

# Critical Success Factors behind the Sustainability of the Sharing Economy

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**Abstract**—whether you are renting a text book (textbookrentals.com), sharing a ride (Uber), or looking for a safe and convenient place to spend the night (Airbnb) you are part of a growing economy referred to as the “Sharing Economy”. There are an increasing number of emerging startups that have embraced this economic model and have become giant enterprises with record-breaking revenues in an abnormally short period of time. But is the Sharing Economy sustainable enough to grow and prosper in the future? This paper investigated the critical success factors behind the promising prospects of the Sharing Economy and concludes that the Sharing Economy is a sustainable economic model. There are various factors behind this premise such as a new emerging class of consumers with a keen interest in sharing; price consciousness; a robust business model; a growing perception of the eco-efficiency of the sharing economy; and an emergent business-to-business (B2B) sector that contributes to operating at maximum capacity. All the aforementioned factors coupled with advances in information technology and software engineering, especially in social media and digital platforms, have created a unique environment for the growth and acceleration of the sharing economy.

**Keywords**—*Sharing Economy; Digital Platforms; Peer-to-peer consumption; Collaborative consumption; Uber; Airbnb; Sharing Economic Model; Social Media.*

## I. INTRODUCTION

Sharing Economy is built on the economic volatility of the last three decades. A glance at Dow Jones Industrial Average (DJIA) indicates an instability unseen since the Great Depression of the 1930s. DJIA was at 2000 in year 1982, surged to 11609 in 2002, rose again to 15768 in 2007, plummeted to 7875 in 2009, and plunged to 16204 in 2016. Some of the highlights of this era are dot-coms rise and fall (1998-2002), housing bubble and burst (2003-2012), economic recession (2007-2009), mild recovery (2010-2015), and present stock market tumble (2016) [30]. Activities by computing technology companies are at core of this market volatility

Technology is growing exponentially and there is no end to the inception of ideas and new business models [14]. The rise of cloud computing, artificial intelligence, applications of software engineering principles in mobile technologies and digital platforms gave birth to an entire set of technology startups that aim to transform the traditional business model of how people get access to goods and services. Not only behemoths like Google, Twitter and Facebook are the products of this era, there are plethora of small businesses spinning off on a daily basis [13]. Furthermore, new business models such as crowdsourcing [8] and the Sharing Economy are making it easier to initiate and sustain a business. This paper explores the critical success factors behind the sharing economy.

Nancy Koehn, a Harvard University professor, defines the Sharing Economy as a socio-economic ecosystem built around the sharing of human and physical resources [40]; another definition is “people coordinating in acquisition and distribution of a resource for a fee or compensation [10].” It includes shared creation of product or services, shared trade, and shared consumption of goods or services by individuals and organizations. Another term widely used to describe the Sharing Economy is collaborative consumption or peer-to-peer consumption [1].

Some examples of technology companies that have adopted and thrived using the Sharing Economy model are Airbnb (Hospitality industry), Uber or Lyft (Car Rental industry), and LeTote (Clothing Rental industry). It should be noted, however, that this model is not limited to Consumer-to-Consumer type of products or Business-to-Consumer type products. Many large existing businesses have joined in as well. Examples of Business-to-Business (B2B) initiatives are FareShare (Food industry) and Quirky (Patents and Technology industry) [27,31,35,36,37,39].

Since sharing versus owning is a relatively new trend, in the existing literature there is a dearth of publications that focus on elements that have played a critical role in the success of businesses that have adopted the Sharing Economy model. This research paper fills the gap by providing the grounds for understanding the factors that allow for the sustainability of the Sharing Economy and how technology enables and accelerates the growth of this economic model. The remaining sections of this paper will describe the research methods for data collection, preliminary findings, and topics for future research.

