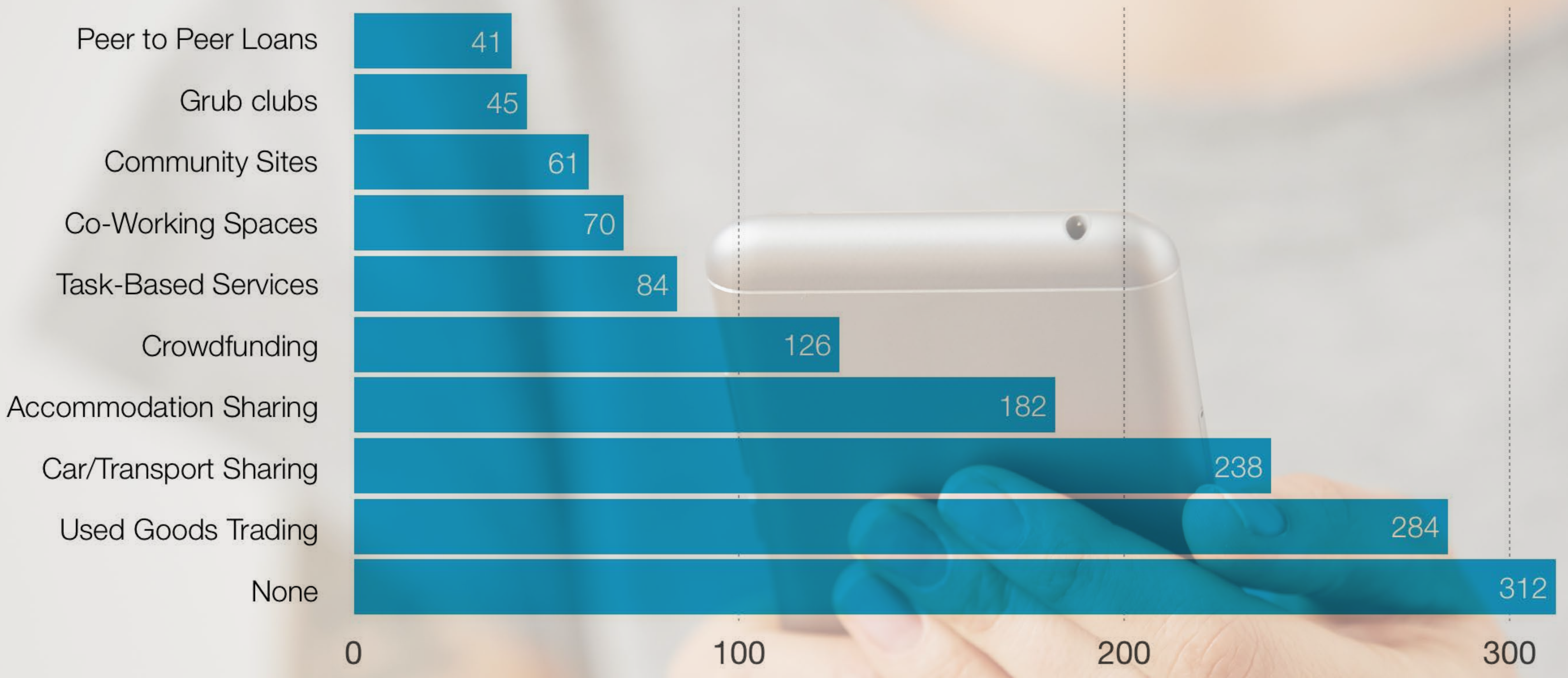
The Sharing Economy Consumer Views Survey

In May 2016, Veridu and The People Who Share, surveyed over 850 consumers in both the United Kingdom and the United States on their views and interaction with the Sharing Economy. The survey revealed some interesting results.

veridu the people who share

Q: Which of the following Sharing Economy Sectors have you used in the past?



