

II International Scientific Conference GCPMED 2019

"Global Challenges and Prospects of the Modern Economic Development"

ANALYSIS OF THE DEVELOPMENT OF COLLABORATIVE CONSUMPTION IN A POST-INDUSTRIAL ECONOMY

V. A. Perepelkin (a)*

*Corresponding author

(a) Samara State University of Economics, 443090, Soviet Army str., 141, Samara, Russia, slavaap@rambler.ru

Abstract

The collaborative using by economic agents of certain types of resources, accompanied by the distribution of economic benefits and reduction in transaction costs in the field of consumption, forms the content of the sharing economy that have become the focus of attention of scientists and business. Generated by the digitalization process, it is the phenomenon of the post-industrial stage of socio-economic development. The sharing economy has several forms, and the most promising is collaborative consumption, which is analyzed in the article. The study of the changes in collaborative consumption that took place in the 20th century showed its evolution from the initial pro-social forms of cooperation of direct consumers to commercially oriented forms based on the use of online and business-controlled online platforms. The disclosure of conflicts of interests between those wanting to increase their consumption of direct consumers and those seeking to maximize profits of firms required the establishment of the distinguishing features of post-industrial joint consumption and the organizational aspect of its implementation. The P2P (peer-to-peer) model is defined as the base for the forms of post-industrial collaborative consumption, the B2C model (business to the consumer) is for commercial services based on access, the main difference between them is shown. As a result, the forms of its implementation in practice that are most relevant to the system of post-industrial joint consumption are highlighted.

2357-1330 © 2020 Published by European Publisher.

Keywords: Collaborative consumption, access-based consumption, carsharing, digitalization, peer-to-peer, ridesharing.



This is an Open Access article distributed under the terms of the Creative Commons Attribution-Noncommercial 4.0 Unported License, permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

1. Introduction

Digitalization can significantly facilitate access to goods and services by strengthening horizontal ties between people, leading to changes in consumer behaviour. The status consumption described by T. Veblen at the beginning of the twentieth century, when possessing expensive things indicated a person's high social significance, is replaced by post-industrial consumer behavior, which opens the possibility for most people to express their individuality by expanding access to goods. So, the concept of collaborative consumption, presented by Botsman and Rogers in 2010 in the book «What's Mine Is Yours: The Rise of Collaborative Consumption», have been developed in the works of (Belk, 2014), whereas Hamari, Sjöklint and Ukkonen (2016) studied the motives of participation in it.

The practices of consumption that arose in the 21st century have a positive effect on the solution of a number of important economic problems: vehicle sharing (car sharing, bike sharing, scooter sharing) and ride sharing (joint trips) help solve the transport problem in terms of reducing the load on the road network and the environment; electronic platform solutions optimize consumption by maximizing benefits of existing material goods by ensuring their transition from consumer to consumer when selling or renting according to C2C (consumer to consumer) or P2P (equal to) models; crowdfunding serves to raise funds for the implementation of socially significant and innovative projects; coworking and online freelance exchanges contribute to the reduction of unemployment. This list of new forms of interaction in consumption includes both their movable and immovable property, services and financial resources.

Access-based consumption fits well with the post-industrial structural trend of replacing goods with services in social reproduction. In the context of the given argumentation, it is appropriate to refer to the statement of the marketing classic F. Kotler that people need not a drill, but a hole in the wall. Common to digitalization-based emerging forms of cooperation in consumption is the provision of mutual services by sharing among the members of the network community from time to time the benefits used in accordance with the need for them. The fundamental principle of building this community is trust between participants, provided by the publicity of the experience of previous interactions.

Observed in developed countries, a massive denial of the right of ownership in favor of the right to use the benefits based on access to them is associated not only with significant changes in property relations. In the context of the formation of post-industrial society, the expansion of collaborative consumption is in line with the transition to the post-industrial stage of social development. At all phases of the reproduction process, services which provide access to goods without owning them will significantly strengthen their position in relation to goods requiring consumers to have full ownership rights. In this context, the expansion of co-consumption can be considered as a new reason for continuing tertiarization, the research on which is relevant within the framework of the system of factors of the structural development of the modern economy.

2. Problem Statement

In terms of collaborative consumption, the online platforms imitate and scale the close ties that used to be formed through personal exchange. Series of consumer research societies and collaborative practices through online platforms show that the ideologies of solidarity, mutual aid and community

belonging coexist with conflicting ideologies of maximizing profits, private interest, utilitarian motives (Pais & Provasi, 2015; Scaraboto, 2015). Initially, the prosocial motives of several forms of collaborative consumption contradict market logic, generating strong internal conflict that accompanies the development of this phenomenon (Guyader, 2018). The disclosure of conflicts of interests between those wanting to increase their consumption of direct participants of collaborative consumption and those seeking to profit from the creators of the infrastructure component determined the formulation of the objective of the presented research.