## II. METHODS

To fully understand the critical success factors behind the Sharing Economy, a thorough study of existing literature was conducted. Moreover, empirical data was collected from a case study of an existing successful company, Uber. Interviews were conducted with Uber participants and ethnographic observations were collected off usage of services provided by Uber and Airbnb. This method of case study [26] augmented with interviews and ethnographic observations are logical research methods that greatly aided in collecting relevant data. They have been widely used as qualitative research methods in the field of information systems [15]. These methods deem to be appropriate techniques for a situation where “questions are asked about a contemporary set of events over which an investigator has little or no control [23].”

Interviews were conducted with four Uber drivers representing different walks of life. Detailed transcripts from interviews led to an aggregation of qualitative data that was converted into themes and descriptive response data, as shown in Table 1 below. Such data was used to generate Preliminary Findings.

TABLE 1: INTERVIEW DATA CATEGORIES

Theme	Descriptive Response Data
Past Professions	<ul style="list-style-type: none"> <li>• Cab Drivers, Waiters,</li> <li>• Students, Retired Individuals, Military Veterans</li> </ul>
Reasons of joining Uber	<ul style="list-style-type: none"> <li>• Tired of being supervised</li> <li>• Unpleasant customers</li> <li>• Tired of clock in/clock out</li> <li>• Flexible working hours</li> <li>• Desire to be an entrepreneur</li> <li>• Extra income</li> </ul>
Likes about Uber	<ul style="list-style-type: none"> <li>• Flexible working schedule</li> <li>• Independence</li> <li>• Increased control</li> <li>• Minimal Bureaucracy</li> <li>• Meeting new people</li> <li>• Convenience</li> </ul>
Dislikes about Uber	<ul style="list-style-type: none"> <li>• No Medical benefits</li> <li>• No Retirement benefits</li> <li>• No Paid Leave</li> <li>• Wear and tear on vehicle</li> </ul>

## III. PRELIMINARY FINDINGS

Empirical data collected from the case study, interviews and review of existing publications show the following factors have contributed to the growth of the Sharing Economy. These factors are shown in Figure 1, and are listed and explained below. 1) New classes of consumers have emerged; 2) income inequalities and economic conditions have produced price conscious consumers who are motivated with the notion of saving, and therefore more willing to share than own; 3) sharing economy creates a win-win situation for consumers and providers. The gains are materialized in financial, social or psychological returns; 4) sharing economy assists environment

through reuse and recycle of resources; 5) the sharing economy model extends to business-to-business transactions, and 6) digital platforms that includes smartphones, computers, internet, Wi-Fi, Cellular networks and user-friendly software applications are enabling mass adoptions of products and services available through the Sharing Economy.



FIGURE 1: SUCCESS FACTORS OF SHARING ECONOMY

### A. New classes of consumers

A recent research study conducted by Price Waterhouse Coopers (PWC) has identified new segments of consumers as active participants that are playing a vital role in the prevalence of the Sharing Economy [16]. Especially significant are older and younger segments of the population. The first group consists of individuals who are 65 years or older and who, upon retirement, realize that they are lacking in nest eggs and active lives. As noted in Table 2, this group represents 16% of the Sharing Economy. This finding was echoed by a military veteran, who currently drives for Uber:

*“I retired from the marines and didn’t feel like picking up another job. I’ve had many offers to work as a consultant contractor but that required me to work full time. Uber was just perfect for me because there is no commitment. There is no a heavy duty work involved which is very important at my age!”*

The second group of active contributors to the Sharing Economy is the population segment that falls between age 18 and 44. As noted in Table 2, this segment represents 62% of participants in the sharing economy. Economic instability was regarded as one of the main reasons by study participants. The economic recession of 2007-2009 is worth noting; it resulted in a loss of confidence not only toward Wall Street but also toward large established businesses and governmental organizations. These sentiments were in particular dominant among younger Americans as evidenced by the Occupy Wall

Street movement [7]. This emerging class, also known as the Millennials or the Net Generation, was interested in seeing transparency, less monopoly of big corporations [6] and increased control over their economics [11]. So while the recession has put the nation in great deficit, it may have created an ideal environment for a new type of economy with a potential to grow and prosper, i.e., the sharing economy.