Adoption by sector varies dramatically

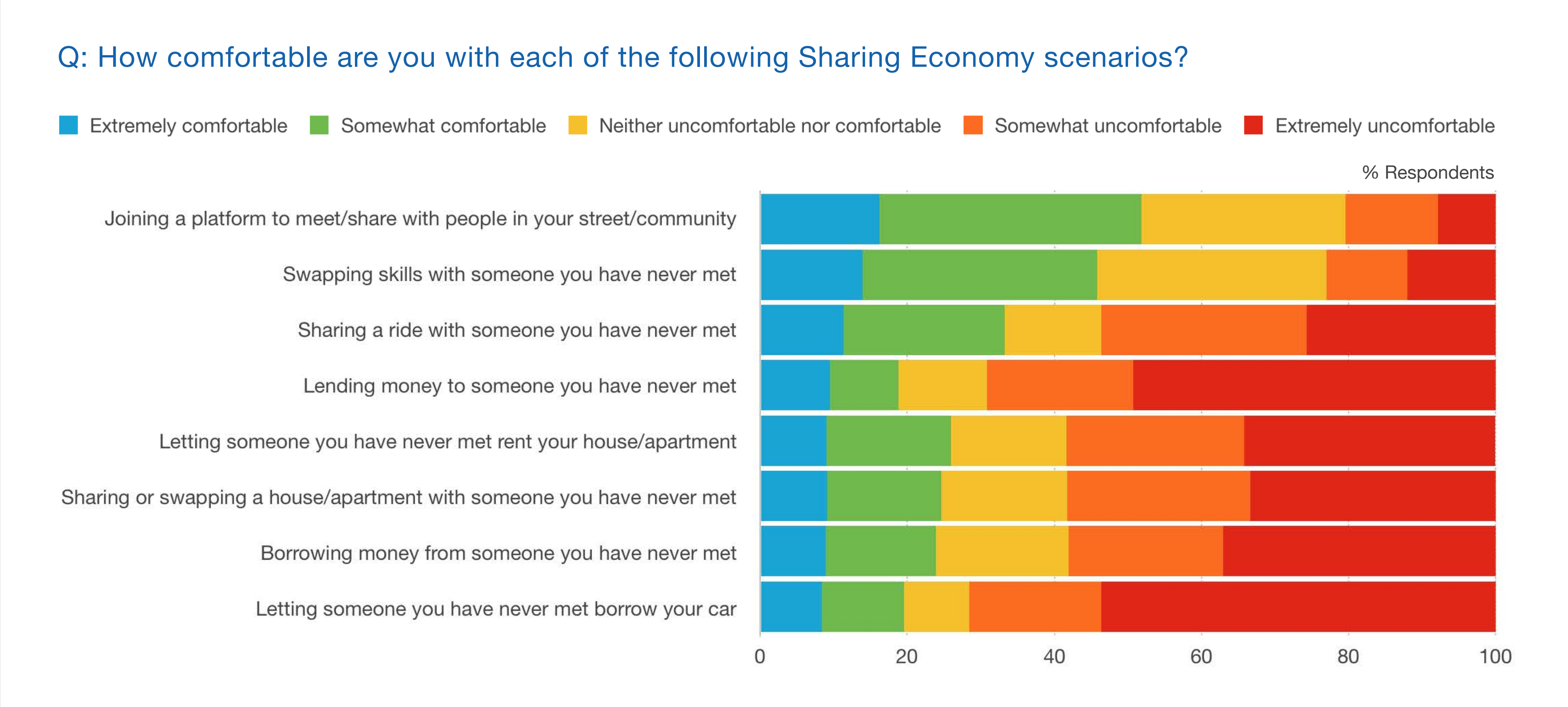
While used goods trading (e.g. eBay), car or transport sharing (e.g. Uber) and accommodation sharing (e.g. Airbnb) are becoming mainstream alternatives to traditional providers, other sectors are still in their infancy.

Younger consumers are far more likely to participate in the Sharing Economy - only 21% of those under 34 years old have not participated, compared to 58% of consumers aged over 55 years old.

