What is Collaborative Consumption? Platforms and Participation of People in Collaborative Consumption – Impact of the New Technologies

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Abstract—Collaborative consumption is an emerging new concept that is based on sharing, renting and borrowing. Involvement of a large number of individuals and service agencies in collaborative consumption shows the success of it. In this paper, we will focus on what platforms of collaborative consumption are, which ones are available and who are the participants. The paper also discusses the impact of new technologies on collaborative consumption and we proposed a hypothesis that the concept of CC is evolving with the evolvement and the expansion of modern technology systems. New world technologies changed our daily life and additionally changed our ways of consumption. Online web system has changed almost everything in recent years. This paper will propose both advantages and disadvantages of technology evolvement and its impact on collaborative consumption.

Index Terms—Collaborative consumption, sharing economy, sustainability, internet, new technologies, peer to peer business.

I. INTRODUCTION

Collaborative consumption had become too much important for several entrepreneurs, financial experts, and retailers. Thus, it became a subject of many researches and studies. It was observed by Roo Rogers and Rachel Botsman [1] that people provide to each other a sleeping space using the platform and they concluded that this cannot be solely called collaborative consumption. For example, a web platform named Couchsurfing is a community where people are offering hospitality by sharing a home with travelers. Collaborative consumption as a concept was defined as follows [1]:

“Traditional sharing, bartering, lending, trading, renting, gifting, and swapping redefined through technology and peer communities- that is remodeling business, consumerism, and also the means we tend to live”.

Collaborative consumption has three basic directions named as cooperative lifestyles, reshuffling of products, products and products usage system (PUS).

Products usage system tends makes people to change their mindset from owning products to actually using them. So, people get an advantage of products usage although they are not their own. In product usage system products that are owned by an individual or any organization are shared. Ride sharing is a good example of products usage system where people make a contribution of those people in seats of their own automobiles who do not have any services of cars. In this way, this process has a benefit of the usage of the product by sharing. It also gives a positive impact on the surroundings. Additionally, it gives a profit to users who do not need to spend any money on purchase and maintenance of anything.

In a reshuffling of products, products are reshuffled from one place where they are not needed in any other place where they are in a deficiency. This type of service remained always present in the market but now the modern technologies have enhanced it in much better ways. Compensation system differs in this new market. Some are totally free while some costs. There are several examples in which products are exchanged with other products that have similar worth. Typically the interchange of products occurs among strangers. However, there are some forums where individuals have a relation with neighbors.

Cooperative lifestyles, some tactile resources are shared like time, space or any skill. However, the web allows individuals to harmonize with each other so a cooperative lifestyle takes place globally. Community-based peer to peer ejection is an example.

Collaborative Consumption totally depends upon the customer self-seeking while at the same time it offers several community, financial and surrounding based benefits as well. These advantages match up with the causes of collaborative consumption defined previously [1].

Socially collaborative consumption increases individual’s interaction with each other as a result of people meeting each other. Individuals are connected with neighbors or relatives so that way they get low-cost shares and rides. The social cause of collaborative consumption is marked as the renewal of community. People save their money as they need to get fewer products whereas still having access to the services of this product. As an instance, people do not need to get an automobile to own the quality of an automobile and people not ought to get a drill machine to induce a hole in any wall.

There are several environmental benefits of collaborative consumption where individual creates a lot of use of resources and products which already existed. In collaborative consumption employment ration per product is high so fewer products are required to be made [2]. Besides collaborative consumption will enhance the productivity of services such as adaptability. For example, in vehicle sharing platforms customers are allowed to use the empty seats of vehicles so in this way overall fewer automobiles have used this results in better environment conditions.

The fourth runner of collaborative consumption is Peer to Peer technology. In modern era ancient approaches to
trading are reappearing in such ways and manners which were never possible before. In short, collaborative consumption provides an alternate resolution to the universe financial, communal and environmental disaster.

