economy and what benefits they derive from it.

Because we found that sharing attitudes and sharing behaviors were only modestly correlated, we created the segmentation based on both.

- We first set aside a large group of people who engaged minimally in the 110 sharing behaviors we measured. Not surprisingly these people also had very limited opinions and attitudes about the sharing economy.
- Among the remainder of the sample, we created two separate segmentations: one based upon sharing attitudes and another based upon sharing behaviors, specifically, the share of total sharing requirements to each of the sharing behaviors.
- When these two segmentations were cross-tabbed, five distinct clusters emerged within the cross-tab where certain sharing attitudes were linked with certain sharing behavior profiles. The smaller cells in the cross-tab that sat outside of these five larger groups were analyzed and added to the segment they most closely resembled. These, along with the set-aside group of minimally involved sharers, became the basis for a six-group segmentation.
- Because of the way the segmentation was constructed, the resulting segments have both rich attitudinal differences as well as starkly contrasting behavioral differences, thus revealing substantial marketing implications.

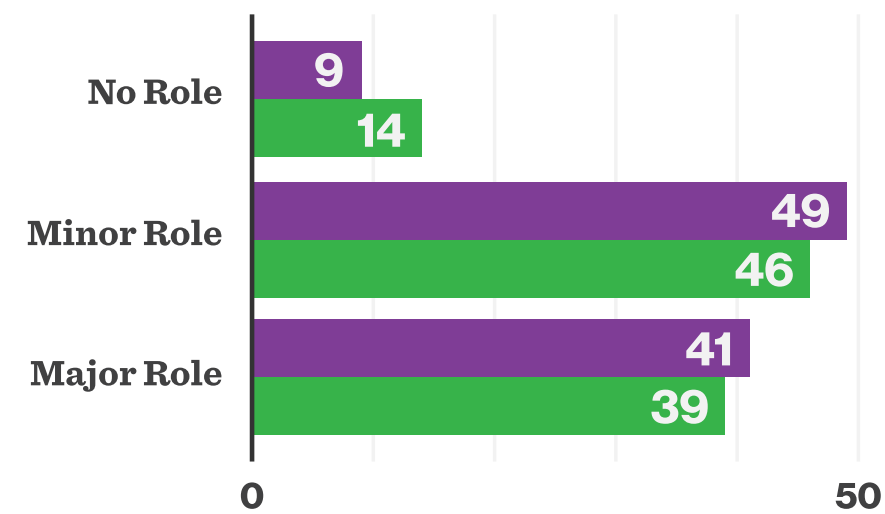


Fearless Trailblazers

8% of Households
14% (172) of Sharing Behavior

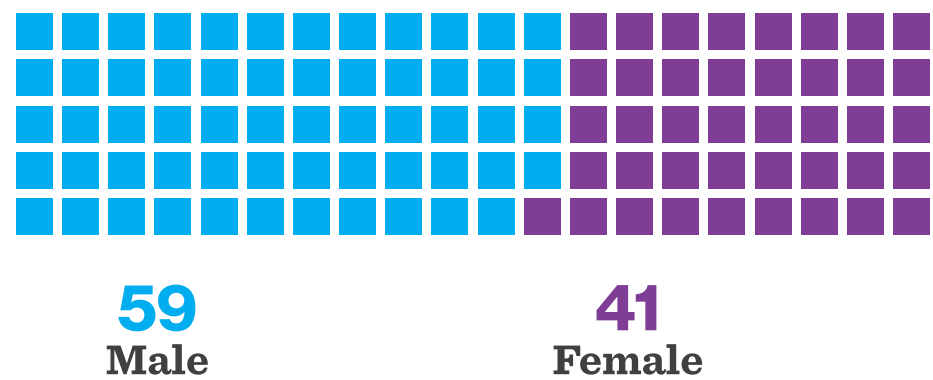
Digital Product	9	110
Physical Product	15	188
Offering for others	14	167
Sharing with others	44	544
Using Yourself	11	137
Borrowing	8	98
Posting Content	12	147
Purchasing	12	147
Reading Content	5	66
Renting	28	340
Selling	18	226
Facilitated	12	147
Non-Facilitated	14	167
New	13	159
Old	12	152

Role the sharing economy will play
in next 12 months & in the last 12 months

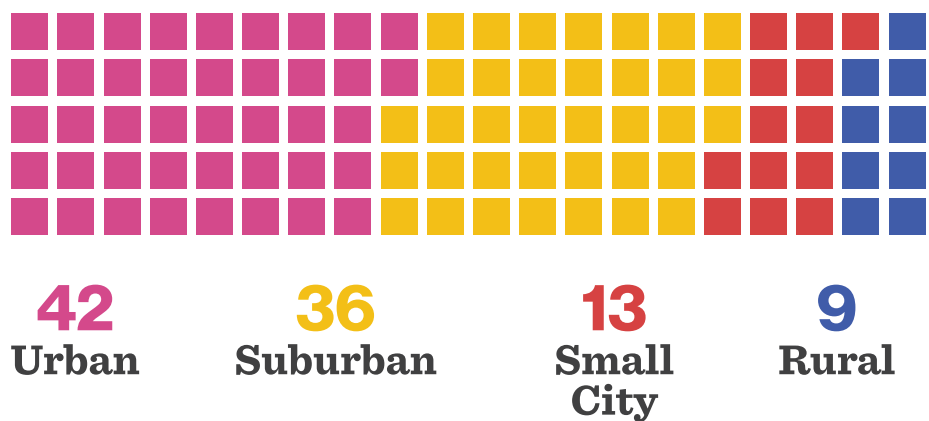


Fearless Trailblazers engage in the most sharing activities of any group, but it’s not due to strong ideological beliefs about the value of collective use. Rather, it is has more to do with the way they lead their lives, which is innovative, connected and digital. This makes them more likely to engage with sharing brands that many other Americans have never even heard of, and to agree more strongly than any other group that sharing will play a major role in their lives moving forward. As people who are heavily involved in renting rather than owning goods, they recognize that some aspects of the sharing economy are more about profit and convenience than community and recognize that skirting regulations often accompanies certain sharing activities. They also believe that some sharing activities that cross into grey legal zones may ultimately be outlawed. Regardless, they have adapted a highly engaged, “use it while you still can” approach toward the sharing economy, and are always the first to know about and adopt new sharing paradigms. Though a small segment of the population, they are younger, more urban and more ethnic than any other group.