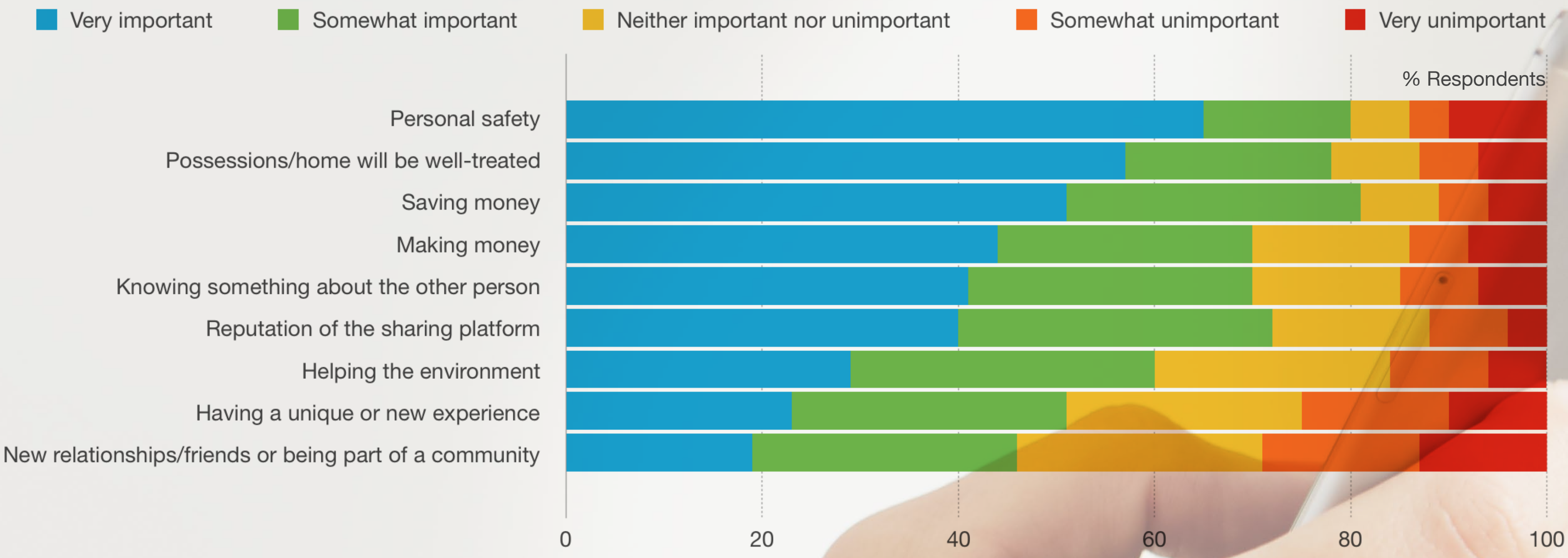
Some things we just don't like sharing

Like our cars, with nearly three-quarters (72%) of respondents telling us they were extremely or somewhat uncomfortable sharing their car with a stranger.

Perhaps unsurprisingly, we're not that keen lending money to strangers either, but we're a little more comfortable borrowing money from someone we've never met.



Q: When using these Sharing Economy services how important was each of the following to you?