Collaborative consumption also has four basic principles besides the four runners and works on the base of these principles. The first is the trust among the newcomers. To develop online trust among the newcomers is one of the main challenges of the collaborative consumption. The second is the belief among the individuals. Some scholars [3] signified that straightforward orders will permit for a competently self-coordinated commons, which people can collaborate to act within the good, even in capitalist societies. The third is the futile potential. Futile products become appropriate for the collaborative consumption and are used with vital prices. An automobile that is used for only one hour in a month costs too much [1] The fourth and final principle is the specific number of users that is attained.

Sharing cars, open libraries, renting rooms or digital learning communities – many forms of collaborative consumption are becoming more and more popular and represent excellent alternatives to traditional markets.

In this paper, we seek to access the ways what platforms of collaborative consumption are available and explain what impact new technologies have on this new form of consumption.

II. MATERIALS AND METHODS

This paper was approached by a comparative method and the conclusions were made by analytical and syntactical analysis of different web platforms, their data, services and impact. The main purpose was to discuss impact of new technologies on collaborative consumption. In the purpose of research relevant studies, articles, books and web blogs were used. The paper also consists of author’s personal observance regarding the collaborative consumption.

III. THEORY

Real world possessions and resources are shared in a collaborative consumption [1]. They are shared and distributed by several ways like online systems where skills, money, space, and items can be interchanged.

Scholars suggest the collaborative consumption as “In order to get a free or other compensation of resource individuals often collaborate as acquisition or distribution of that source” [4]. There are other forms of consumption where access is provided. These are referred to “transactions that can be market arbitrated but where no transfer of ownership takes place” [5]. Such type of utilization is sometimes referred to as pseudo-sharing when people have intentions to get profit and they have no affection of community and cooperation [4].

According to a study [6] collaborative consumption is defined as “those events in which goods and items are shared conjointly between people through several joint activities”.

The study [6] additionally provides examples like speaking on the cell phone and drinking beer with the friends. These examples emphasize mutual activities that include consumption. This definition of collaborative consumption is boundless and it is not adequately emphasized on the accession and dispensation of the resource. Moreover, it is totally based on the concept of conjoint consumption.

For instance, in a group of people drinking beer together, every individual spends money on their own beer. In this way, their consumption is correlated at a particular time and place. However, this way of consumption is one of the marketplace exchanges. If a pitcher of beer is bought by one of them for consumption then it would be considered as sharing as it includes “the act and process of distributing what is ours to others for their use” [7].

If there are two friends and they want to drink beer but they do not want to get a full pitcher of beer also they do not want to pay the inflated price by buying full glass. They might persuade a couple at the second table to split a pitcher of beer with them. In this way, the cost and beer will be divided between both tables. This type of deal includes such kind of collaborative consumption in which both the acquisition and distribution of the product is conjointly organized.

If a football game is watched by a group of people then it would compose collaborative consumption [6]. However, in this situation, no event distribution is acquired by fans (the game will be played at it’s fixing time and venue regardless of whether the fans have bought tickets or not). They also didn’t cooperate in its acquisition to get any discount by buying their tickets together. This too would not be an example of collaborative consumption as the term that we used.

We also observed the misspecified use of the concept of “collaborative consumption” by argues [1] which defined it as “traditional sharing, bartering, lending, trading, renting, gifting, and swapping”. This definition is very broad and has mixes between concepts like market exchange and sharing. The term “collaborative consumption” is more clearly explained when they narrated how Brian Chesky, Joe Gebbia, and Nathan Blecharczyk conceptualized Airbnb.com. All these applications give a chance to people either to buy or sell the use of an apartment or room, while the transaction is done by the web system and giving a fee to the company.

The way we define collaborative consumptions moderately different from this. In collaborative consumption, people cooperate in the acquisition and distribution of items for a payment or other compensation. If we include other compensation then the definition also encloses exchanges, trading and reciprocating which includes giving and receiving non-monetary compensation. In this definition of collaborative consumption sharing activities like Couchsurfing is not included. Actually, CouchSurfing.org is particularly permissible.