3. Research Questions

The solution of this objective required the formulation of the following research questions:

- highlighting the hallmarks of post-industrial collaborative consumption;
- establishing the time limit set and the perspective for the evolution of collaborative access-based consumption as result of the formation of new socio-economic relations in the field of consumption;
- disclosing conflicting nature of the organization of the post-industrial system of collaborative consumption from the point of view of its direct participants.

4. Purpose of the Study

The existence of the economic and social aspects of the phenomenon requires ensuring their consistency with each other. At initial stage of studying of collaborative consumption (2001-2014) new related facts have been mainly studied, accumulated and generalized, meanwhile the focus was mainly on the economic aspect of the process of cooperation in consumption, while the social aspect remained in the background (Bardhi & Eckhardt, 2012; Fitzmaurice & Chor, 2015). A range of later research papers of scientists was devoted to the development of theoretical and methodological foundations of research on this phenomenon (Richardson, 2015; Böcker & Meelen, 2017). The establishment of the socio-economic features of the considered changes in personal consumption technologies currently used by a significant number of households in most countries of the world, as well as forecasting the prospects for their further distribution as a result of the structural development of the post-industrial economy, became the goal of this study.

5. Research Methods

The theoretical and methodological base of the research was formed by scientific publications, practice-oriented studies on business, where the content and forms of practical manifestation of the access-based consumption system in the conditions of formation of post-industrial social relations have been examined. Economic and social approaches to learning of the object of research with their comparison in terms of completeness of compliance with the goal and objectives were applied simultaneously. The applied methodological apparatus involved a set of universal scientific and special research methods: comparative analysis, historical-evolutionary, system-functional, statistical and tabular.

The given paper is based on the foreign and Russian research data, reports of international analytical agencies, the results of sociological surveys, data of state statistical services, which had served

as foundation of objectivity and reliability of the author's position stated in article regarding socio-economic characteristics of process of collaborative consumption.

6. Findings

The tradition of collaborative consumption in the framework of the community economic structure has been an element of the system of collective distribution and consumption of resources under their extreme limitation for thousands of years. With the emergence of the institution of private property, non-monetary exchanges of temporarily unnecessary benefits without the transfer of property rights among relatives, friends and neighbours continued to be practiced. Along with economic expediency, they were inspired by the social preferences of the participants. As far as occurring direct interpersonal exchanges were motivated by altruism, a sense of cultural community and ethical considerations, so consumer's behaviour prevailed over the market's behaviour, and therefore, an exchange of goods rather than products took place.

With the emergence of readiness to interact with unfamiliar people on equal, mutually beneficial and trusting terms began to emerge community in which mutual assistance was provided in the case of coincidence of interests in the consumption of the same goods (the provision of household tools, toys, music and transportation of travel companions). However, collaborative consumption in its modern forms became possible only after the appearance of the global Internet and electronic services tied to mobile gadgets. Exchanges moved from offline to online platforms created and regulated by business structures, and the resulting economic benefits began to be monetized because of them. There was a contradiction between the commercial interests of companies which controlled online platforms and the interests of consumers that conducted exchanges through these electronic platforms (Gollnhofer, 2017). Firms need computer systems of interaction of users for profit, consumers – for improvement of social and economic characteristics of the consumption. It is difficult to establish a real ratio of the economic and socio-environmental reasons for participation without separating the business structures that earn from their e-infrastructure from individuals directly involved in the sharing economy. So far, more attention is paid to the economic component of collaborative consumption (relations within the framework of the B2C model (business to consumer) and commercial services based on access) and less to the research on the role of communities of socially and environmentally responsible consumers.

The P2P (peer-to-peer) model is basic for post-industrial collaborative consumption, and the B2C model is basic for commercial services based on access. The fundamental difference between them is the importance of belonging to the community of participants in P2P-interactions and the impersonal nature of B2C-exchanges. So, in social car-sharing, people meet to exchange keys, discuss the results of collaborative consumption together, while commercial car-sharing companies define the lack of regular personal communication as comfortable for customers. Equal participation in post-industrial collaborative consumption by individuals matches well with the social benefits of expanding the network of personal connections, but they are realized through market-mediated online platforms. Therefore, consumers appreciate economic utility in collaborative consumption primarily, while they are expressing social interest in it at the same time. They transfer personal exchanges from social networks to electronic P2P exchange platforms pragmatically, that allow to realize their consumer pattern of behaviour still offline,

but in better conditions. Thus, moving away from kinship and friendly borrowing, private resource providers monetize economic benefits on firms' digital platforms. Since the developers of these platforms copy the functionality of e-Commerce sites, the resulting similarity with these sites generates a reckoning to the collaborative consumption of practices, that are alien for it (Eckhardt & Bardhi, 2015).