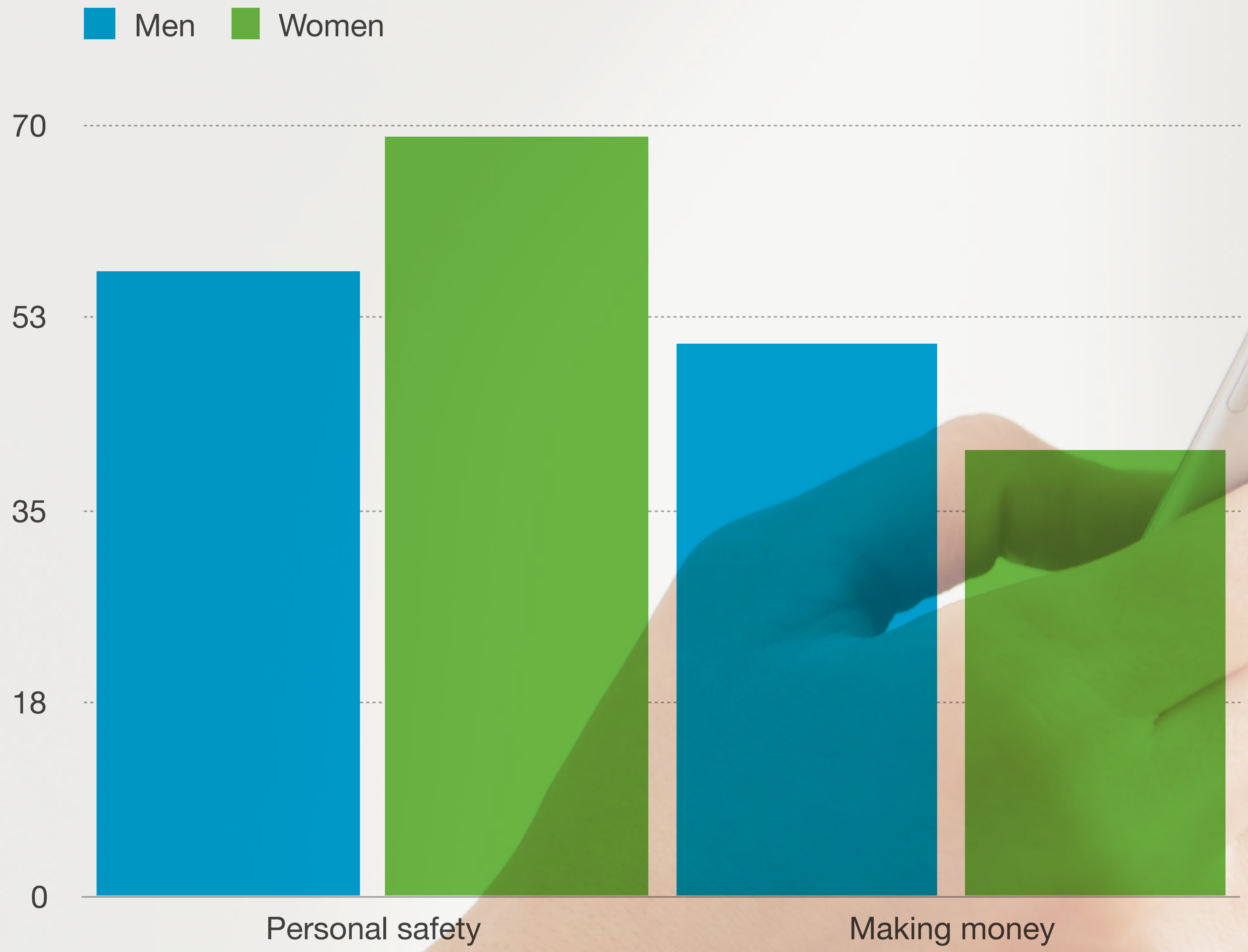


Money, money, money

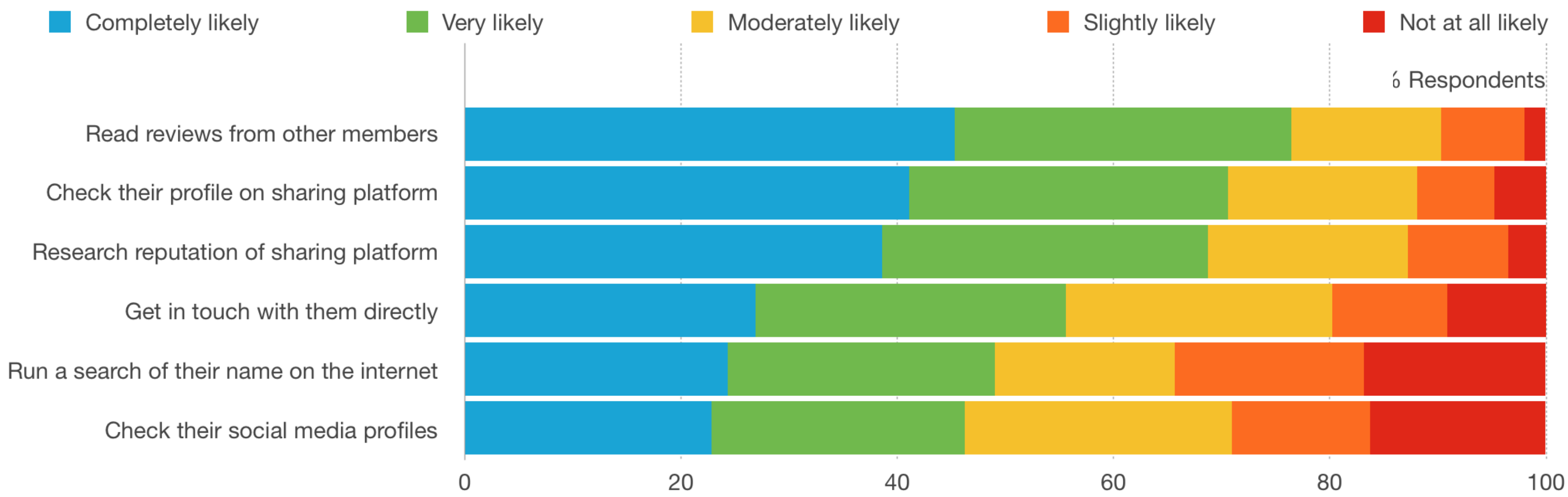
The Sharing Economy is all about new experiences and relationships, right? Not always. Our survey showed that saving money was actually the number one reason for people to participate in the Sharing Economy, with 82% of respondents telling us this was very or somewhat important to them.