TABLE 2: DISTRIBUTION OF US POPULATION PROVIDERS

Population Sector	Sharing Economy Participation
Ages 18 to 24	14%
Ages 25 to 34	24%
Ages 35 to 44	24%
Ages 45 to 54	14%
Ages 55 to 64	8%
Ages 65 and older	16%

### B. Price Consciousness

The volatile economic conditions of the last three decades have given rise to changes in consumer behavior. Frugality and price consciousness are becoming the norm. In describing the new sharing economy, Sakaria [17] reported that over the past few years, the awareness regarding purchasing decisions has heightened. Moreover, according to the US Bureau of Labor Statistics, consumers spending for durable goods, non-durable goods as well as services declined sharply between 2008 and 2009[3]. The same source further reports that the average median household income in the United States from 2009 to 2013 is \$53,046. As a result, households have cut spending, shed outstanding debt, and increased their rate of personal savings in response to reductions in income, wealth, confidence, and credit access [3]. These factors have resulted in a shift in consumers demand for goods and services by introducing price conscious consumers. Any avenue that provides extra savings can be very appealing to such consumers. The Sharing Economy offers just that. According to a research study conducted by PWC, 86% of participants in the Sharing Economy have reported that it makes life more affordable [16]. The research findings reinforce the idea that many people who participate in the Sharing Economy are motivated by the notion of saving money, and protecting themselves against future uncertainties. The same economic climate has motivated providers of underutilized assets and services to share assets or provide services in exchange for a fee. The Sharing Economy has the potential of adding additional income streams in the pockets of both providers and consumers by avoiding expensive hotel costs while on trips (for instance using Airbnb[27]). It allows participants, especially those in the bottom 50% of the population, to be able to use assets that prior to the Sharing Economy weren't readily available or accessible [10]. It allows the factory worker who never dreamed of owning a boat, a chance to rent one at an affordable price from Boatbound [24,28] The school teacher, who typically could not afford high hotel prices, can now use Airbnb and has a chance to travel and see the world. The average McDonald's worker has now the ability to order

an Uber when they are running late to work, instead of paying high fees to a cab company. One of the interviewees who is a student stated that

*“With Uber I can make my own hours and it's perfect for me being a student. It is just convenient for me and it's helping me go through college. I just I love it”*

While making life affordable is one of the motives that drives participation in the sharing economy, the benefits of the Sharing Economy go beyond saving money.

### C. Everybody Wins

In the traditional economic model where people are referred to as consumers or clients for whom goods and services are targeted and they only represent the demand side of the economy. On the other hand, in the shared economic model, people create both the demand and supply [8]. People with a need or a problem constitute the demand and people with goods to share or willingness to provide a service constitute the supply. This model of making money off the spare resources provides extra earning opportunities for all. The savings and revenue flowing into people's wallets from the Sharing Economy surpassed \$3.5 billion in 2013[16].

Since the Sharing Economy businesses have low operational costs, more money can be shared with people. Airbnb for example, charges a 3% service fee for hosts and a 6 to 12% service fee for guests per booking [33]. This is a relatively low margin that is very difficult for traditional businesses to match. In short, startups in Sharing Economy are able to keep their margins small because they do not have to pay rent, utilities, and advertising fees normally associated with traditional business models. The low cost of operation is directly transferred to participants in the Sharing Economy in terms of low service fee margins. Sharing Economy companies like Uber and Airbnb can offer additional benefits such as the personal experience that drives the emotional connection among people who share. Many find it to be pleasant, safe, personable, reliable and unique experiences. People may not remember the night where they stayed at the Hilton, but they will for sure remember making that emotional connection when they stayed at Laurie's house as something more meaningful and unique

### D. Environmentally Friendly

Another factor that is driving consumers' interest in the Sharing Economy is the perception of eco-friendliness. This is evidenced by a survey where 76% of consumers agreed that the Sharing Economy reduces clutter and waste [10,16]. The Transportation Sustainability Research Center (TSRC) estimated that 20% of users driving Zipcar vehicles for business (who joined through an employer) had sold their personal car when they joined Zipcar. This translates into less cars being owned and more being shared [19].