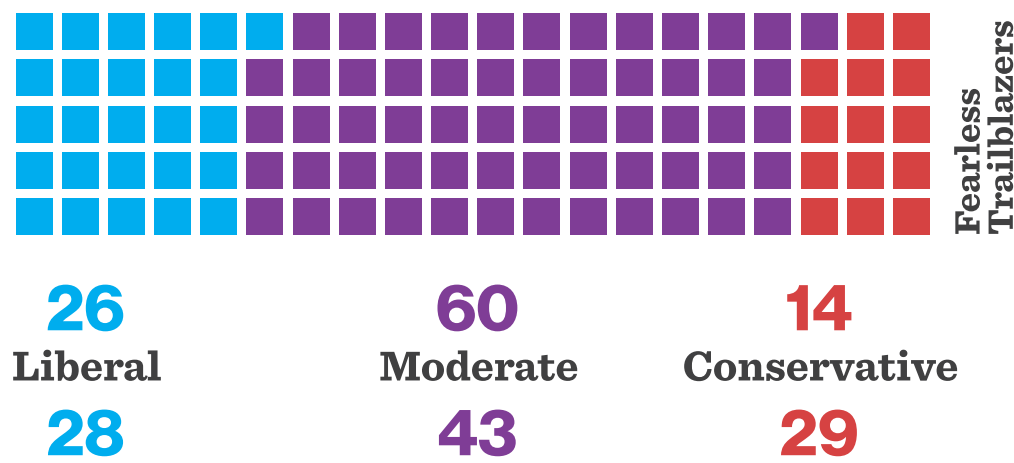
Gender



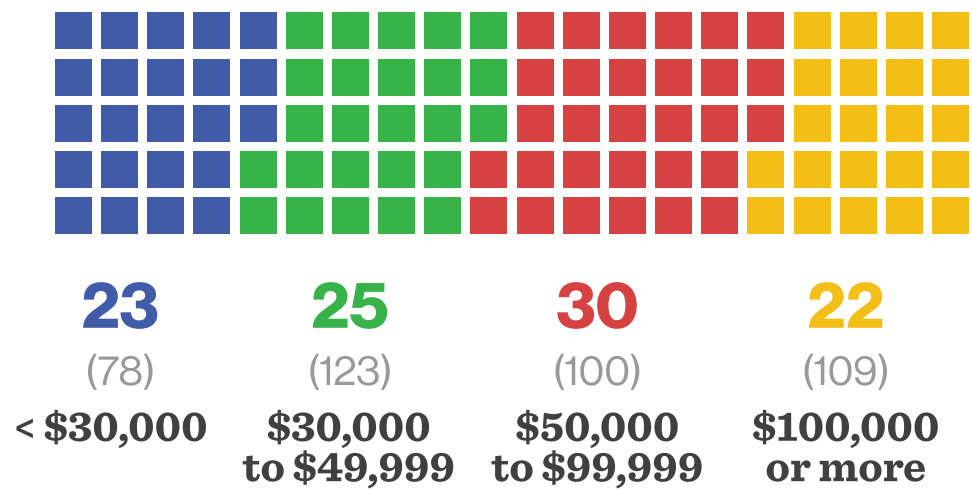
Urbanicity



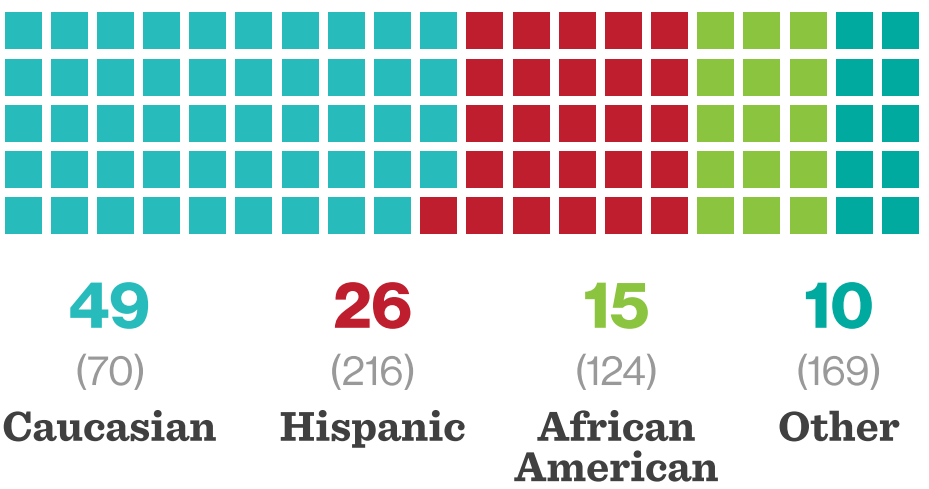
Ideological Orientation



Income



Ethnic



Average Age

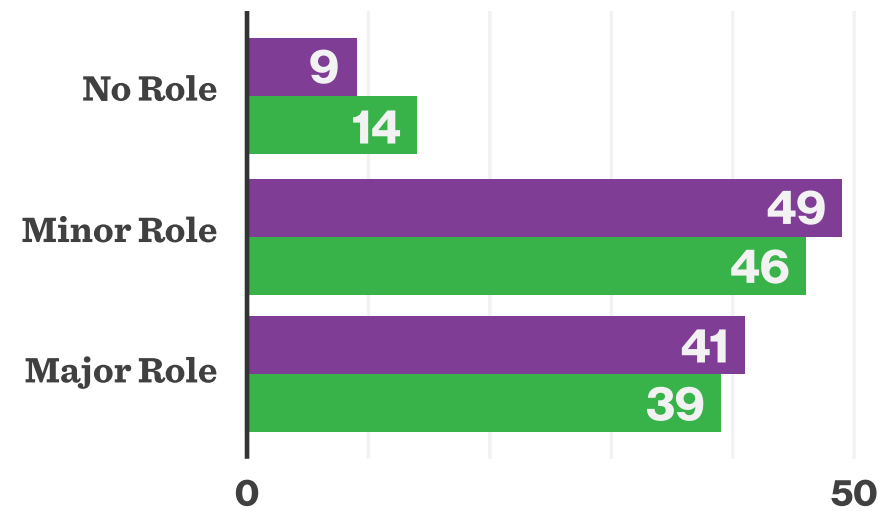


Natural Do-Gooders

8% of Households
14% (172) of Sharing Behavior

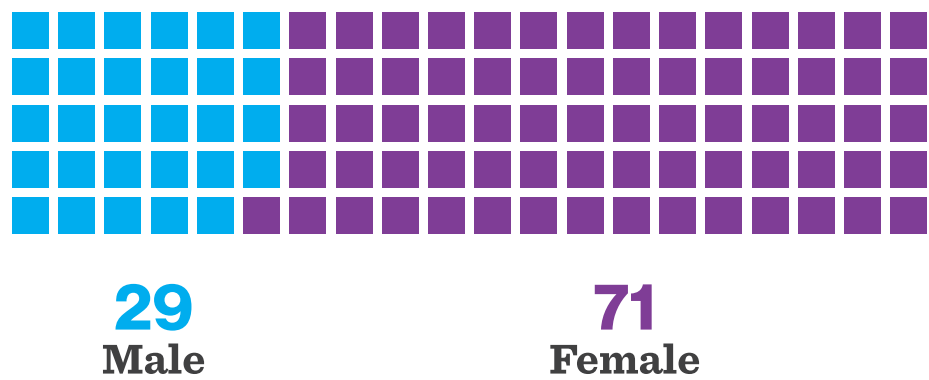
Digital Product	19	143
Physical Product	30	230
Offering for others	27	209
Sharing with others	30	233
Using Yourself	24	184
Borrowing	25	195
Posting Content	22	171
Purchasing	28	216
Reading Content	17	130
Renting	20	154
Selling	34	264
Facilitated	23	175
Non-Facilitated	28	213
New	20	155
Old	31	239

Role the sharing economy will play
in next 12 months & in the last 12 months

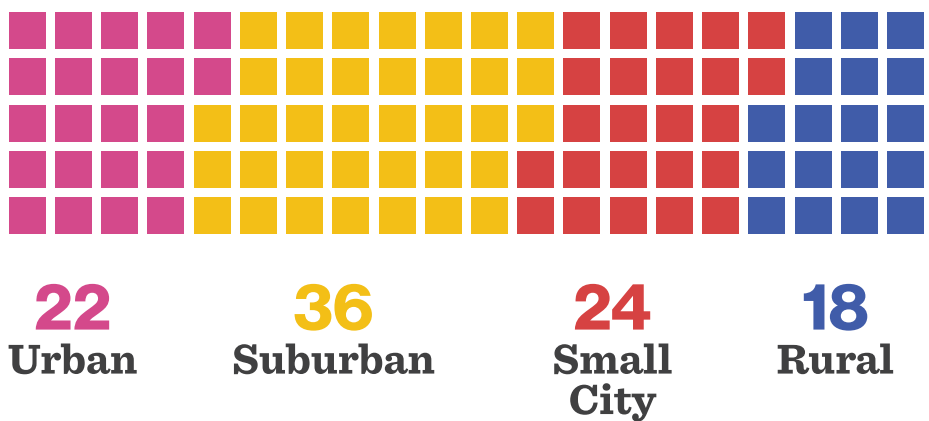


Natural Do-Gooders have bought into all aspects of the sharing economy, and make use of it more than most other Americans. Theirs is a heartfelt involvement: They see the sharing economy as a more idealistic and virtuous way to live. They believe it helps foster more human connectivity, advances environmental sustainability, and creates a platform for doing good for those in need. On a practical level, they also believe that certain aspects of sharing are more convenient than owning, or simply a good way to save money. But the hallmark of the group is their belief in sharing as a noble way to live. Whereas the Fearless Trailblazers segment was very cutting edge and technology-oriented in their sharing, Natural Do-Gooders lead the way in more traditional sharing: buying and selling gently used items or things they no longer need, lending and borrowing products with family, friends and neighbors, and donating to charitable organizations – anything that limits the amount of production of product and extends product life. While they mostly view sharing as playing a minor role in their lives, they have the highest sharing momentum of any group. A moderate-sized group, they skew female and suburban and are more politically liberal than any other segment.