Closely following the importance of saving money came personal safety and the confidence that whatever is being shared would be well looked after - with 80% and 78% respectively. Not far behind was the reputation of the platform, with nearly three-quarters (73%) of respondents ranking this as very or somewhat important to them.

There are some differences by gender, with women more concerned about personal safety when engaged in a Sharing Economy transaction - 69% of women said this was very important compared to 57% of men. Men, on the other hand, appear slightly more focused on the money making potential with 50% stating that making money was very important to them, compared to 40% of women.


Men
Women
70
53
35
18
0
Personal safety
Making money

Q: How likely are you to carry out any of the following checks before engaging in a transaction with another member of a sharing economy platform?



We're not trusting blindly

While saving money may be the most important thing to users of the Sharing Economy, trust is central to the success of the sector. Almost all respondents conduct some level of research to establish the credibility and reputation of both the other party involved in a transaction, and the platform facilitating that transaction.

When it comes to evaluating these safety and reputational concerns, users appear to be taking matters into their own hands.

The most popular source of information about the other person involved in a transaction is peer reviews - with 98% of sharers likely to read these. This is despite several of the big marketplaces having very public issues with fake and paid-for reviews.

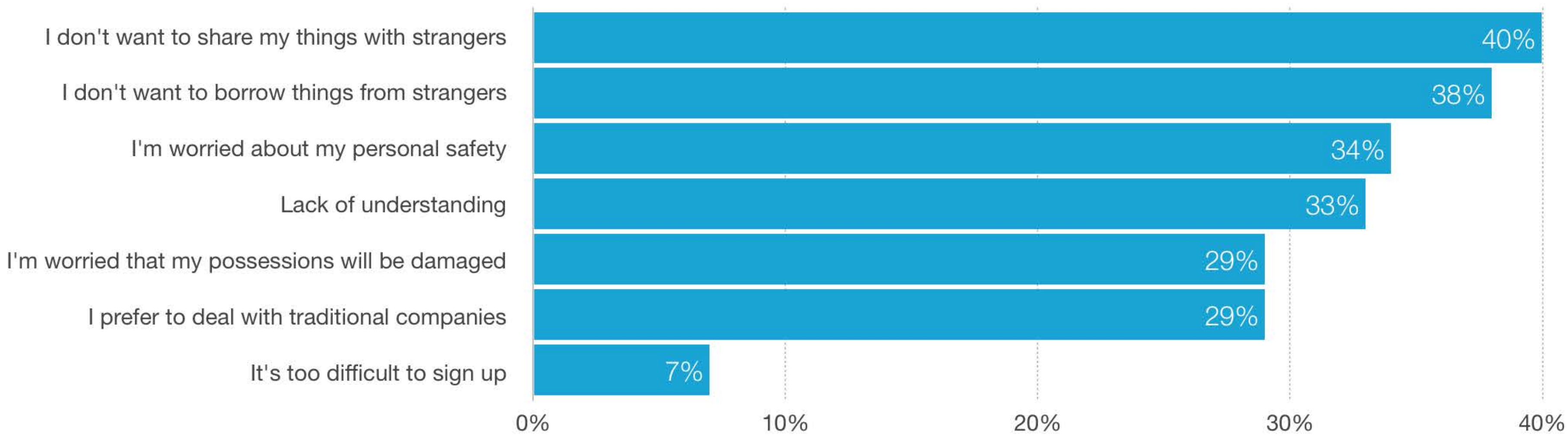
Trust also comes through strongly as a reason for those choosing not to participate in the Sharing Economy, with the primary reasons given including:

- Unwillingness to share possessions with strangers (41%)
- Concerns for personal safety (34%)
- Worries that possessions would be damaged (29%)

