SHARING PLATFORMS

ADVANCED LEVEL

CONTENTS

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INTRODUCTION

Watch the video to learn about the Sharing Platform business model.

This video introduces the sharing platform business model and explains how this business model can benefit both owners and users, and how it promotes sustainability and the circular economy.

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EXPECTED LEARNING OUTCOMES

KNOWLEDGE	• Knowledge of the Sharing Platform model, and how it can be applied by entrepreneurs and start-ups. • Knowledge of what can be shared through a Sharing Platform – skills, assets, products, specs, etc. • Knowledge of how to establish a Sharing Platform in one's own context.
SKILLS	• Evaluate current products, skills, spaces and assets in one's own region that could become part of a Sharing Platform; and develop a Business Model Canvas to expand on these ideas. • Research available supports and funds to support the establishment of a Sharing Platform model. • Develop and practice a marketing pitch for a Sharing Platform.
ATTITUDES	• Acknowledge that a Sharing Platform can be established with little set-up cost, as no new products or materials are required. • Appreciation of the positive environmental impact that Sharing Platforms can have. • Willingness to build on networks and collaborators identified at Intermediate level and develop a plan to establish a Sharing Platform

SELF-REFLECTION EXERCISE

Welcome! In this quiz, you will face 10 questions that will show you the initial basic knowledge you have about the Product as a Service business model.

https://h5p.org/node/1272796

WHAT IS THE SHARING PLATFORM MODEL

SHARING IS CARING: A CIRCULAR WAY FORWARD

It is imperative that we all work together to determine the best ways to develop solutions to our current more wasteful approaches to the way we are using products. We need to create ways to reduce or eliminate our dependence on virgin resources that become our standard way of operating in the future, to reduce the concern that resources will disappear or become prohibitively expensive.

Many of the circular business models focus on making production more efficient and less dependent on new, virgin natural resources. However, there is also a much more basic concept that has contributed greatly to a more efficient and circular system: sharing the products we already own.

In our current economy, a sharing platform is a circular business model in which a company promotes collaboration between users to increase the use and value derived from products.

The main defining characteristic of a sharing platform business is that the company does not manufacture or own any goods. They simply create the opportunity for consumers to tap into the unused potential of products, skills or spaces, for monetary or non-monetary benefits. Owners are responsible for maintenance and service quality.

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Another characteristic is that the number of users of goods on a sharing platform is much larger, which justifies the naming of this behavioural change as "collaborative consumption".

The business model applications of sharing platforms have grown enormously in popularity over the last ten years, thanks to the massive use of smartphones, and the technology has made it possible for large numbers of users to participate in a wider variety of business ideas. Most sharing platforms are seen as shared assets and/or services enabled by a digital platform.

Typically for a fee, businesses operating such platforms act as intermediaries, matchmakers or gatekeepers. In doing so, they mitigate risks, build trust among the participants and lower the costs of transacting for their user bases.