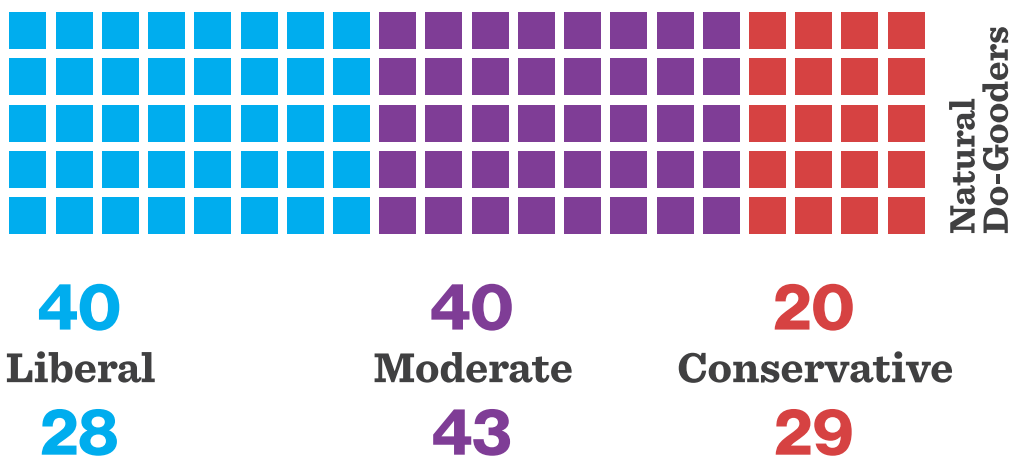
Gender



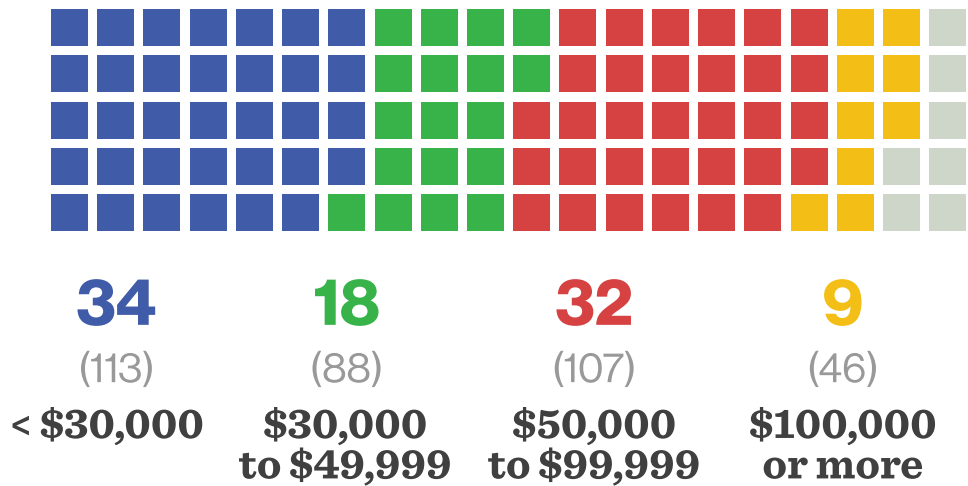
Urbanicity



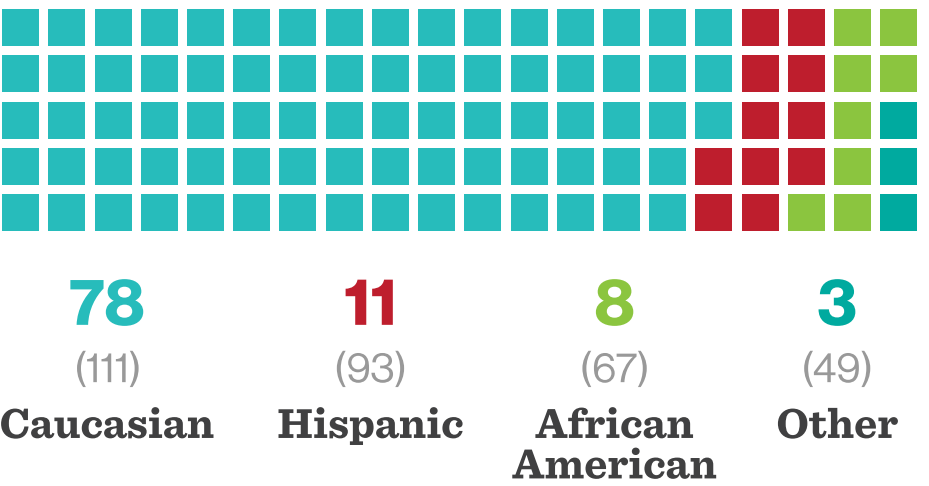
Ideological Orientation



Income



Ethnic



Average Age

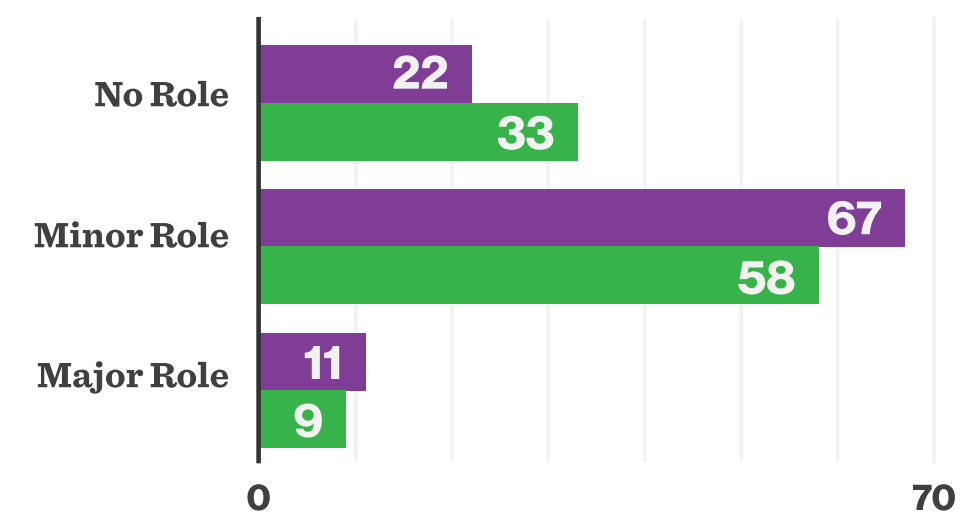


Reluctant Pragmatists

8% of Households
10% (133) of Sharing Behavior

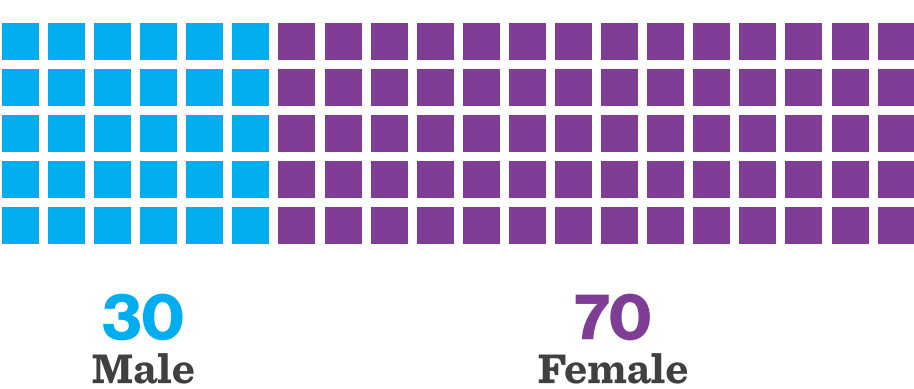
Digital Product	10	130
Physical Product	12	155
Offering for others	12	157
Sharing with others	4	50
Using Yourself	11	140
Borrowing	11	136
Posting Content	12	152
Purchasing	12	159
Reading Content	10	123
Renting	6	76
Selling	15	187
Facilitated	11	138
Non-Facilitated	12	148
New	10	126
Old	13	163