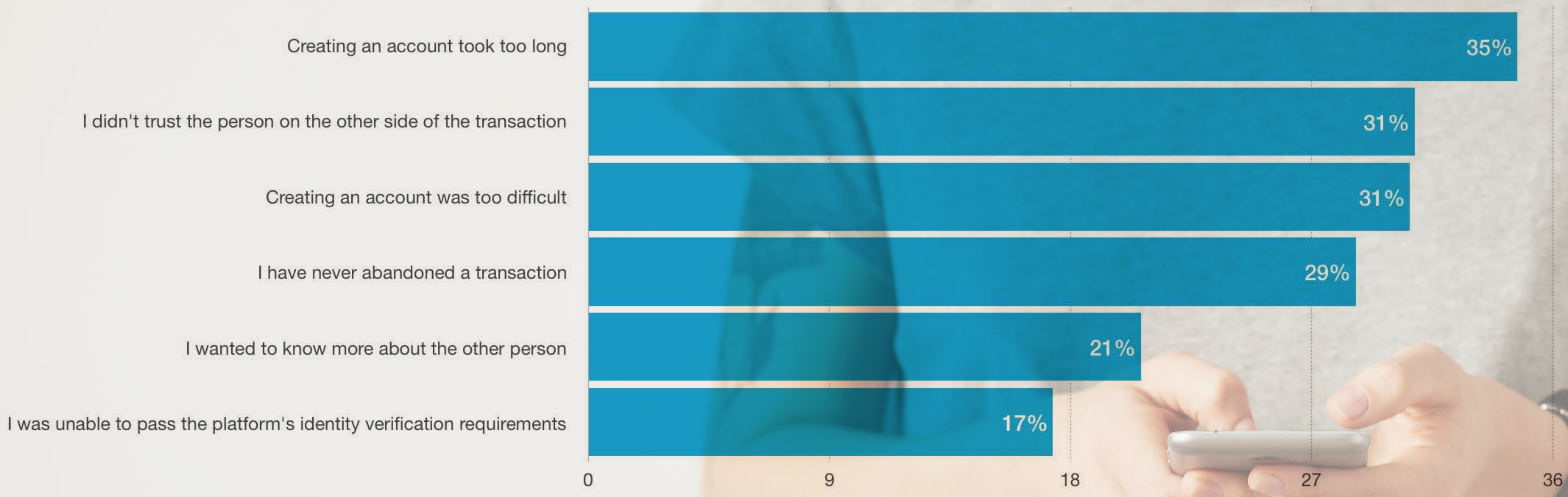
"The survey highlights the need for Sharing Economy platforms to put in place 'TrustTech' that allows members to build, manage and showcase their personal brands, enabling a bigger crowd to safely share goods and services"

Benita Matofska, Global Sharing Economy Expert and Chief Sharer, The People Who Share.

Q: Why haven't you participated in any of these Sharing Economy services?



Q: In what scenarios have you abandoned a Sharing Economy transaction?



What makes us abandon a sharing transaction?

While a lack of trust isn't top of this list, it's a very close second. The top three reasons for abandoning a Sharing Economy transaction are:

- Creating an account took too long.
- I didn't trust the person on the other side of the transaction.
- Creating an account was too difficult.

"It's clear from these results that Sharing Economy platforms face a dilemma. Users want to be able to access services quickly and easily and are being put off by lengthy or difficult sign up processes. However, these processes have been put in place to drive trust and safety on the platform. The key to success is getting the balance right."