Along with access-based commercial services and some other practices within the framework of the B2C model, the practices of recycling things and even selling all things according to the C2C model are often referred to joint consumption. Indeed, the views of many participants in joint consumption are close to the ideas of limiting material attachments and the accumulation of goods, which are realized while extending the life of things that have become unnecessary through their donation and non-monetary exchanges (Kim, 2017; Gollnhofer, 2017). However, if the return of things to the sphere of consumption occurs with the change of ownership, then such interactions can't be considered as joint consumption.

These signs of post-industrial joint consumption are most closely associated with ridesharing, couchsurfing, crowdfunding (mutual lending) and the borrowing, carried out within the framework of the P2P model. However, in the empirical part of research, the range of practices related to joint consumption is often unnecessarily expanded. So, in the description of the "economy of joint consumption" submitted by RAEC (Russian association of electronic communications, 2018), the following are indicated as its forms: those involving transfer of ownership of C2C-sale; freelance services, including those acting as individual entrepreneurs; all car sharing and all short-term rental housing, regardless of the goals and mechanism for implementing their specific practices; crowdfunding, through which funds are raised for the implementation of projects mainly for production rather than consumer purposes. As a result, the "joint consumption economy" is expanding to the scale of a "sharing economy", in some cases even going beyond the latter.

In the case of mixing the logic of direct exchanges with the logic exchanges that are, all direct exchanges of suppliers and consumers are classified to shared consumption, even if the purpose of one of the parties is not so much compensation for underutilized resources as increasing income through the provision of additional resources (Acquier, Daudigeos, & Pinkse, 2017). So, Uber's work is an example of on-demand services, but not sharing, because its strategy is to increase profits by attracting more freelancers engaged in passenger transportation. The opposite example is the ride-sharing service of fellow travelers BlaBlaCar, which provides a better use of existing cars by means of their more complete load with reimbursement to drivers of the trip cost. Also closer to the logic of joint consumption is service of sharing accommodation between travelers Couch Surfing, which provides only an electronic platform for posting information, rather than the company Airbnb, the basic principles of which are similar to those taking place in the rental housing (Forno & Garibaldi, 2015).

The use of a single methodology of their structuring, the development of which is relevant from the point of view of theory and practice, allows to increase the level of reliability and comparability of the results of quantitative description of modern forms of joint consumption. The analysis of the Table 01 content formed on the basis of the data of from the report of the Russian association of electronic communications (RAEC) confirms the validity of this statement.

Table 01. Transactions on consumer online services in Russia

Activities of online services	2017		2018		Transaction volume growth in 2018, %
	Transaction volume, in billion rubles	Share, %	Transaction volume, in billion rubles	Share, %	
Car-sharing	5,1	1,3	13	2,54	254,9
Ride-sharing	8,1	2,07	13,7	2,69	169,1
Short-term rental housing	5,8	1,49	9,8	1,92	168,96
Office sharing:	4,5	1,09	5,7	1,11	132,5
- coworking	2,6	0,66	3,5	0,68	134,61
- joint office	1,7	0,43	2,2	0,43	129,41
Crowdfunding	0,3	0,07	0,4	0,08	75
Sales -C2C	295	75,32	370	72,44	125,4
Renting items	0,08	0,02	0,18	0,03	225
Freelance services	73	18,64	98	19,19	134,24
Total	391,68	100	510,78	100	130,4

Source: author based on the Russian association of electronic communications (2018).

Access-based consumption is diverse, and the identification of forms of post-industrial joint consumption requires knowledge of the following distinctive features of the latter:

- consumption without possession of the good;
- borrowing temporarily redundant resources;
- transferred resources remain the property of their former consumers;
- as a result of individual involvement in the online community, personal connections are established between the participating consumers;
- economic incentive is compensation for insufficient use of personal resources;
- suppliers interact directly with their peers on the P2P (peer to peer) model.

