

Sharing Comes of Age in the Sharing Economy

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Purpose – The purpose of this extended abstract is to examine the nature of the highly touted ‘sharing economy’. Emerging from historical roots, sharing has always been an important aspect of human interaction. Questions are raised about sharing dimensions of economic activity, reasons for this trend, and how it is differentiated from other economic transactions.

Research implications – Many issues arise surrounding the sharing economy. While new communication technologies facilitate more sharing, they also increase risk in interactions with strangers. Much more research is needed to understand, not only how, but when and why sharing can and should be used to reach individual and societal economic goals. Has the nature of sharing truly changed over time?

Keywords – sharing economy, P2P

Introduction

Sharing has been a vital part of civilization, dating back not just decades but centuries, if not millennia. As Belk noted in his classic 2010 article on “Sharing,” even our eating habits and hospitality activities retain vestiges from the past (Belk, 2010). However, today’s usage of the term *sharing economy* not only draws on the sharing activities acquired over the past, but also has been attributed to the digital innovations and electronic communications of the 21st century (Davidson and Infranca, 2016). While the current ‘sharing economy’ term has become the most common phrase, collaborative consumption and gig economy are also used. The sharing economy essentially was started by finding secondary uses for underused assets (Cohen and Zehngbot, 2014). However, the key distinction is that these activities create value by leveraging peer-to-peer (P2P) activities through online community-based platforms (Shuford, 2015; *Wilhelms et al.*, 2017).

Actually, while ‘sharing economy’ has become the most common description for the P2P interactions, it is important to realize that many of these activities have a variety of applications concerning the ‘sharing’ aspect. Further, even the economy description may not be fully accurate, as noted by Nicholas John in *The Age of Sharing*, where sharing information online now appears to be part of today’s therapeutic culture, even a “coveted social currency” (John, 2016, p. 224). The Internet expands a person’s reach beyond the people he or she can physically reach, creating online communities (*Bateman et al.*, 2013). It appears important to realize that ‘sharing,’ especially by electronically connected peers in a P2P activity, could be far more of a sales transaction than an actual sharing one. For example, when an individual drives his/her own vehicle to transport another individual from one location to another for payment, the primary sharing is the information involved to complete this transaction, and, most likely, the shared vehicle involved in the transportation. However, the classic image of sharing a meal together is far different from this new application of sharing (Gehl, 2017). This difference certainly reflects an alternative definition of sharing from that in the past, and appears to be part of the transformation affecting our lives in this electronic era.

From a historical perspective, have the motivations for sharing changed over time? Past generations shared because economic resources were scarce and sharing facilitated greater consumption for all. What are the motivations of today’s consumers to engage in sharing practices? Are these practices really sharing? or are they repackaged commercial services? Many questions arise as we consider today’s sharing economy within the context of a longer historical perspective.

Historical Factors Involved with Sharing

The more traditional sharing activities often appear to have been based in safety (protection in

numbers), an abundance of resources (spreading the wealth around) or, alternatively, banding together to overcome hardships. Communication was always an element in sharing activities, but today's sharing economy is critically dependent on electronic communication for bringing the parties together. Further, unlike in most past gatherings, these P2P assemblies are usually focused on a certain benefit or opportunity, and can bring a far more diverse group together.

For example, online information communications can be traced back to music file-sharing, such as with Napster in 1999 (*Strategic Direction*, 2006). The goal was to seek to contact as many individuals as possible, because more members meant more profit (Hughes *et al.*, 2008). It is important to realize that while individuals became essentially members with a goal of obtaining online music files, this online community was only grouped together for a single purpose. As electronic communication has continued to play an ever stronger role in the sharing economy development, many of these online connections, these P2P communities, are being connected for certain mutual benefits. This is unlike past groups formed from shared personal values. These new groupings only need a willingness to share the online platform activities (Spitz and Hunter, 2005).

Urbanization

It appears that urbanization has encouraged the growth of the sharing economy activities, even if it would seem that the higher concentration of individuals in the urban areas would have a lower desire for increased communication. However, even if there are more individuals in urban locations, many of these individuals are not as closely connected as those in rural communities (Boase 2010).

Technology's Role in the Sharing Economy

The Internet's role in creating sharing economy opportunities has been a critical one. Not only are many electronic products far more complex, requiring additional training, repairs, and assistance, the ability for massively increasing connections, especially through a wide range of social media programs or platforms, has created a new and wide-ranging series of opportunities. Further, the opportunities for communication online have exceeded expectations, opening opportunities for more individuals and groups than ever before. The Internet and social media may well have provided the greatest communication breakthrough for consumers since the printing press (Hodson 2018).

Socio-cultural Changes and Attitudes

The continued growth of the sharing economy companies and organizations, as viewed today, is also seen to represent some dramatic shifts in lifestyle and attitudes or beliefs. The first could be described as the preference for experiences combined with the disenchantment of owning material goods (Pine and Gilmore 2011). While this trend has been primarily attributed to the younger generations, there appears to be a growing acceptance of this shift among all segments. The growing concern for sustainability along with the desire to reduce pollution has also encouraged the use of shared property. Hence, this has encouraged sharing transportation vehicles and minimizing product accumulation.

An accompanying challenge is the increased cost of many goods, along with a growing financial uncertainty. Thus, being able to use one's current products to produce additional revenue is increasingly important. Individuals who are driving for Uber (and Lyft, and possibly other similar companies) are seeking additional revenue through such opportunities. While many individuals have often sought additional jobs or other wage-earning opportunities, the sharing economy organizations have made more such revenue-increasing options available. Plus, many of these offerings have included additional safety measures, as well as increased feedback for both providers and users (Kochan, 2017). There are still risks; uncertainty about strangers, only connected by one form of social media or another, continues to provide a feeling of possible danger and risk (Ranchordas, 2015; Murphy, 2016). There is also an overall level of concern about the security of information being utilized in the sharing economy. The nature of the information and difficulties for companies such as Facebook, YouTube, and other providers to screen and protect consumers is both an important consideration and an overwhelming task (*The Hustle* 2019). While such information is vital to drive many of the operations in the sharing economy, the overall impact is unknown (Dyal-Chand, 2015).

Impact and Implications

The overall impact of the Sharing Economy organizations and operations has yet to be realized. The implementation and operation of many of the sharing economy activities is still in the early stages of development, although global expansion of many of these organizations is already taking place—

reflecting the continuous need for additional consumers or connections. This evaluation will need to be maintained and extended. The questions now appear more along the lines of what impact and implications will be for future activities. Much needs to be understood about the role of sharing, implications for consumers, and systems for protecting consumers as new technologies and industries emerge.

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