The Sharing Economy provides access to goods and services instead of ownership and promotes consumption based on assets reuse and sharing. This is a model that has the potential of reducing unnecessary production and eliminating waste. As more people become active participants in the sharing economy, the demand for owning goods should further decrease. In a survey conducted by PWC [16], 60% of participants in the Sharing Economy believe that the Sharing Economy will have a positive impact on the environment. In the survey, 3 in 5 participants mentioned that Sharing Economy made the connection between sharing and sustainability, citing “better for the environment” as one of the major benefits of sharing. It is further predicted that key industries that impact the environment through a carbon footprint are major contenders of Sharing Economy based business ideas. The transportation sector is a prime example. It has attracted many startups (such as Uber, Lyft, ZipCar, TaskRabbit, Boatbound) to offer a convenient and cheaper way to rent cars or get to a destination. Such usage holds a future with less vehicles on the roads, less energy consumption and, hence, less carbon impact.

#### E. B2B Consumption

Sharing Economy is not only a sustainable economic [8] model for peer-to-peer consumption, it also holds potential to be a popular vehicle for business-to-business (B2B) trade [25]. Since B2B is a huge sector of the overall economy [21], its participation in Sharing Economy can have far reaching effects. The main reason for a business to be involved would be to share spare resources and to operate at maximum efficiency. Joey Bergstein, General Manager and Chief Marketing Officer at Seventh Generation, when asked about how their business model fits in the sharing economy, stated that sharing is the underlying business model of his company. Seventh Generation does not own any manufacturing facilities, rather it connects manufacturers with partner companies. “We do all of our own formulations but we share equipment and facilities.” “[This allows Seventh Generation Inc., to] efficiently utilize excess capacity manufacturing space available at other businesses [16].”

There are several other examples of leading technology startups in the B2B sector of the Sharing Economy. For instance, FareShare Inc., a main player in fighting hunger and food waste in the United Kingdom, secures surplus food from other businesses in the food industry [2]. FareShare is able to distribute food to hundreds of local charities across the U.K. A second example is that of General Electric (GE) partnering up with Quirky to tap into the Quirky's inventors' community which in turn has access to GE's technology and patents [12]. A third B2B example is the agreement between Merck and Medimmune to share excess manufacturing facilities. Companies that are willing and investing to join forces with other companies are positioning themselves to be at a strategic advantage in the marketplace. Just like the Peer-to-Peer consumption, the B2B aspect of the Sharing Economy is not a new concept. However, it is only in recent times that more businesses are getting interested in it. One reason for this is common availability of enabling digital tools. For instance, in

the past two years, there has been a proliferation of B2B-only startups to help facilitate the B2B consumption model. Yard club is a startup that was created in 2013 with a vision to allow construction companies to rent out their equipment when it's not being used. Yard club CEO stated that “Yard Club is revolutionizing the way contractors manage their internal fleet and access outside rentals [42].” Other B2B players include Wework which specializes in helping businesses share and find business space when needed, and Floow2 that is involved in the supply chain management [32, 41]. So far, these are positive indications that B2B consumption model is expected to grow just like the Peer-to-peer consumption model, which provides the ground for a healthy and sustainable Sharing Economy model overall.