A Sharing Platform model also allows companies to provide a much greater variety of options and choices for consumers than they could offer if they actually owned the products that are shared.
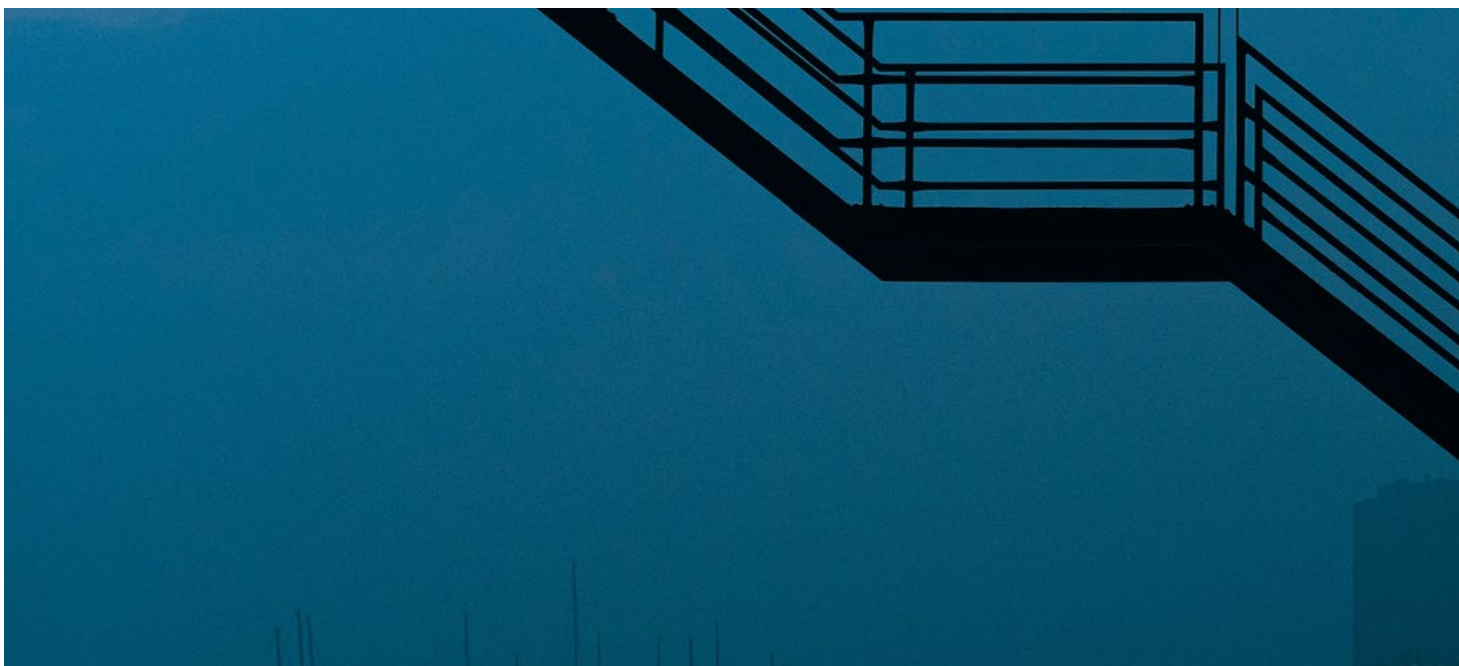
BENEFITS OF A SHARING PLATFORM BUSINESS MODEL

- Owners of goods – They benefit from sharing platforms because they can receive monetary compensation for allowing others to use their goods or products when they are not using them.

- Temporary users of goods - They can make use of something without the cost of buying and owning it, eliminating overhead and ownership responsibilities.

- Sharing platform companies - By connecting the two parts above, sharing platform companies receive a fee for their service and do not need to own or produce the products or services they "sell".

We are at the beginning of a major shift towards a more sharing-oriented circular business model. This model optimises the use of existing products rather than focusing on creating new ones, leading to a more sustainable use of materials. It also greatly reduces operating costs for companies that adopt it.
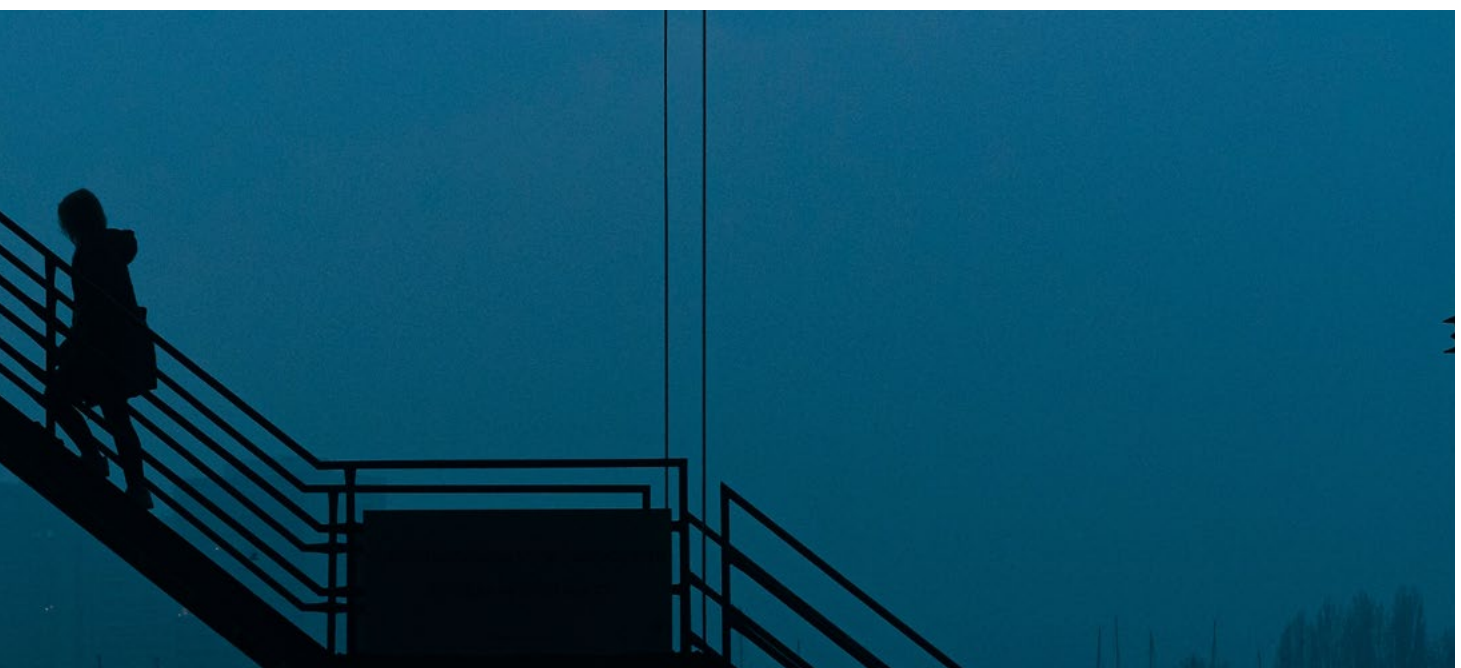
WHAT CAN BE SHARED THROUGH A SHARING PLATFORM?