- Rasmus Groth, Founding CEO of Veridu

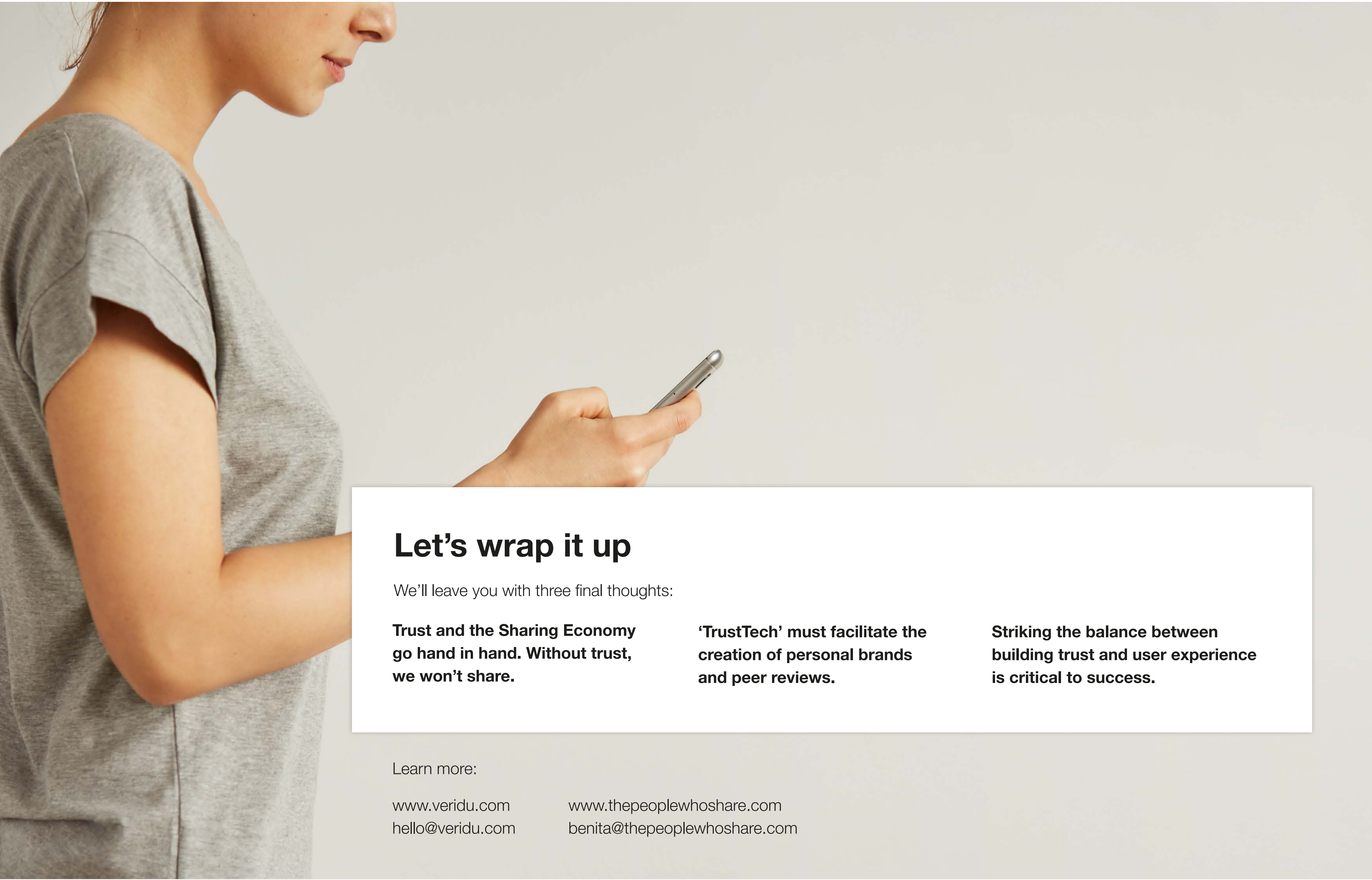
Nearly a quarter (22%) of respondents aged under 34 years old had abandoned a transaction because they couldn’t pass the platform’s identity verification requirements

Millennials are being excluded from the Sharing Economy

That’s right… millennials, the very demographic most likely to participate in the Sharing Economy, are often excluded.

Nearly a quarter (22%) of respondents aged under 34 years old had abandoned a transaction because they couldn’t pass the platform’s identity verification requirements, compared to only 13% of over 55 year olds. The identity issue seems to be affecting US millennials more acutely, with 28% abandoning for identity reasons, compared to 15% in the UK.

Millennials are also impatient, and the most likely give up if it takes too long to create an account. Nearly half (46%) have abandoned at least one transaction in this scenario. That only adds another dimension to the dilemma facing Sharing Economy platforms.



Let’s wrap it up

We’ll leave you with three final thoughts:

Trust and the Sharing Economy go hand in hand. Without trust, we won’t share.

‘TrustTech’ must facilitate the creation of personal brands and peer reviews.

Striking the balance between building trust and user experience is critical to success.

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