

COLLABORATIVE CONSUMPTION WITH RACHEL BOTSMAN

Reimagining Public Services



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INTRODUCTION

Very occasionally, something comes along that changes the way we live. Game-changers aren't normally a new gadget or patentable invention, but rather a process or innovation that unlocks a myriad of new ways of doing things. Many of the most significant game-changers have been 'social innovations', such as the spread of legal systems, the market, written language, or even the state itself.

It's a little heavy, and premature, to claim that collaborative consumption will be a game-changer to the same extent as legal systems or conventional markets, but it can claim to have the same type of characteristics. It embodies a subtle twist – a technologically enabled 'socialising' – of markets that can increase their efficiency in the conventional sense, and also qualitatively change their character. If you've used Streetcar, given something away on Freecycle, bought something second hand on eBay or simply borrowed your neighbour's drill, you're already part of the rise of collaborative consumption – a new wave of organising, sharing, bartering, lending, trading, renting, gifting, and swapping. Rachel Botsman's work shines a bright light on the growth of this phenomenon, citing hundreds of examples of innovation and entrepreneurship which epitomise this shift from 'hyper consumption' to collaborative consumption.

One can argue that many public services are themselves ‘first generation’ forms of collaborative consumption – citizens clubbing together to provide goods like hospitals and schools that are impossible for individuals to provide or afford as individuals. But technology has made possible new ways of collaboration to address some of our most pressing social and environmental challenges. New systems of exchange present game-changing opportunities for the future of Britain’s public services – whether that be through the exchange of time or assets, exchange between individuals or between organisations.

NESTA can claim some credit for being at the forefront of this debate. Perhaps its unusual blend of private and public sector investment in innovation has given it a head-start, but its research and investments in systems of timebanking, complementary currencies and new systems of barter and exchange provide one of the most interesting and promising clusters of public sector practice today – including exposing Rachel’s work to the wider audience it merits.



David Halpern

Director Behavioural Insights Team
Cabinet Office

COLLABORATIVE CONSUMPTION AND THE BIG SOCIETY

Over the past couple of years a powerful revolution of collaboration has risen up and is gaining momentum throughout our cultural, political, and economic system. We are relearning how to create value out of shared and open resources in ways that balance personal self-interest with the good of the larger community.

The examples covered in this brochure – car sharing, bike sharing, timebanking, social lending and ‘garden dating’ – show how for the first time in history, the age of networks and mobile devices have created the efficiency and social glue to create innovative solutions; enabling the sharing and exchange of assets from cars, to bikes, to skills to spare space.

All around the world, people are increasingly opting into the likes of ‘social lending’ and ‘garden dating’ for different reasons; from saving money to making money, from convenience to choice, from saving space to saving time, to being ‘greener’ and ‘doing the right thing’. But at the heart of Collaborative Consumption is a realisation that if we move from being passive consumers to active citizens, we can become part of a community bigger than ourselves and create a stronger ‘Big Society’.

The philosopher Søren Kierkegaard wrote: *“Life can only be understood backwards but it must be lived forwards.”* I believe we will look back and see this period as a momentous turning point in history. A ‘big shift’ is underway from the 20th century of hyper-consumption driven by a mindset of ‘me, myself and I’, towards the 21st century of Collaborative Consumption, an emerging culture and economy of ‘me + we’. Indeed it will be referred to as a revolution, so to speak, when society, faced with grave challenges, took a leap and used network technologies to reinvent outdated modes of business, transformed public services and started to rebuild a society geared to serve basic human needs – in particular, the needs for community, individual identity, recognition, and meaningful activity – rooted in age-old market sensibilities and collaborative behaviours.

Collaborative Consumption can help take the vision of the ‘Big Society’ and turn it into real, innovative solutions that benefit everyone from start-ups to big business, individuals to local councils.



Rachel Botsman

Social Innovator and co-author of *What's Mine Is Yours: The Rise of Collaborative Consumption*.

COLLABORATIVE CONSUMPTION

Overview: The Three Systems of Collaborative Consumption

Collaborative Consumption describes the rapid explosion in traditional sharing, bartering, lending, trading, renting, gifting, and swapping reinvented through network technologies on a scale and in ways never possible before. From enormous marketplaces such as eBay and craigslist, to emerging sectors such as social lending (Zopa) and car sharing (Streetcar), Collaborative Consumption is a cultural and economic force disrupting outdated modes of business, reinventing public services, with the potential to transform the way we live.

The vast array of Collaborative Consumption examples from around the world and across sectors from finance to food can be organised into three systems (see next page).

Product service systems

Based on the idea of paying for usage of a product, its benefit, without needing to own the product outright. Product service systems are disrupting traditional industries based on models of individual private ownership (e.g. car sharing and bike sharing).



Redistribution markets

Redistribute used or pre-owned goods from where they are not needed to somewhere or someone where they are (e.g. swap trading and reuse marketplaces).



Collaborative lifestyles

It's not just physical goods that can be shared, swapped, and bartered. People with similar interests are banding together to share and exchange assets such as time, space, skills, and money (e.g. social lending and co-working spaces).