In less than a decade, sharing economy platforms have fostered competition and redefined industry boundaries in a range of businesses. Two sharing economy pioneers—Uber and Airbnb—are now well-known global giants and leading players in the sector. But there are many more wonderful sharing platforms business:

- **Transportation sharing**: mobility as a service.

  Ridesharing or carsharing instead of owning a car or relying on public transportation. Examples: [Blablacar](), a platform that connect drivers with people who need to take a trip delivered; [Uber]() (connects drivers to users who need a ride, using a smartphone as a tool), [Hiyacar]() (the owner rent own car that it's not much used),

  Bike sharing, scooter sharing, instead of owning a bike or scooter. Examples: public bike share, station-based models, free-floating bike/scooter share.

- **Home sharing**: Different models such as:

  [Couchsurfing]() allows individuals who have houses or apartments to fill unused rooms or even just a couch, to earn money and/or sharing hosting experience. Example: Couchsurfing (connects members to a global community of travellers) and [Homestay]()

  Renting your room/house: an example is [Airbnb]() that connects homeowners with travellers who need a place to stay.

  Home exchange vacations. Example: [HomeExchange]()

- **Goods sharing**: selling any type of goods that you don't use any more. Example: [Wallapop](), a meeting point for buyers and sellers offering and buying second-hand goods in a wide range of categories.

  Tools and equipment sharing: rental as a service. These are platforms for exchanging tools or technical equipment between individuals who use them for only a few hours in their lifetime. This is the case of [FatLlama]().

- **Services sharing**: they offer labour and expertise. Examples: [Near Me]() offers a peer-to-peer marketplace platform that contains all of the pieces required to set up, design and manage an online marketplace. [Master Wizr](), A creative experience for business pitch deck teams who are looking to collaborate with each other and their clients.

- **Surplus food** sharing platforms to avoid food waste, such as [TooGoodToGo](), free smartphone app that connects local restaurants, hotels and retail businesses that have unsold, surplus food with local customers.

- **Space sharing**:
  Parking space: Parkcash provides parking space sharing apps, dynamic access management, and occupancy monitoring in real time
  Storage space

- Knowledge sharing platforms are centralized hubs for sharing information, guidelines, policies, instructions, process documentation, and more. They differ from a knowledge base in that they present the information in a contextualized way to engage with, and users can collaborate. Examples: WEKH shares research and resources on women entrepreneurs in Canada; Nuclino provides a simple way to bring knowledge, documents, and projects together under one roof.

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IS THE SHARING MODEL ALWAYS MORE SUSTAINABLE? CAN THE SHARING ECONOMY SEEK TO REDUCE OUR NET CONSUMPTION AND FACILITATE SOCIAL COHESION?