Role the sharing economy will play
in next 12 months & in the last 12 months

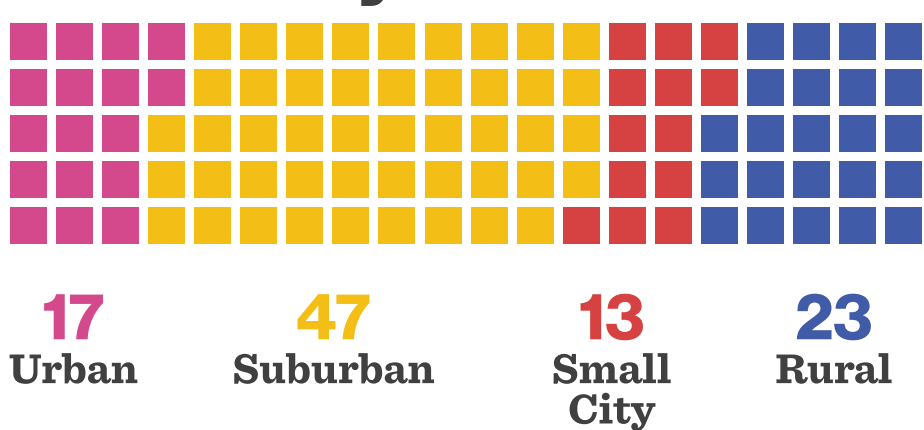


Reluctant Pragmatists have practical reasons for participating in the sharing economy. Hampered by the challenging economy, purchasing second-hand products and selling goods they no longer need are ways they feel they can make it through these tough economic times. Specifically, they buy and sell goods online, and purchase gently used items from resale shops, garage sales and consignment shops. Additionally, they share their experiences or seek input before acting -- both online and using social media. They are not, however, attitudinal or ideological proponents of sharing. They don't agree strongly with the collaborative, connective aspect of the sharing community, nor are they concerned with the environmental benefits of sharing. They don't share the view that it is a nobler way of life. Rather, sharing is a practical necessity. Worse, they find the sharing process inconvenient and fraught with substantial risks/dangers. Given the financial wherewithal, they would much rather own products, preferably purchased new. Unhappily, they acknowledge the sharing economy is likely to play a bigger role in their lives in the next 12 months. A small segment, they skew strongly to women who live below the median US household income.