Bicycle sharing

You may have noticed more people cycling around London. But they are not on their own bikes, they are on magic shared bikes - there when you want one and gone when you don't! Bike sharing is a great example of a product service system and a mindset of valuing 'access over ownership' and usage trumping possessions.

With a 15-minute ride to and from work everyday burning the equivalent of five kilograms of fat per year, there are clear health gains in making use of bicycle sharing networks as a transport alternative. More importantly, with the average commuter stuck in traffic for 50 hours of every year, bike sharing provides both a convenient and environmentally beneficial transport solution to getting around our increasingly congested cities. And it's hard to ignore the fun and freedom experienced when riding through the streets on a bicycle!



INTERESTING FACTS

- 500,000 bicycle trips were made within the first six weeks of the launch of Barclays Cycle Hire and more than 80,000 people have since signed up as members.
- 315 bicycle docking stations and 5,000 bicycles were available in central London at the time of its launch.
- The London Cycle App (which locates Barclays Cycle Hire docking stations) has reached 100,000 downloads since launch.
- A record 24,442 journeys were made on the day of the London Underground strikes, up 32 per cent on the average number of journeys made each day in the previous week.

Car sharing

Bill Ford, automobile giant Ford's executive chairman, admitted in an interview with CNN in 2009: *"The future of transportation will be a blend of things like Zipcar, public transportation, and private car ownership. Not only do I not fear that, but I think it's a great opportunity for us to participate in the changing nature of car ownership."*

Network technologies including the Internet and smart phones are creating car sharing systems with an unprecedented level of convenience and choice. Users can reserve and pay for a car 'on-demand' for periods as short as one hour. Car sharing is a great example of the growing appeal of services based on a 'usage mind-set' whereby access is valued more than ownership.

INTERESTING FACTS

- For every car sharing vehicle on the road, up to 15-20 privately owned vehicles are off the road.
- Average car users save an estimated £380 per month when they switch to car sharing.
- Car sharers drive on average 44 per cent less than those with privately owned vehicles because they think twice about whether they need to use the car.
- Launched in April 2004, Streetcar has become an increasingly popular alternative to car ownership in the UK, with a presence in more than 1,100 locations across eight cities and with roughly 80,000 members.
- Membership in car sharing services is expected to increase more than eight-fold between now and 2016 and it is estimated that 5.5 million people in Europe will belong to services like Zipcar.



Car C
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only

NEXT GENERATION CAR SHARING: Peer-to-peer car rental

Peer-to-peer car sharing is just like Streetcar but without the fleet. The likes of WhipCar enable car owners to directly rent out their cars to people in their community for a few hours per day to weeks. When you consider the average owned car sits idle for 22 hours of the day, the idea makes a lot of sense. As the Economist noted, individuals involved in Collaborative Consumption are becoming 'micro-entrepreneurs'. Some people are making a little money on the side and others are making significant income from peer rental of products and spaces that would otherwise be sitting idle. Peer-to-peer car rental is an ideal solution for communities which might not have the critical mass required to establish a fleet, allowing people to offer their underutilised cars to others in their neighborhood.

“People are making trips they would not have been able to make in the absence of our service (due to lack of viable options) so we are starting to expand the market. At the same time, WhipCar provides a social utility to car owners who on average are earning £45-50 per booking, each of which varies between hours and weeks.”

Vinay Gupta, Co-founder WhipCar



**£10 PER
HOUR**



**£30 PER
DAY**

INTERESTING FACTS

- Six months since its launch, UK-based WhipCar has over 1,000 owners accepting bookings through its peer-to-peer car sharing system.
- There are currently 40 different makes of car available for rent through WhipCar, offering a cheaper and more customised transport option than traditional car rentals.
- On average car owners are earning £45-50 per booking.

Landsharing

Around the world, increasingly high value is placed on fresh local produce, and more and more people want to grow their own food. The problem is allotment waiting lists that are significantly over-subscribed, and many people lack the space, time or skills to do so. This is where Landshare and similar 'garden dating' schemes come in to connect gardenless wannabe growers with unused spare land, as well as people with extra time or skills that want to help. The land posted on sites such as Landshare varies from spare acreage on farms, to unused allotments, to urban wasteland, to small back gardens.

Garden sharing platforms are a leading example of Collaborative Lifestyles, allowing people to find a common ground on which they can collaborate and share assets without money changing hands.



“Landshare is about empowering people to find an alternative solution to allotment waiting lists and lowering barriers to people from being able to grow and/or access fresh fruit and veg. In the climate of talk about food miles, food security and the Big Society, Landshare is an example that collaboration can mean real solutions.”

**Jane Lucy, Producer,
Channel 4's Landshare**

INTERESTING FACTS

- Landshare has more than 55,000 members across the UK to date.
- The ratio of land-seekers to land owners is currently about 2:1.
- A recent survey of over 150,000 council plots in England found 91,500 people waiting for an allotment - an increase of over 15,000 within a year.


Social lending

A study conducted by Mintel at the end of September 2008 showed that only 16 per cent of adults in the UK trusted traditional big banks. Elsewhere in the financial world, a relatively new sector called ‘social lending’ was going through extraordinary growth. Social lending is like eBay for banking; a network of lenders and borrowers who can directly connect ‘peer-to-peer’ (P2P).