Many proponents of the sharing economy claim that it is a more sustainable form of consumption. But this is not always the case.

Airbnb is blamed for rising housing costs in dense urban centres, gentrification, and other community issues.
Uber is said to increase congestion and air pollution in some city contexts as drivers roam around the city and sit idling while waiting for new fares.
Many platforms may even induce greater consumption as users have access to a greater number of products.

If the sharing economy is not sustainable by default, we must be deliberate in how we design sharing platforms to ensure more sustainable outcomes. But sustainability is often complex. And, while you may have good intentions, it is not always the case that your business model will deliver improved sustainability outcomes (Curtis, 2020)

In the absence of data and without needing to contract experts to run a full life-cycle analysis of your platform, it is a lot easier to think about contexts in which your business model is more likely to lead to more sustainable consumption.
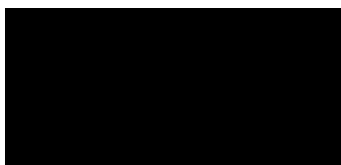
HOW IT CAN BE APPLIED BY ENTREPRENEURS AND START-UPS?

Strong participation in the collaborative economy requires connection. To share, people have to interact with each other to identify resources and ways to move goods and services. There are more and more places on the web (and elsewhere) to find people to share with. There are already success stories from which we can learn and borrow ideas.

At TedxSidney (2010) Rachel Botsman asked, "How many of you own a power drill? It will be used around 12 or 15 times in its entire lifetime. It's kind of ridiculous, isn't it? Because what you need is the hole, not the drill." She then argued that sharing underutilised items with people of the neighbourhood is a better approach.

Barriers

There are some barriers that could dissuade the user from joining or using the sharing platform:

- Search costs: when you want to borrow someone's drill, you need first to find the person on the platform and make sure it's the right type of drill.

- Transaction costs: on the agreed day, you go there and pick it up. Will they be there? Of do you pick it up from a locked place? How to locate this place? etc.

- Barriers for the owner: Will they get their stuff back? When? In which condition?

For example, Fat Llama has solved part of these problems by verifying borrowers and with a lender protection insurance per item.

Giving a service

But the solution to these barriers can make a big difference: being not just an asset sharing platform but also giving a service. For example, the right solution for the problem of sharing a drill would be to provide not the drill but the service of the owner, which can involve a wide range of services, like bringing the drill to the user, drilling the hole, hanging up the curtain, cleaning up the mess and taking the drill back home. This is also called a service "sharing" platform. See the case of TaskRabbit. This approach solves a lot of problems, but it does not mean this is the only solution. But it is one that has scaled faster than sharing tools or other durable goods, at a higher cost than borrowing.

For starters, this means to add a lot of costs and complexity.

One of the most important premises to identify something is suitable for a sharing platform is that it was "underutilised", but it's not a necessary condition. Overutilisation of competing offers (hotels, for example) can also show opportunities for the sharing platforms without the shared asset being underutilised.

Platform types

- Peers-to-peers (P2P) model: sharing takes place between peers. Examples: Airbnb, FatLama.

- Business-to-business (B2B) model: sharing takes place between business (e.g. construction or medical equipment).

- Business-to-peers (B2P) model: idling resources owned by a business that may be used by individuals (e.g. Bagbnb)

- Crowd model: describes mediation from one to many, from many to one or many to many. It is inclusive of cooperatives or crowdsourcing models (e.g., renewable energy cooperatives or crowdsourcing of costumes for a theatre production.

TOOLS AND EXAMPLES TO HELP YOU DEVELOP YOUR SHARING PLATFORM IDEA

The Platform business model Canvas

This Canvas introduces a few aspects that are strictly related to shared value. The left side of the canvas is entirely dedicated to community dynamics and, in fact, hosts the Community Support Services section: a section dedicated to the actual services that the Platform Stakeholders run in support of a healthy community exchange. Furthermore, the canvas introduces the concept of Peer Segments that, different from the concept of Customer Segments, implies some level of peer-to-peer exchange between users. Exchanges are transactions and eventually could be authentic relations. There, you have communities.

There is a suggested step-by-step process to fill in the canvas, but there is no special way to look at it. It just gives you the big picture in a way that can be improved. The Canvas focuses on brainstorming sessions.