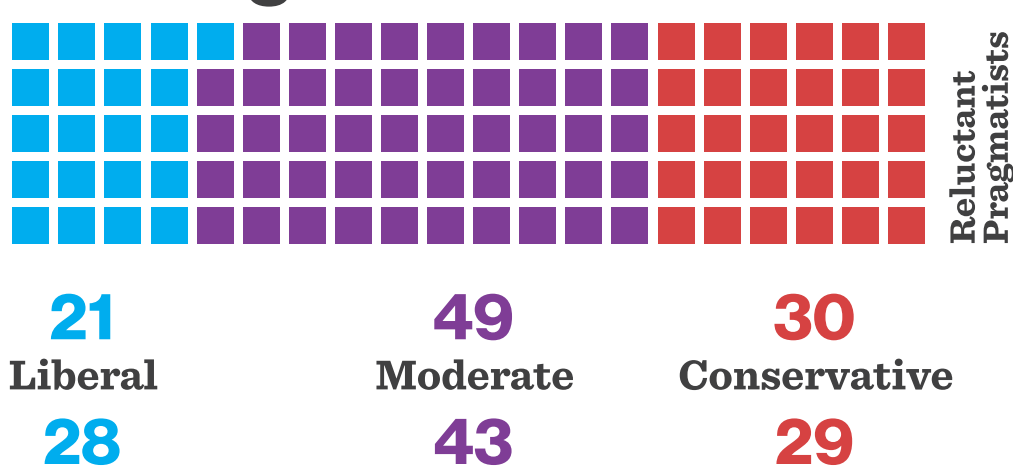
Gender



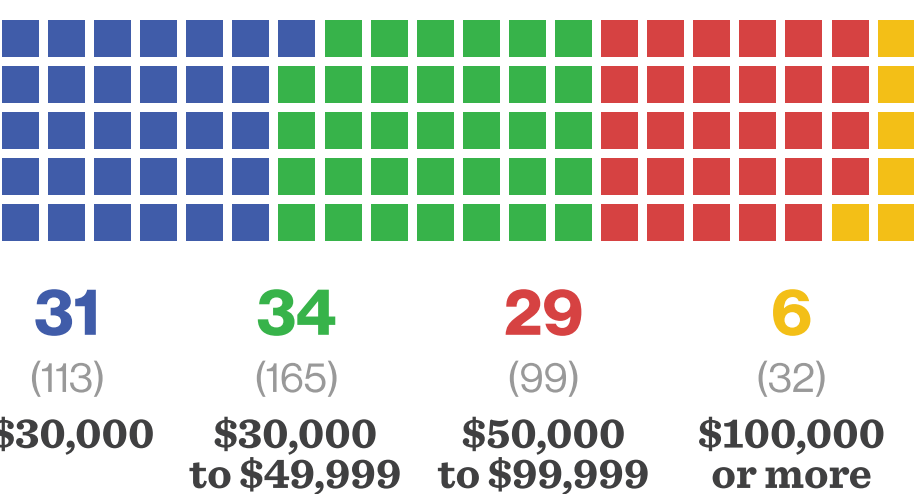
Urbanicity



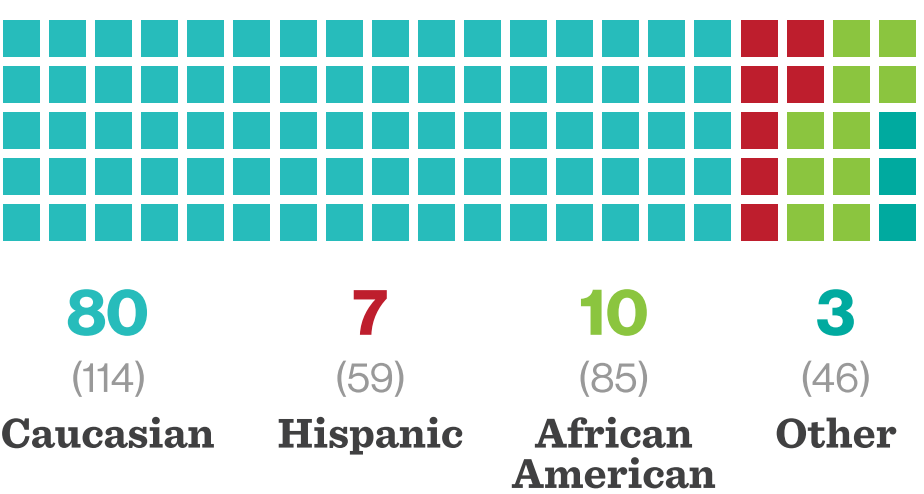
Ideological Orientation



Income



Ethnic



Average Age

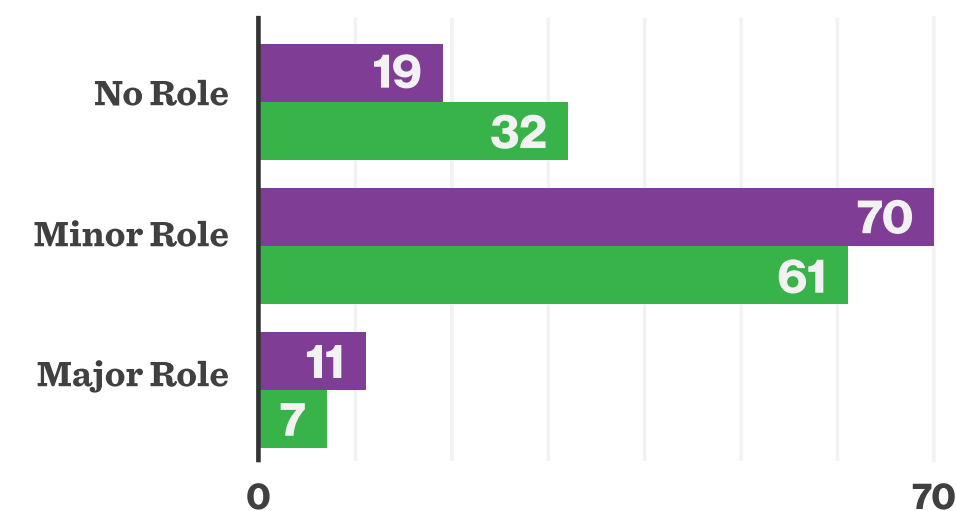


Supportive Sideliners

22% of Households
26% (117) of Sharing Behavior

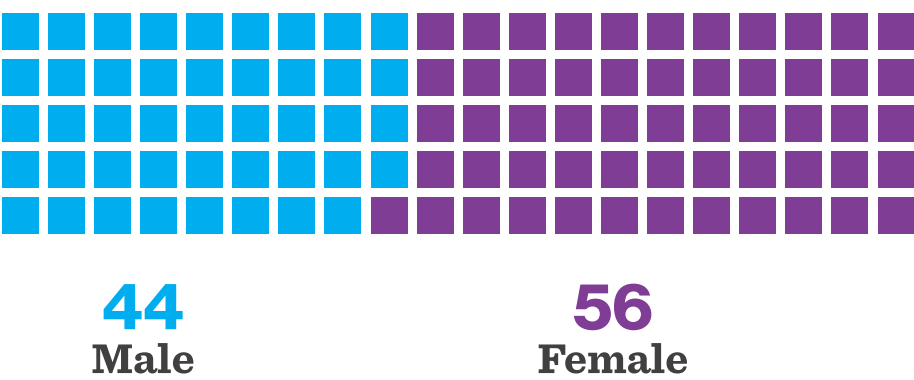
Digital Product	32	143
Physical Product	23	104
Offering for others	26	115
Sharing with others	14	61
Using Yourself	28	125
Borrowing	30	134
Posting Content	29	131
Purchasing	25	114
Reading Content	32	142
Renting	24	107
Selling	20	90
Facilitated	29	129
Non-Facilitated	25	110
New	29	131
Old	24	107

Role the sharing economy will play
in next 12 months & in the last 12 months

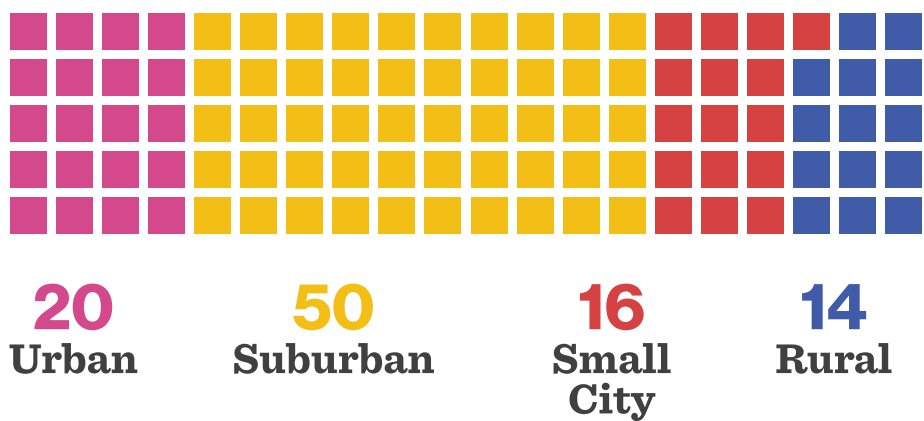


Supportive Sideliners represent a sizable portion of the population whose attitudes do not sync with their behavior. On the one hand, this segment believes that the sharing economy generally can benefit society in a number of ways – it’s more environmentally sustainable than the ownership economy, it fosters social connectivity, and it creates opportunities for altruism. They see how owning fewer things and reducing consumption could be beneficial for society, and how it particularly can help the needy. On the other hand, the group has failed to act personally on these views. One almost gets the sense of a “sharing for thee, but not for me” sentiment. As a result, their own forays into sharing have mostly been limited to digital media and online feedback plus borrowing items occasionally among family and friends. They don’t deal in used goods, or interact much with strangers. While they have strong sharing momentum, and few significant barriers to sharing more, most think the sharing economy will continue to just play a minor role in their lives. The group skews more to politically liberal women, is heavily suburban and more upscale than any segment.

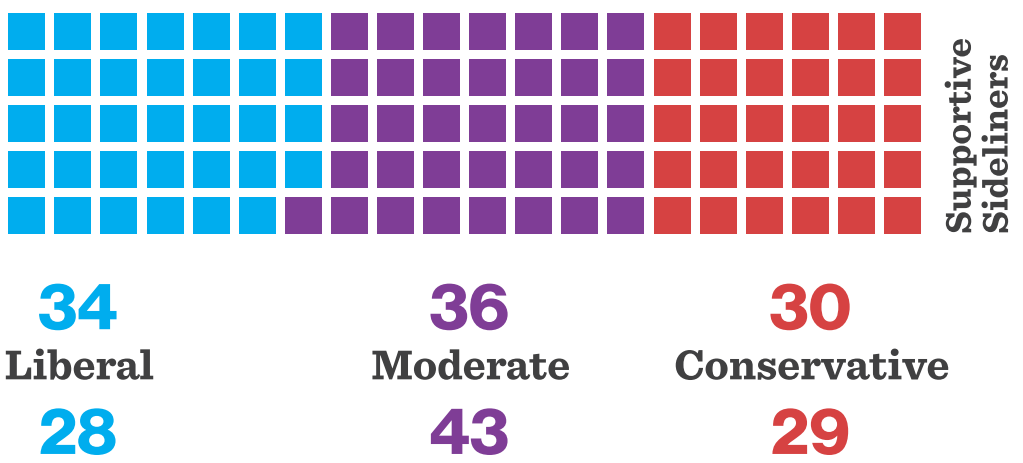
Gender



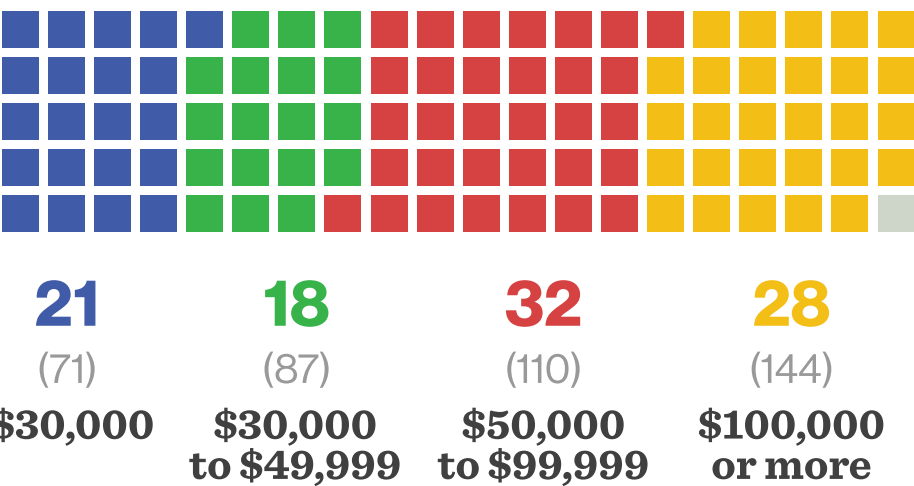
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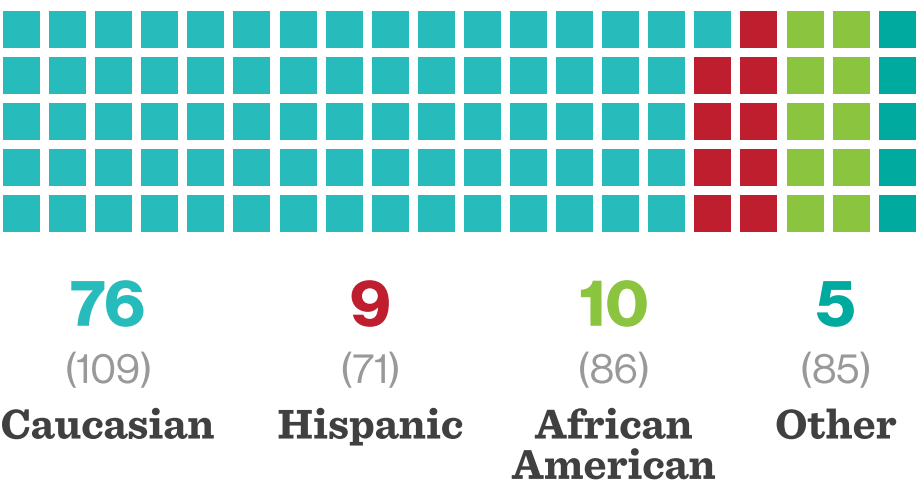
Ideological Orientation