The available quantitative data demonstrate unconditional leadership in transaction volume in the Russian consumer online services in 2018 that do not belong to joint consumption or the sharing of things sales between consumers (370 billion rubles) and freelance services (98 billion rubles). Common for collaborative consumption are the practices of ridesharing and leasing things together showed much smaller amount (13,88 billion rubles) (Russian association of electronic communications, 2018). In the aggregate, approximately the same number couch surfing included in the short-term rental housing, car sharing in social car sharing, crowd lending in crowdfunding and also P2P office sharing practices. On the one hand, the growth rates of joint consumption in Russia are among the highest in the world, but on the other hand, the absolute volumes per capita are still relatively small.

7. Conclusion

In post-industrial society, value attitudes in consumption are shifting, on the one hand, towards the preference for immaterial goods, and on the other hand, the strengthening of social and environmental responsibility and cooperation. As an innovative response to the increasing demands of people in the

sphere of consumption, the access to goods without owning them compares favourably with traditional commodity exchange transactions both economically and socially. With the development of public relations, joint consumption has evolved from the state of public initiative of disparate self-organizing consumer groups to the global level of application of forms of organization of online cooperation of end consumers. Today joint consumption is a post-industrial socio-economic phenomenon resulting from cooperation within spontaneously formed communities of people to develop and apply new pro-social interactions, were converted by entrepreneurs into online collaboration model in consumption with commercial appeal.

References

- Acquier, A., Daudigeos, T., & Pinkse, J. (2017). Promises and paradoxes of the sharing economy: An organizing framework. *Technological Forecasting and Social Change*, 125, 1-10. <https://doi.org/10.1016/j.techfore.2017.07.006>
- Bardhi, F., & Eckhardt, G. M. (2012). Access-based consumption: The case of car sharing. *Journal of Consumer Research*, 39(4), 881-898. <https://doi.org/10.1086/666376>
- Belk, R. W. (2014). You are what you can access: Sharing and collaborative consumption online. *Journal of Business Research*, 67(8), 1595-1600. <https://doi.org/10.1016/j.jbusres.2013.10.001>
- Böcker, L., & Meelen, T. (2017). Sharing for people, planet or profit? Analysing motivations for intended sharing economy participation. *Environmental Innovation and Societal Transitions*, 23, 28-39. <https://doi.org/10.1016/j.eist.2016.09.004>
- Botsman, R., & Rogers, R. (2010). *What's mine is yours: The rise of collaborative consumption*. New York, N.Y.: HarperCollins Publisher.
- Eckhardt, G. M., & Bardhi, F. (2015). The sharing economy isn't about sharing at all. *Harvard Business Review*, 39(4), 881-898.
- Fitzmaurice, C. J., & Chor, J. B. (2015). *Collaborating and connecting: The emergence of the sharing economy*. Cheltenham, UK: Edward Elgar.
- Forno, F., & Garibaldi, R. (2015). Sharing economy in travel and tourism: The case of home-swapping in Italy. *Journal of Quality Assurance in Hospitality and Tourism*, 16(2), 202-220. <https://doi.org/10.1080/1528008X.2015.1013409>
- Gollnhofer, J. F. (2017). The legitimization of a sustainable practice through dialectical adaptation in the marketplace. *Journal of Public Policy & Marketing*, 36(1), 156-168. <https://doi.org/10.1509/jppm.15.090>
- Guyader, H. (2018). No one rides for free! Three styles of collaborative consumption. *Journal of Services Marketing*, 32(6), 692-714. <https://doi.org/10.1108/JSM-11-2016-0402>
- Hamari, J., Sjöklint, M., & Ukkonen, A. (2016). The sharing economy: Why people participate in collaborative consumption. *Journal of the Association for Information Science and Technology*, 67(9), 2047-2059. <https://doi.org/10.1002/asi.23552>
- Kim, J. (2017). The ownership distance effect: The impact of traces left by previous owners on the evaluation of used goods. *Marketing Letters*, 28(4), 591-605. <https://doi.org/10.1007/s11002-017-9432-7>
- Pais, I., & Provasi, G. (2015). Sharing economy: A step towards the re-embeddedness of the economy? *Stato e Mercato*, 3, 347-378.
- Richardson, L. (2015). Performing the sharing economy. *Geoforum*, 67, 121-129. <https://doi.org/10.1016/j.geoforum.2015.11.004>
- Russian association of electronic communications (2018). *Economics of collaborative consumption in Russia 2018*. Moscow: Russian association of electronic communications. Retrieved from: <https://raec.ru/upload/files/raec-sharing-economy-nov2018.pdf> [in Rus.]
- Scaraboto, D. (2015). Selling, sharing, and everything in between: The hybrid economies of collaborative networks. *Journal of Consumer Research*, 42(1), 152-176. <https://doi.org/10.1093/jcr/ucv004>