You will find more information about how to apply this Canvas in the "Further readings and resources" section.

The Wallapop business model

Wallapop is one of the best known Spanish platforms which serves as a meeting point between buyers and sellers offering and buying second-hand items in a multitude of categories. The main value proposition offered by Wallapop through its business is to offer a platform where both buyers and sellers make a profit by participating in it: buyers get interesting second-hand items at lower prices, and sellers get an economic benefit from selling items they no longer need.

You can know more about the Wallapop business model Canvas in the "Further readings and resources" section.

How to build an effective marketing pitch

When starting a business, you need to convince investors, stakeholders and other key people about your products or services, and it is important to make the most of your time. A marketing pitch is a summary of a product or service you're trying to sell. They are often brief speeches highlighting key features of your business that you may use for networking, securing investors or suggesting ideas to your managers. It should be concise and focused and include the following elements:

• Product name

• How the product or service solves a problem or can benefit others

• Key product or service features that set it apart from competitors

• Evidence from research studies or testimonials from customers

• Strong closing as a last chance to make your product memorable

• Contact information: Provide a way for your audience to learn more

• You can find a step-by-step guide to create your own marketing pitch, with some examples in the "Further readings and resources" section.

FINAL ASSESSMENT TASK

AIM OF THE ACTIVITY:
To prepare a marketing pitch to convince people that the sharing platform model is the best model for your circular business idea.

TIME REQUIRED:
4/5 hours to develop the pitch
3 hours to record it and edit it.

MATERIALS REQUIRED:
Articles and Links in the Eduzine.
Camera (or your smartphone)
Editing software
Laptop
Internet access

FORMAT FOR THE PRESENTATION:
Short video. Second option is an oral presentation.

STEPS TO COMPLETE THE TASK:

- **Step 1:** Formulate a number of ideas for a sharing platform business linking with circular economy.

- **Step 2:** Refine your ideas to 1 or 2 you like the most or that has good potential and then choose which you will use

- **Step 3:** Your video should include an introduction into what the Sharing Platform business model is, successful examples in action, and how this sharing platform business can be more sustainable and links to the circular economy.

- **Step 4:** you decide the style and format of the short video, but remember, it needs to be interesting or engaging enough for people to want to watch it. It can be you talking to the camera or something like this one of ToGoodToGo, or a mix. So, create something that is worth watching!

- **Step 5:** Edit the video as necessary.

- **Step 6:** Once completed, participants are invited to share their work.

FINAL TEST

Are you ready to show what you have learned from the Eduzine?

Do you feel you know more about the Sharing Platform business model now than when taking the self-reflection quiz at the beginning?

Once you have read all of the articles in the eduzine, you will have no problems completing this quiz.

Click here to be taken to the final test quiz.

FURTHER READING AND RESOURCES

The Platform Design Canvas: a tool for Business Design
https://meedabyte.com/2013/06/26/the-platform-design-canvas-a-tool-for-business-design/

Sharing Platform business model
https://innovationtactics.com/sharing-platform-business-model-uber-airbnb/

Business-to-business asset sharing: FLOOW2
https://ellenmacarthurfoundation.org/circular-examples/business-to-business-asset-sharing

Making Sense of The Many Business Models In The Sharing Economy
https://www.fastcompany.com/3058203/making-sense-of-the-many-business-models-in-the-sharing-economy

Asset sharing: how to unlock the access economy
https://breakthrough.unglobalcompact.org/breakthrough-business-models/asset-sharing/

Sharing Economy in Consumer Goods: Consumer Trends
https://www.retail-insight-network.com/comment/sharing-economy-consumer-goods-consumer-trends/

3 Platforms to Start Your Own Sharing Service
https://www.shareable.net/3-platforms-to-start-your-own-sharing-service/

Wallapop business model
https://modelocanvas-net.translate.goog/modelo-de-negocio-wallapop/?_x_tr_sl=es&_x_tr_tl=en&_x_tr_hl=es&_x_tr_pto=wapp

Startup Model - Wifi Sharing
https://manishhada.medium.com/startup-model-wifi-sharing-27e8d9b48206

How To Write a Marketing Pitch (With Examples)
https://www.indeed.com/career-advice/career-development/marketing-pitch

LEARNING CIRCLE