Income



Ethnic



Average Age

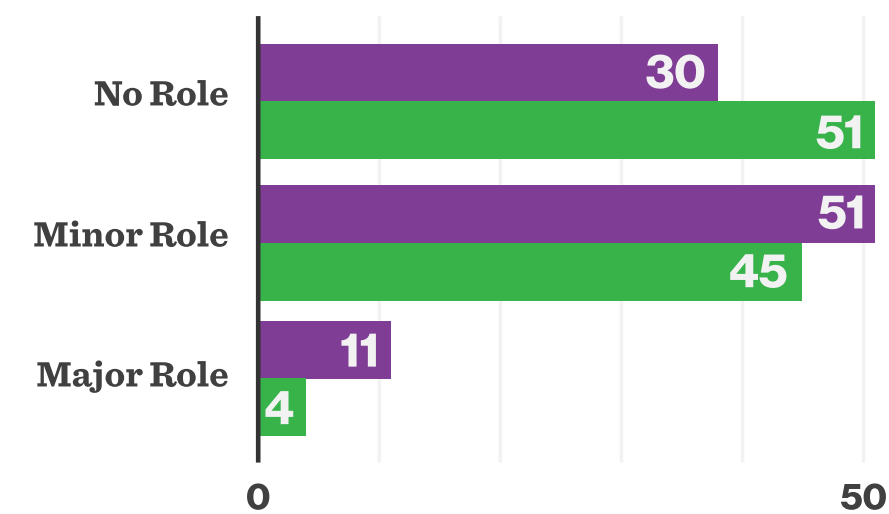


Cautious Consumerists

19% of Households
17% (93) of Sharing Behavior

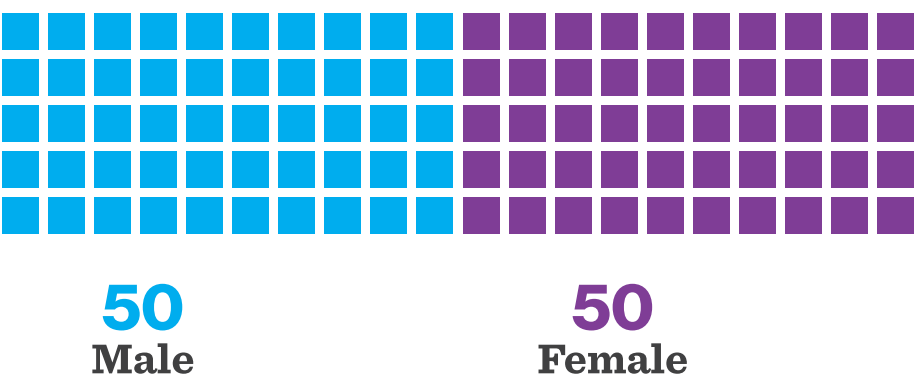
Digital Product	22	116
Physical Product	13	71
Offering for others	15	82
Sharing with others	6	30
Using Yourself	18	95
Borrowing	17	92
Posting Content	20	105
Purchasing	15	79
Reading Content	24	128
Renting	16	83
Selling	11	57
Facilitated	18	95
Non-Facilitated	15	82
New	19	104
Old	13	71

Role the sharing economy will play
in next 12 months & in the last 12 months

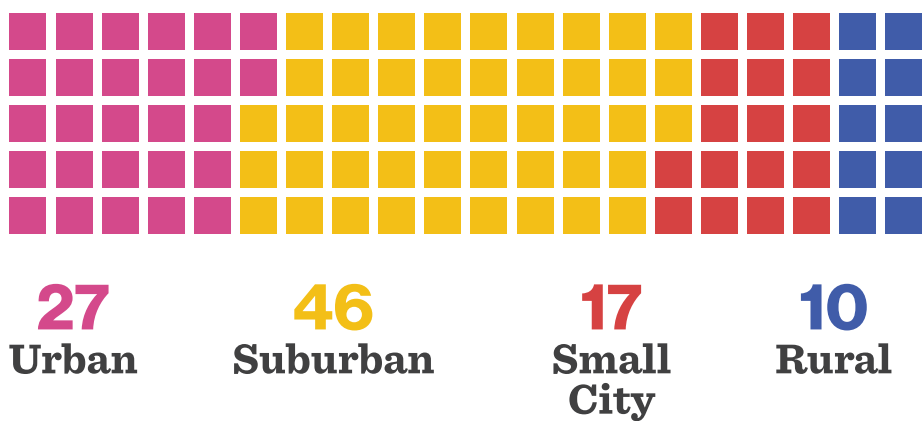


Cautious Consumerists are the least likely of all segments other than Disengaged Outsiders to participate in the sharing economy. While they over-index when it comes to participating in tried-and-true activities such as using the Internet to look up information, renting a car, renting videos via Netflix or downloading music, everything else falls at average to below-average levels. This likely comes from an attitudinal mindset that sees little value in the connectivity and community benefits of the sharing economy, the time or money saving associated with sharing, or the social good it can create. The Cautious Consumerists also have serious fears about privacy violations, identity compromises and just the general dangers of used goods. By contrast, they derive real joy from ownership, and harbor a pro-consumer mindset – they love to shop and engage with products, and they take real pride in ownership. These attitudes make it difficult for the Cautious Consumerists to embrace in many sharing activities, and they see the role of sharing in their lives growing but retaining a minor role at best in the future. They are more heavily suburban, upscale and the most politically conservative segment.