#### F. Digital Platforms

Digital platforms are at the heart of the Sharing Economy. Advances in Information Technology and Software Engineering could be regarded as one of the key factors that have contributed to the growth and sustainability of sharing economy. In a survey conducted by Latitude, 85% of all participants in the Sharing Economy believe that Web and mobile technologies will play a critical role in building large-scale sharing communities for the future [17]. Traditionally, computing technology is used in a variety of ways based on the need of the enterprise. Some businesses use it to keep the lights on, while others invest in newer tools to offer unique products or services. For startups in the sharing economy, technology is used to gain competitive edge by revolutionizing and redefining customer experience. Digital platforms have been used to automate nearly all aspects of transactions, enabling great reductions in operating costs. Benita Matofska, a global expert on the Sharing Economy said that Sharing Economy uses technology to reshape the world by affecting the need to own [16]. “It is a world in which our collective capabilities meet our collective needs, where we collaborate to enhance each other's lives, protect our planet and create wealth from which everybody benefits.” Some of the technologies used in the Sharing Economy are social media platforms such as Facebook, Pinterest, and Trip Advisor. These platforms bring together people with common interests to share ideas, information, or personal observations. They facilitate and enable connections between individuals in order to fulfil their needs in an efficient and intelligent manner.

Uber, the case study subject of this paper is a true example of a company that has taken full advantage of technology to create a business model that is completely automated. Uber filled a market void by using information technology and software engineering principles to solve a Taxi crisis and provided a medium for individuals to create and manage their own businesses. Additionally, Uber's platform extends to third parties to build on and become integrated with Uber to create valuable capabilities and synergies to the customer using their application. A true testament of this is Uber's API that was launched in 2014 to allow integration with Third Party Apps of United Airlines, Trip Advisors, Open Table and Google Maps. Uber's API allow integrated Apps to send destination addresses and be able to display pick up times, fare estimates

and available drivers, and in some instances allow users to request an Uber ride from third parties app. Additional self-service automated applications provided through Uber are identity proofing, background check, driving history check, payment handling and IRS reporting.

On top of this Uber offers an extremely user-friendly interface. One of the interviewees who is a student at a local university and a part-time Uber driver said:

*“[Uber App is] easy to use, and handles everything for you. You don’t really have to do anything. You don’t even have to talk to customers if you don’t want to. You already know both the pickup and arrival destination. Plus it handles the payment for you as well”*

Other successful implementers of technology in the Sharing Economy are Airbnb, DogVacay and Rover. Airbnb has helped more than four million people since 2008 find accommodations. Many dog owners struggle to find someone to keep and walk their dogs while they are on vacations or away for work. DogVacay and Rover provides these services [29,38]. Additionally, there are peer rental sites that offer short term rental for boats, garden equipment, fishing equipment, musical instruments, suit cases, and so on. The list of providers in the Sharing Economy is becoming very extensive and the products and services being shared affect many aspects of our daily lives.

Empirical data collected for this paper suggests that technology not only enables operation efficiencies but also provide certain desired features that have greatly aided in making the Sharing Economy widespread. These are 1) Control and Flexibility 2) Convenience and on-demand capability 3) Ratings and reviews

1) *Control and flexibility*: Control and flexibility are the key features offered to prospective entrepreneurs. Uber’s Co-founder Travis Kalanick defines Uber as “a technology platform that makes it easy to earn money by driving your own car [32].” This is very much in line with the sentiments of the participants that were interviewed. A driver who switched from driving a Taxi to Uber stated:

*“When I worked for a cab company, I had very little control. There were only two ways I could pick up customers. From a dispatcher call or driving around until someone waves. In both situations, I didn’t have control of whether I want to take the ride or not. On the other hand, with Uber, I already know where she/he is going, who they are and what their reviews are. I have the flexibility to accept or reject the ride request. This puts me in control not the dispatcher from the taxi company”*

2) *Convenience and on-Demand Capabilities*: Technology enables convenience and on-demand capabilities. One can

request an Uber ride at any time by tapping the phone. No need to being put on hold when a call is made to the cab company dispatcher. The cab dispatcher cannot know an exact time of arrival of the cab at customer’s location. On the other hand, with an Uber App, one is able to request a ride, select a driver, and know exactly when the driver will show up. Similarly, an Airbnb App allows booking a room at one’s own convenience or a TaskRabbit App allows one to find a plumber who can come immediately to fix a broken faucet, leaking down a basement, without waiting for days or paying a fortune [24]. These are examples of the Convenience and on-demand expectations that customers are looking for, which are being offered by companies in the shared economy.