IV. FINDINGS: PLATFORMS OF COLLABORATIVE CONSUMPTION

The field of collaborative consumption has brought up a social innovation. As discussed in the introductory paragraph usually collaborative consumption has three basic ways: cooperative lifestyles, reshuffling of products,
products and products usage system (PUS). These three directions have several platforms that provide facilities to people.

“Bartering, social lending, Swap trading, time banks, local exchange trading systems (LETS), peer-to-peer currencies, tool exchanges, land share, co-housing, co-working, CouchSurfing, clothing swaps, toy sharing, shared workspaces, car sharing, crowdfunding, bike sharing, ride sharing, food co-ops, walking school buses, peer-to-peer rental—the list goes on—are all examples of collaborative consumption. It is possible to be familiar with some of these. However, all are experiencing a prominent growth surge. Although these examples vary in scale, maturity, and purpose, they can be organized into three systems—product service systems, redistribution markets, and collaborative lifestyles”. [1]

In launderettes, car-sharing and co-working are such platforms where the people that owned the products, share among other for free use. Social peer to peer marketplace is a form of products usage system, have several companies like Zilok and Erento, where people can share or rent individually owned items.

eBay and Around Again is redistribution markets where the idle items are reused elsewhere. Freecycle is also a similar platform where there is no cost to exchange goods. In Barterquest folks sell the products that are not needed anymore. In this way, they get more points from the system to purchase more items in the future. eBay is a worldwide online platform where individuals get money by trading their own goods.

Gumtree and Craigslist are two other platforms that provide the facility of jobs and to serve many other people in different ways. Readitiswapit is a marketplace that is specifically related to books. On this platform members of UK exchange items among themselves. Trading Cradles is a platform where parents purchase and sell clothes for their babies. In this way, they save their money and time.

Babyswaporshop, swap style, and thread are the online marketplaces that are related to baby items, fashion items and clothes respectively. People and community interaction through collaborative consumption have been increased. It has produced much increase in income, also the material consumption and wastage are reduced.

As discussed, a cooperative lifestyle is such a type of CC in which P2P exchange is enhanced from the physical system to sharing of cash, skills or time. DailyGood is an online system that shares the important news globally. Karmatube is also an online system where individuals can watch the amazing videos from all over the world. Websites are created free of cost at a platform named CFtools.

A. Other Collaborative Consumption Enterprises

Many other collaborative consumption platforms are available in different categories. Besides P2P lending, shared Wi-Fi, crowdfunding, expertise exchange banks, car repairing are more diverse categories of goods and services. All these platforms have a common online web system that helps people find things.

B. Assessment of CC through New Technologies

The evolution of collaborative consumption through new technologies includes completely different important points, beginning by clarifying the definition and also the aspects of this new economic model. Although recently the expansion and impact of the concept are to be continued.

V. REPLACEMENT OF OLD WAYS OF CONSUMPTION

Collaborate, barter, exchange, share, rent has invariably existed. Within the past individuals were bartering things they’d for things they required, it had been an instantaneous trade of products and services. These previous ways of consumption, have been a small amount left out throughout the consumerism period of the twentieth century, however, they have been reinvented through a replacement dynamic and since 2010 a real returning, through network technologies, is felt. The Internet offers the chance to create a marketplace wherever people who are in need of one thing will match people that have it, whenever and where they might be [8]. Sharing economy is a social and financial system that permits the sharing and exchange of assets as areas, skills, cars etc., through the web, in a way that and scale never attainable before [8] It’s making an attempt to induce “away” from the hyper-consumption. The vital notion of access that web permits provide a chance for individuals to create profitable things of what they own.

To better perceive the various aspects, the thought may be divided into three elements [9]. The redistribution markets represent the swap of objects from place wherever they’re not required to an area wherever they’re going to be helpful, giving a worth and an extended lifecycle to the product. Products are decentralized. Collaborative mode represents the many ways in which individuals will share along non-products assets, as skills, times. Products services system, represent the rent of objects, resources, allowing a maximal use of products. Nowadays, generation desires the necessity and not any longer the “wrapping”, as an instance they require the music, not the CD, and they wish the movie, not the videodisk.