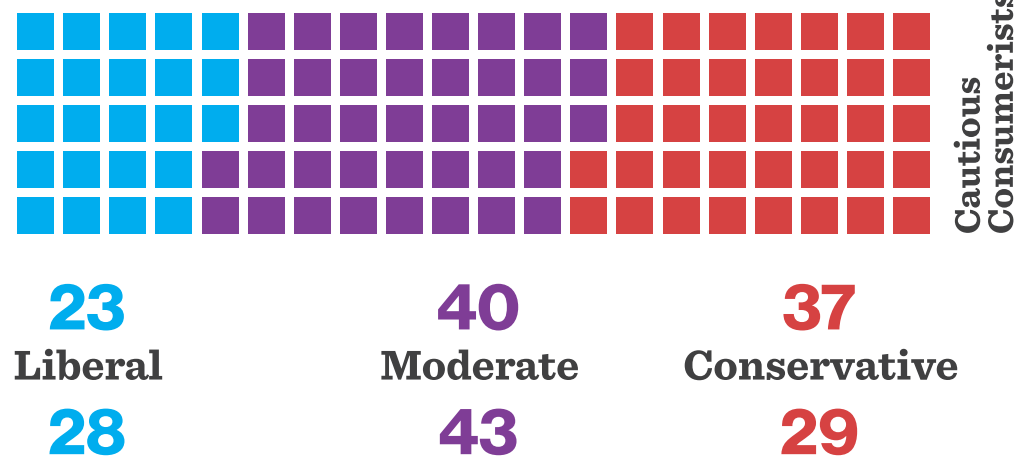
Gender



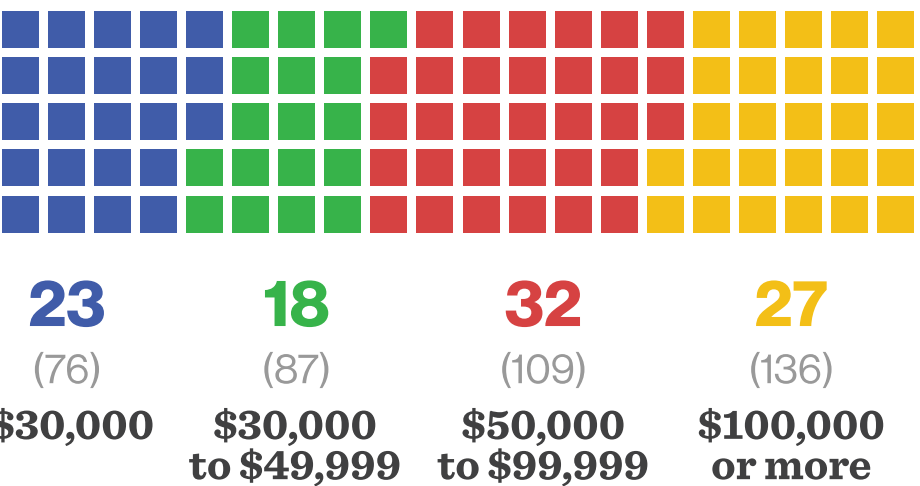
Urbanicity



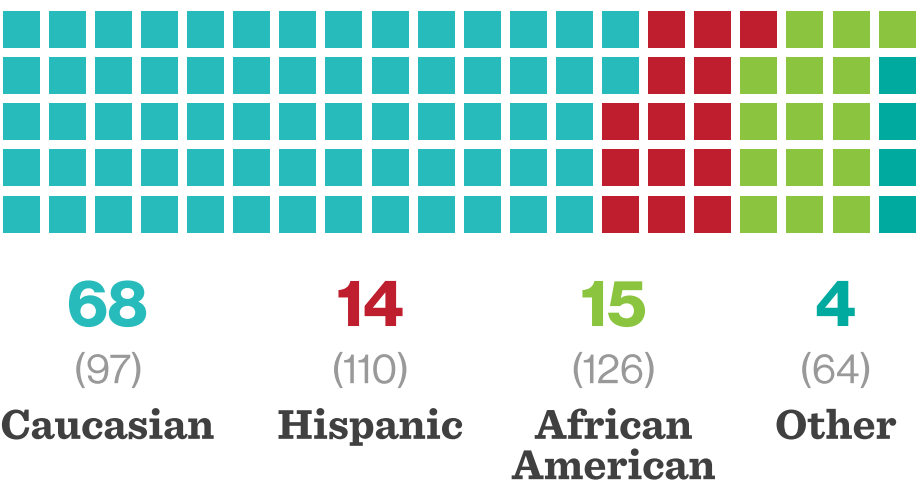
Ideological Orientation



Income



Ethnic



Average Age

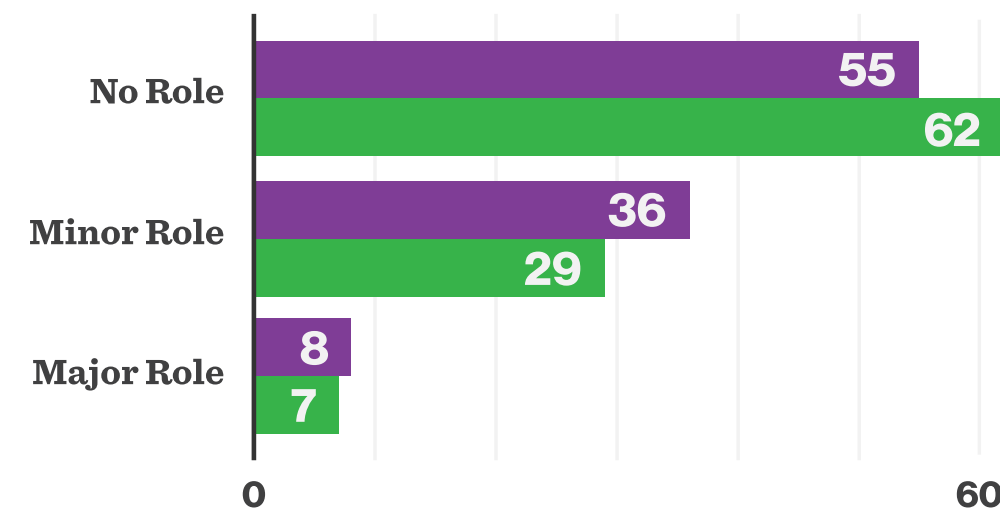


Disengaged Outsiders

30% of Households
10% (34) of Sharing Behavior

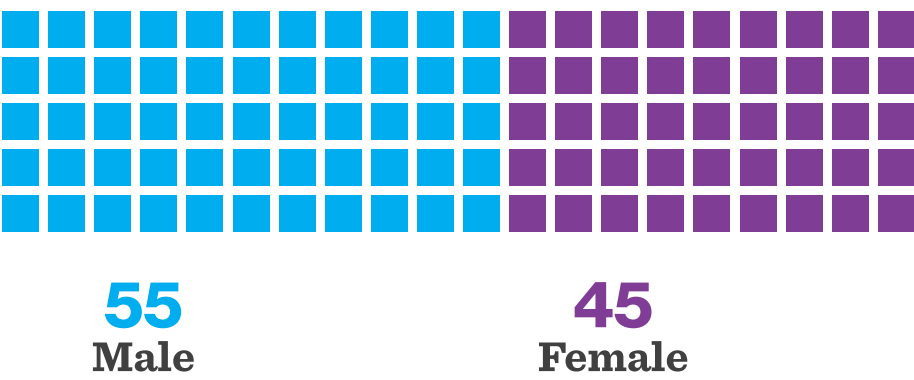
Digital Product	9	29
Physical Product	6	21
Offering for others	6	19
Sharing with others	2	8
Using Yourself	9	29
Borrowing	9	30
Posting Content	5	16
Purchasing	7	25
Reading Content	12	41
Renting	7	23
Selling	2	7
Facilitated	8	26
Non-Facilitated	7	24
New	8	28
Old	7	22

Role the sharing economy will play in next 12 months & in the last 12 months

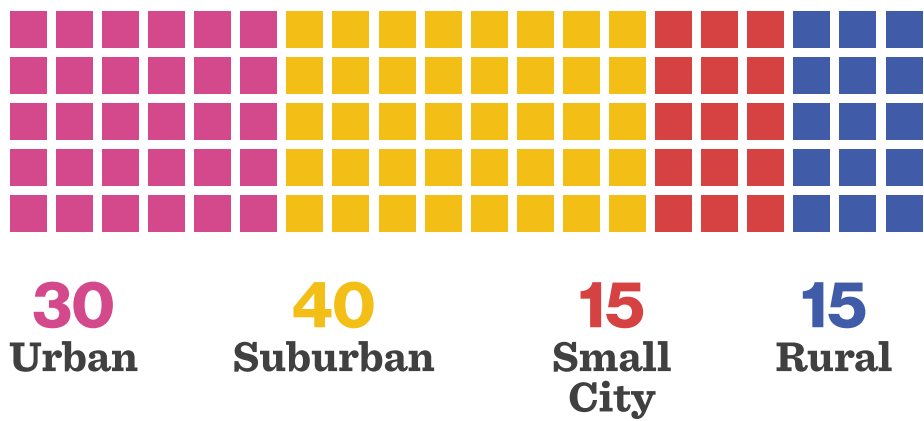


Disengaged Outsiders are the largest segment, making up nearly a third of all US respondents. Behaviorally, they engage minimally, if at all, in the sharing economy. The only activities of the 71 measured that even reach 20% penetration among light users are: donating to a charity, borrowing a book from the library, and using Wikipedia to look something up. Attitudinally, this segment perceives no positive benefits to the sharing economy – so there is little reason for them to engage. They are the only group that shows over half claiming that the sharing economy will play absolutely no role in their lives in the next 12 months. Demographically, they are more likely to be men and to have lower household incomes.