3) *Rating and Reciprocal Reviews*: Success of sharing economy is based on the trust that allows its participants to trade goods and services [18]. Trust is cultivated and measured through the ratings and review systems. In case of Uber, hopping in a car with a stranger becomes less risky when reviews about the driver or the passenger are available. In addition, pictures of drivers, car model and the license plate are also available before a ride is requested. This not only adds an extra layer of confidence in decision making for customers, it also provides an incentive to drivers to provide the best customer experience to preserve their ratings and reviews. Similarly, one doesn’t have to physically check out a room for renting in Malaysia, Airbnb allows a virtual tour [5]. The idea of awkwardness and strangers is less intimidating when you read the nice reviews about the kindness and hospitality of the people who posted the listing. On the flip side, technology is allowing employees to rate their customers. One of the students who drives for Uber, interviewed for this paper, stated:

*“Most Uber customers do not know that drivers rate them. I rely on customer’s rating to decide whether to accept the ride request or not. It makes my decision even easier when I get two requests at the same time, I just go with the highest rated customer.”*

Such a system promotes means and mechanisms to encourage an honorable and fair environment where participants are informed, treated fairly and have full control. The reciprocal rating and review system is similar to an incentive program where people with good reviews will continue to harvest business while others with bad reviews will find difficulties in participating and taking advantage of what the Sharing Economy has to offer.

#### IV. DISCUSSION AND FUTURE RESEARCH

Sharing economy, as opposed to the traditional rental economy, is a growing sector and a promising business model for budding entrepreneurs, businesses and government institutions. However, its popularity has brought its share of concerns that need further research and are discussed below along with a few additional key observations. One limitation of this case study was lack of sample data comprising geographic diversity. However, since this paper presents only preliminary findings, future research shall address the limitation.

##### A. *Sharing Economy - A Growing Sector*

A business model which is similar to sharing sector is the traditional rental sector. This sector is based on owning products and then renting them out. Examples include renting of cars, books, or DVDs. While this sector has existed for a long time, its future prospects are grim in comparison with the sharing sector. Price Waterhouse Coopers conducted a research study comparing the two sectors [10]. It found that in year 2013, traditional rental sector generated \$240 billion in global revenues whereas the sharing economy sector generated \$15 billion. In year 2025, however, the sharing sector is projected to generate a staggering \$335 billion in global revenues. One reason given is because some of the traditional sector business are replaced by sharing based companies. Examples include traditional bed and breakfast hostels being replaced by peer-to-peer accommodation providers such as Airbnb and Car rentals being replaced by car sharing.

##### B. *Sharing Economy – A Sustainable Model*

One of the reasons behind the success and sustainability of sharing economy is the cost savings through cutting operating costs. Airbnb, for instance, charges 3% service fee for hosts and 6 to 12% service fee for guests per booking [33]. It further has a formula that reduces the percentage of the service fee when the booking subtotal increases, hence more money savings for customers booking longer durations. A host listing a room in their apartment for 50\$ will pay \$2 service fee to Airbnb. This is a pure example of transferring cost savings to the consumer. Airbnb is less than 7 years old but has 22% more occupancies than all Hilton chains combined worldwide with an average of 425,000 transactions per night.