VI. DIFFERENT TERMS USED IN COLLABORATIVE CONSUMPTION

Collaborative consumption is a new concept that is based on renting, borrowing and sharing by reinventing the way we tend to consume. Collaborative economy concerns an economy designed by people and communities through distributed networks. Opposed to our centralized traditional institutions, it gives possibilities to alter the manner we finance, person to person banking and crow-funding, consume, redistribution and shared access, produce collaborative networks and learn open education. Sharing economy is about sharing from person to person more usually, the underutilized assets, spaces, skills, objects, for financial or non-monetary advantages. Peer economy is all about person-to-person marketplaces, permitting direct trade designed on peer trust. All these terms are resulting in one aspect: distribution of the facility, from centralized institution to networks of individual and communities. Folks are always in a tendency to participate in the financial and community; they are the founders of this new concept [8].
VII. ENHANCEMENT IN COLLABORATIVE CONSUMPTION CONCEPT IN MODERN ERA

The “sharing economy” or “peer to peer economy” has been growing since the year 2000. In 2003 the website Couchsurfing was launched, and it has seven million users in 207 countries nowadays. In 2008 Airbnb had around 85 000 users in 150 countries in less than two years [10] The following year’s plenty of latest websites are created. From swap trading, car-sharing, crowdfunding, time banks, bartering, social lending, toy sharing, cohousing, co-working, local exchange trading system, tool exchanges etc. Collaborative consumption has affected varied areas and new startups and websites have seen the day. The more collaborative use continues to be within the renting of room and car/ride sharing, as the website Blablacar in France has raised the ten million of members in 2014. (Blablacar.com 2014).

These alternative ways of collaborative consumption are getting common for a lot of people. In 2013 in France 48 % of the population were usually intense during a collaborative way. Collaborative consumption is progressing to be a big part of the business.

It’s a reality that gets importance and needs to be considered. Also to induce back to some numbers we will create a total of the most successes of collaborative consumption that are becoming larger and far-famed. Airbnb has been the most the real success of cooperative consumption within the USA, on the same conception as eBay for goods; Airbnb may be a marketplace for areas. Launched in 2008, there were around 25 000 000 travelers using over 1 000 000 housing in 190 countries (Airbnb.com, 2014).

Blablacar (coivoiturage.fr) is the European leader of carpooling, with over 2 million users monthly (TV info news 2014). Launched in 2006, present in eighteen countries with 10 million members these days, its growth is regarding 200 % per year, it’s a true success. What is more, in July 2014 the corporate raised one hundred million dollars to expand its international growth, extend within the European Union and in India. Travelers propose their free seats to members for certain amount of money. (BFM Paris business 2014)

Zipcar is that the American car-sharing version, and has been launched in 2001, revenues doubled and tripled within the second and third years. People share their cars with people. This company is present nowadays within the USA, Canada, and a few European countries [10].

Uber, created in 2009, is a company proposing a mobile-app-based for transportation network. It’s operating as a taxi, users are noticing drivers via the mobile application and mobile GPS, the appliance localizes the closest driver available and sends you a message on a customer’s phone with info details of the choosing purpose and driver name, car type, time of arrival etc. Costs are available online, and also the dealings are created through the customer bank card connected to their account, as well as invoice received by email. Uber is out there in seventy cities currently. (Uber.com, 2015).

These success stories are solely the most relevant startups of collaborative consumption. Nowadays, many startups exist, and these four mentioned are declined by new startups, in their own countries or abroad. However, these days organization for various areas exists and trend to grow.

A. Impact of New Technologies on CC

New technologies are a part of our way of daily life, we use a computer, smartphone, tablet; we are all connected and we are sharing thoughts by using new assets. We are connected to the new technologies, however over-connected to communities, beginning with social networks. The permanent development of technologies is giving new business prospects coupled with a high social facet, and collaborative consumption is taking advantage of that.