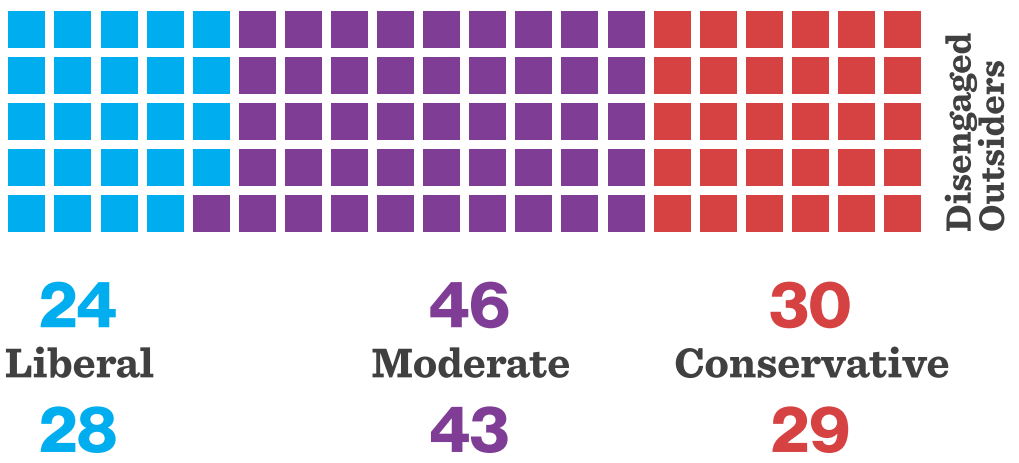
Gender



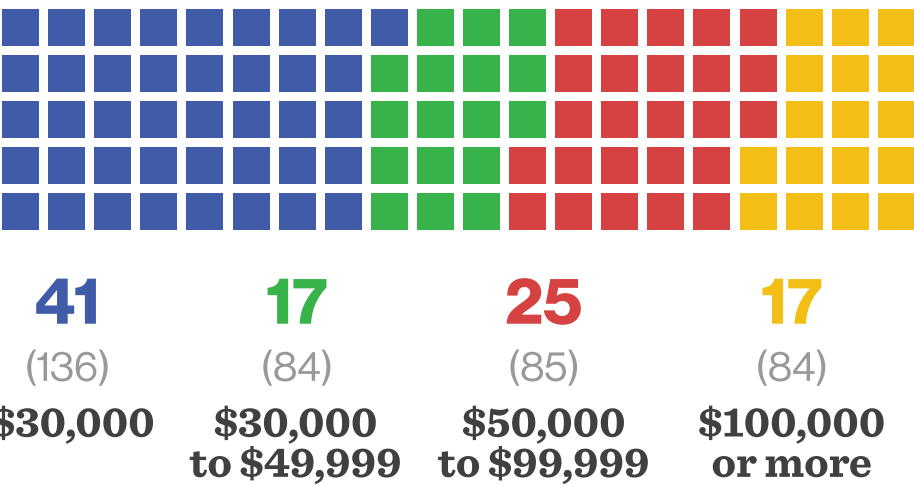
Urbanicity



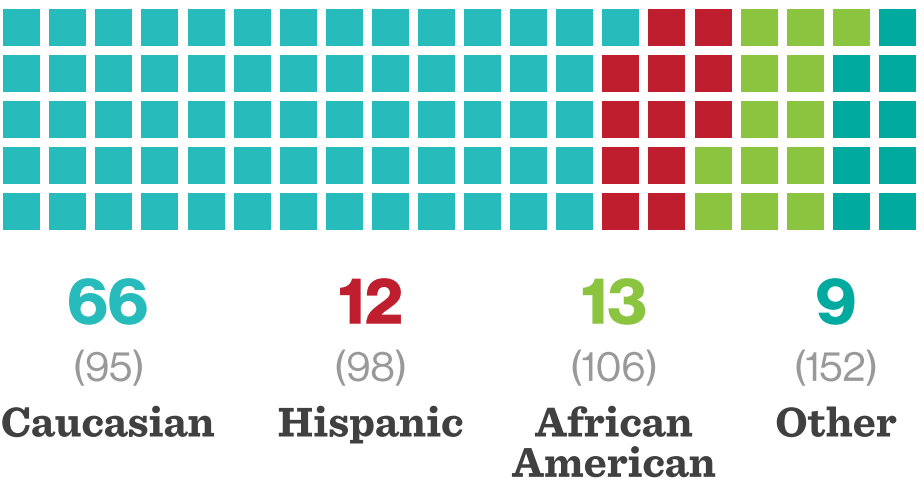
Ideological Orientation



Income



Ethnic



Average Age



Implications from the segmentation

Fearless Trailblazers – For any new, innovative brand or sharing channel, these are likely to be your early adopters. But any new service has to provide some personal added value to them over current alternatives, as this segment is not engaging in sharing for altruistic reasons. Overall, however, they are the best target for new and innovative sharing products.

Natural Do-Gooders – While they are heavy sharers, they are not as easily acquired by new technologies or services as Fearless Trailblazers since their sharing is more focused on more “traditional” paradigms, such as the buying, selling or borrowing of used items. But an appeal to products and services geared toward greater sustainability and collective good is likely to get their interest, making them an attractive target for these types of sharing products and services.

Reluctant Pragmatists – While less inclined to engage in the sharing economy, they often end up sharing out of necessity. Anything that can help them save money or offer other practical benefits for them will likely get their consideration, even if they don’t find it ideal.

Supportive Sideliners – While they see the overall benefit to a sharing society, they are going to be less inclined to engage in most sharing activities themselves, and are less likely to want a lot of communal connection. However, innovation in areas involving digital content and entertainment will capture their interest.

Cautious Consumerists – They’re only likely to engage in the most tried-and-true of sharing activities, largely out of fear for privacy, identify theft and safety and also in part because they enjoy ownership. Unless the product is safe and established, and something that makes a lot of sense to share rather than own, they are a poor target.

Research Methodology

We fielded three pieces of quantitative survey research among US Adults aged 18-69.

STUDY ONE:

- N=1167 completed 30-minute online interviews
- Fielded July 2014
- The questionnaire consisted of 135 attitude statements, awareness and behaviors on 110 brands/activities, measures of general sharing economy affinity and momentum, as well as demographics.
- Data analysis included factor analysis, cluster analysis, and standard univariate analyses.

STUDY TWO:

- N=2537 completed 45-minute online interviews
- Fielded July 2014
- Each respondent rated two brands or activities from a total list of 110 with which they were familiar, on a battery of 91 attributes. The attributes were designed to capture various characteristics and benefits of different types of sharing brands and activities.
- Data was analyzed using factor analysis and correspondence analysis.

STUDY THREE:

- N=700 completed 10-minute online interviews
- Fielded September 2014
- Variety of short questions
- Data was analyzed via standard univariate analyses.

Learn More About Sharing

Further explore the sharing economy on Leo Burnett’s Humans Being website. [humansbeing.leoburnett.com] The “Sharing” edition is an exploration of human behavior as it relates to the cultural phenomenon of sharing. Share your thoughts about the sharing economy using #HumansBeing.

About Humans Being

Inspired by Leo Burnett’s HumanKind philosophy, Humans Being is a thought leadership series and ongoing exploration that pieces together the story of us. It’s a study on the changing face of humanity in culture, society, emotion, values and the human condition. We explore the intersection of where cultural trends become norms and ultimately mores. Humans Being “Sharing” follows the “Relationships” and “Technology” editions that explore the cultural and technological influences on relationships and the changing role of technology in society. Visit humansbeing.leoburnett.com for more information.

About Leo Burnett

Leo Burnett operates with a simple and singular approach: put a brand’s purpose at the center of communications to truly connect with people. Part of the Publicis Groupe, Leo Burnett Worldwide embraces a HumanKind approach to marketing and is one of the world’s largest agency networks with 85 offices and nearly 9,000 employees. The global agency works with some of the world’s most valued brands including Coca-Cola, Fiat, Kellogg’s, McDonald’s, Nintendo, P&G, Samsung and Tata among others. For the past four years, Leo Burnett has been ranked #1 in “New World Thinking” by The Gunn Report. In 2014, Leo Burnett was named “Network of the Year” at the International ANDY Awards, ADC Awards, MENA Cristal Festival and at the inaugural Cannes Health Lions. To learn more about Leo Burnett Worldwide and its rich, 80-year history of creating iconic brands, visit our website, leoburnett.com, Facebook page and follow us via @leoburnett.