##### C. *Sharing Economy - Adoption by Governments*

There are some governmental institutions that are showing a keen interest in the sharing economy [4, 17]. The United Kingdom government has launched two pilot sharing programs, in two major cities, to promote sharing in transportation, office space, accommodation, and skills networks. The intent of these pilots is to evaluate the effects of sharing where laws were made sharing-friendly. In South Korea, the administration of Seoul City has recognized the potential of the sharing economy and its role in solving the city's social, economic and environmental issues as well as its ability to boost the economy by creating jobs and allowing the free flow of money among ordinary citizens. It has initiated a program called the "Sharing Seoul" project that is aimed to promote sharing of goods and services in many different key

areas. In three years after the program was launched, the city of Seoul is already harvesting the benefits. For instance, over 900 public buildings have been opened to the public during idle hours and have been used over 22,000 times by Seoul citizens for events and meetings. Such government initiatives are clear indications of the importance and potential that the sharing economy holds for the future.

##### D. *B2B Sector Will Grow*

The business to Business sector is clearly going to be the biggest adopter of the sharing economy model [21]. Below are some of the areas that are becoming very popular among businesses. 1) Excess Real Estate: many businesses especially small and medium size businesses engage in sharing office space, warehouses, garages and store fronts. 2) Excess Trucking Capacity: companies operating in closer geographic areas can benefit from a reduced freight cost by sharing trucks. 3) Excess Capital Asset: businesses can share machinery; hospitals can share their expensive MRI machines if they are not being fully utilized.

##### E. *Future Research*

The sharing economy model is still in its infancy, and many aspects of it are still open to be investigated. More data and solid proofs need to be collected to draw better comparisons between different software engineering facets and sharing economy. Some of these findings need to include recommendations and insights on how to improve the sharing economy and the technologies behind it.

Other areas that need to be researched are the legal and safety aspects of sharing economy [4, 9]. These are so controversial, they can threaten the growth of businesses based on the sharing economy. As an example, Uber's potential liability exists for one of its drivers in Michigan who went on a shooting rampage killing six people on February 20th, 2015. While Uber feels not responsible for the conduct of its drivers, as it regards them as independent contractors, the public may not feel the same. Two women have already file law suits against Uber for sexual assaults perpetrated at them by Uber drivers in Massachusetts and South Carolina [20]. While a judgement is pending, it poses questions about the ability of Uber to provide safety and protection to its clients. How can information technology assist in these situation? This is an uncharted territory that needs more research and regulatory guidelines. Another topic that warrants further research and investigation is the question of sharing economy being environmentally friendly. Other than anecdotal evidence, little scholarly efforts have been focused to prove this.

Moreover, the evolution and continuous growth of the sharing economy is a threat to established traditional sectors and have socioeconomic implications. There are certainly regulatory obstacles as evidenced by the lawsuits against Uber and Airbnb. Some localities in US and countries like Germany have banned the operations of such startups completely fearing that they will disrupt the traditional economy [9]. The government is often caught in the middle between lobbyists of conglomerate corporations and people who want to take advantage of what the sharing economy has to offer.

## V. CONCLUSION

The sharing economy is powered by new technology tools and has the potential to grow and become a sustainable economic model. The critical success factors behind the sharing economy are it supports new emerging classes of consumers with an appetite for sharing; it enables savings for a growing middle class that is keenly price-conscious; it presents environmentally friendly options; it proposes a robust business model designed to allow affordability which creates a win-win situation for all parties; it allows B2B sector to extend its surplus resources and operate at higher efficiencies; and it is enabled by a plethora of technological tools and advancements.

All these are signs and indications that the sharing economy's growth is real and its future is promising. Clearly the opportunities are numerous, and there are many ways that the sharing economy exhibits potential to redefine our ideas of vacationing, commuting, and entertainment. Sharing economy provides the ground and the tools for an emerging class of consumers and providers to join forces and create an economy where they are not being exploited and manipulated by large corporations. Rather, it lays foundations for an environment that promotes trust, honor system, social binding, extra savings and increased autonomy for individuals.

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