B. The Possibility of Change through New Trends

Technologies are evolving quickly, solely 15 years ago Internet wasn’t even massively adopted and we weren’t able to imagine how it was getting to modification our life, business and, societies [9] The Internet has re-modeled the way we are doing things; the way we work, consume and communicate. It becomes a requirement, a minimum of for an organization to find out to develop its technical skills to not tumble, and it’s moving so quick that it’s a constant work. Business models are evolving; firms as Amazon are growing, e-books are expanding disturbing the publication industry, the music industry on modifying song sharing, the world is changing [10].

Communication platforms have changed and are changing our environment: net and mobile technology permit movements of data instantly and are specifiable. We cannot deny that behavior to one massive part of the population has already modified throughout these recent years, with, for instance, Facebook and Twitter, the behavioral compulsion of sharing is beginning to be natural, an instinct far from the hyper-consumerism [9].

Internet development has allowed new ways of doing business and with a scale of consumers larger than before. An e-market isn’t solely a new place wherever to do business but additionally, an opportunity to form a new way to do it; it’s a singular opportunity to develop ideas not possible by ancient means. This is often what’s happening within the shared economy.

Sharing economy may be a new “sustainable financial set-up designed around the sharing of private assets”, it will be goods, services, or data.

As mentioned by scholars [11] “this new concept is enhanced with the involvement of new tendencies like Peer to Peer forum that is impressing folks and several other companies”.

C. Perception of Easy Access

The 21st century is marked by the expansion of technologies and its use in our lives. By connecting people from everywhere on the planet, the internet is a massive modification, increasing marketplaces, and particularly public marketplaces. Internet on its own is regarding sharing content, but also the capability of instant, and connected payment systems. Anybody with a net connection can access the complete web, and it's revolutionizing collaborative consumption. The internet provides an extremely large amount of offers, and with the number of information, users are certain to notice what they're trying to find [12]. Websites are becoming intermediaries centralizing offers and orders of users.
By having access to this amount of data, users also are making a lot of information that may be utilized by firms to better perceive the new behaviors and shoppers and better target the market [10]. The sharing behaviors have evolved online since the beginning and in several ways: sharing code with Linux, sharing life moments on Facebook, sharing content on YouTube etc. Currently, with the collaborative consumption, we tend to return to share our time, space, skill the notion of access is obtaining over the possession notion. We are able to share anywhere, with anybody and whenever, you’ll be able to notice websites to match the majority your needs; share of lands, clothes, ride sharing, getting rid of unused product, notice flats for holidays, find work areas, find somebody to do tasks as searching or building your Ikea furniture, finding and borrowing a drill or equipment from your neighborhood, shopping for meals ready by someone in your neighborhood etc. [13]. During the interview the respondent mentioned the variety of internet sites existing, there are all sorts; for younger individuals, older etc. anybody will notice what he's trying to find.

The idea of the sharing economy is additionally to urge faraway from our ancient hyper consumption model. The number of individuals using the concept is are increasing, and from trying to adopt it the step looks to be small. Furthermore, the various prospects of collaborative consumption, mobility, accommodation, finance, skills, are reasons for a big change in behaviors for a few users. Sharing economy isn't aiming to find yourself the standard business method however it's clearly taking a market share.

D. Issues with this New Way of Consumption

There are several issues with the sharing. These issues cause hurdles in the way of development of CC. The major drawback is the time. Researchers took too much time while they deal with someone. 67% of the individuals mentioned time as the major cause to slow down. 15% of the respondents argued that their requirements forced them to follow the forum. 10% of the users are of such type they have not their own products but they have full access to what people shares [14] It is a highlight that within the mind of individuals, accessibility has its significance. It is compulsory for the individuals to use things within the specific time People from different lifestyles are involved in CC. Nevertheless, 72% of the users are families and couples. Most of the respondents do not have children. It is observed that this new concept is more applicable to a specific type of users and isn’t so much impressive for families and children. Therefore, CC effects the life of an individual in short terms and has no permanent behavior amendment. Besides if we talk about city-dwellers, they have more chances to attain sharing business from the folks that are not living within the cities. This concept suffers from the result of dissimilar and imperfect moderation [14]. Currently, CC is a risky imitation business that depends upon faith. This concept of CC is an unsure and an uncertain field where one cannot forecast the progress in this area. Furthermore, if some folks have the mindset to divide products among other people whereas some have the trend to keep all sources and profit to themselves only.

Collaborative consumption has un-materialistic response towards our modern problems providing us communal, financial and surrounding resolution. However, the firms that are based on this new concept have a good mindset to create a competent for the individuals. These will courage users to get more participation in this concept. The individuals are also encouraged that this new concept is going to bring a new change in their conventional system. However, the individuals that are in touch with this cooperative concept need to adopt a compilation and reposition so as to get satisfaction. This query is culminating the issues round the cooperative forums. Furthermore, there don’t seem to be clear rules and tips to share business; also for the safety of individuals no suitable laws are defined.

E. Future of this New Concept

There are positive and negative facts and predictions concerning collaborative consumption in the past years. Opinions are oblique, for the “pro” users and main leaders of the movement it sounds obvious that sharing economy goes to evolve and grow to become “the next massive thing”, however, some facts could be a break for this developing idea. Even if all statistics and enthusiasm for this new thought are noticed, from some purpose of views this is often solely a trend. A trend due to the financial condition and which can disappear with the time. Furthermore, within the various of start-ups showing, a lot of them fail, there's an idea for everything but not forever a market. Collaborative consumption has limits, it cannot be extended to each area. The question of trust is additionally a very important point, because collaborative consumption is based on it, and no one is prepared to travel for an automobile ride with a stranger or sleep on a sofa in an unknown house. It is obvious that only a part of the population is using this idea these days, thus there's still an "education" of customers to do to extend the market which suggests that it can even fail. There are no ancient means that individuals will discuss with however, only the already users understand well the system and functioning.

There are plenty of projects, highlighting that nobody is aware of yet how big sharing economy might be, and the way it'll have an effect on industries and firms. Its connecting customers, citizens, realizing that have the selection to not follow the standard rules: producer-consumers, however, share the items we’ve and make a cycle. Not to mention that P2P banking area may be one of the most changes, and resilience of distributed systems [13]. It's also without mentioning the massive chance which will go together with the developing countries and also the generalization of web access in those countries within the future. To become a common behavior, sharing must be convenient, efficient and secure. Digital platforms will solve these issues, proposing an enormous mass of products and services, providing alternative and easy-accessibility to customers. Regarding trust and security, a lot of identification processes, reviews, and rating tools are used, and transactions are protected by contracts and in legal terms.
VIII. CONCLUSION

Collaborative consumption is the betterment of ancient ways of trade reconsidered by today modern machinery and associate community. Collaborative consumption absolutely depends of customer’s self-seeking. Collaborative consumption has several fine communal, coincidental and financial effects. Collaborative consumption is in its starting still not fully-fledge. So, it is not easy to guess what will happen in the future. However, individuals have a great interest in this new concept and there are several platforms available enabling individuals to participate in Collaborative consumption. These are great sources of easiness for the services providers. Successful stories of companies shows that they are taking much from this new concept.

New technologies have facilitated too much collaborative consumption. There is a large number of correspondents that are achieved when anyone looks at the growth of collaborative consumption platforms. Whether it is environmental, social or economic reasons. Internet facility is giving us the opportunity to share the services, products, and skills worldwide through online web system. The impact of new technologies is authorizing this new economic model, geo-localization and quick response. This will increase to a number of users in upcoming years.

Nonetheless, there is much time still required for collaborative consumption to get a good reflection from the minds of customers; it is the start of collaborative consumption behaviors. Trust is the main issue for this collaborative consumption which can easily be broken. The legal system is still not fully ready to face any new challenges.

Good and bad, both types of realities are there for collaborative consumption and sharing financial business. Collaborative consumption is not only a tendency to but it is clearly an alteration in customer’s attitude and several new web phenomena are there becoming popular among the individuals to utilize and exchange. To hold on it is necessary to change and modify conventional ways of belief. It is not always easy for any new idea to flourish immediately among the people.

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