By cutting out the traditional banks and sidestepping the middlemen, social lending gives lenders a better return for their money. In 2010, the average rate of return for lenders in 2010 was 8.2 per cent and borrowers’ interest rates were on average 20 per cent lower than traditional banks. A common motivation for both investors and borrowers is that they feel invested in rather than taken advantage of.

“It makes me feel like I am part of something bigger and seems to trigger a sense of belonging. With belonging comes pride and passion.” Rob Forshaw, Zopa lender.

Launched in March 2005, UK-based Zopa was the first online P2P lending marketplace anywhere in the world. There are now more than 35 competitor P2P lenders set up around the world, with new competitors, including YES-Secure and Quakle, recently launched in the UK.



“Our model isn’t a challenge to the whole of banking but it is radically more efficient in the rather large niche of personal loans. This efficiency stems from capital advantages from not being a bank, the advantages of a direct model vs branches, and the increased likelihood of people repaying money lent to them by people rather than by banks, as evidenced by our market leading default rates.”

Giles Andrews, CEO Zopa

INTERESTING FACTS


- By October 2010, Zopa members had lent over £100 million between each other.
- The default rate on Zopa is remarkably low, at about 0.7 per cent (the average default rate on credit cards in mid-2009 was more than 10 per cent).
- Zopa currently have over 1 per cent market share of the UK unsecured personal loan market, and expect that to more than double next year. They have doubled every year for the last three years with a target of a 10 per cent share in 2013.
- By 2013, P2P lending will rise at least 66 per cent to \$5 billion of outstanding loans.

Timebanking

What if people's skills and services could hold a value other than money? Through timebanking, networks are established between organisations, groups, businesses and individuals to exchange goods, services, skills and resources through an alternative currency based on time.

From the Lyttelton timebank in New Zealand to SPICE timebank in Wales to the Bank of Happiness in Estonia, the way timebanks work is simple: for every hour you spend doing something useful for someone in your community (grocery shopping, walking a dog, fixing a bike) you earn one 'time dollar' that you can then bank on an online network and spend on things you may need done (such as computer advice, babysitting, plumbing).

Beyond creating a market for alternative exchanges, timebanking has also been proven to have a measurable social impact on the communities involved, including a reduction of crime and anti-social behaviour.



“By encouraging organisations to understand the range of assets they actually have, we believed organisations would self-identify as hosts for timebank hubs, enabling them to foster asset-based cultures rather than following the traditional deficit model for service provision.”

**Sam Hopley, CEO,
Holy Cross Centre Trust**

INTERESTING FACTS

- Research has shown that 72 per cent of people involved in timebanking experience a stronger sense of community as a result, and 86 per cent of people state that they have learned a new skill as a result of participation.
- Spice has set-up over 40 individual-to-organisation time banking projects in South Wales, involving over 5,298 people and generating over 201,289 hours.
- In the majority of Spice projects, the number of people involved has increased by 100 per cent or more over the first year of the project.

UK EXAMPLES OF COLLABORATIVE CONSUMPTION

Product Service Systems

Pay for the benefit of using a product without needing to own the product outright. Disrupting traditional industries based on models of individual private ownership.

Car sharing

City Car Club <http://www.citycarclub.co.uk/>

Streetcar <http://www.streetcar.co.uk/>

Car Clubs <http://www.carplus.org.uk/car-clubs/>

CARvenience by Avis hourly car rental <http://www.avis.co.uk/>

hOURCARS Salisbury <http://homepages.phoncoop.coop/pcc1201/hourcars/>

P2P car sharing

WhipCar <http://www.whipcar.com/>

Ride sharing

LiftShare <https://www.liftshare.com/uk/>

National CarShare <http://www.nationalcarshare.co.uk/>

Carbon Heroes <https://www.carbonheroes.com/Default.aspx>

ShareACar <http://www.shareacar.com/>

ShareAJourney <http://www.shareajourney.com/>

CatchALift <http://uk.catchalift.com/>

Bike sharing

Barclays Cycle Hire <http://www.tfl.gov.uk/roadusers/cycling/14808.aspx>

Byke <http://byke.mobi/>

Citybyke <http://www.citybyke.co.uk/index.html>

WhipBikes <http://www.whipbikes.co.uk/>

Taxi sharing

BioTravel <http://www.biotravel.co.uk/page.php?id=Taxi+Share>

TaxiDeck <http://taxideck.com/>

Peer-to-peer Rental

The Hire Hub <http://www.thehirehub.co.uk/Rental/xcRental.asp>

Ecomodo <http://www.ecomodo.com/>

Zilok <http://uk.zilok.com/>

Erento <http://www.erento.co.uk/>

Toys and Baby Goods Rental

MiniLodgers <http://www.minilodgers.co.uk/>

Busy Bee Babies Scotland www.busybeebabies.co.uk

Daisy's Party Toys <http://www.daisyspartytoys.co.uk/>

Baby Equipment Hire UK Scotland <http://www.babyequipmenthireuk.com/>

Fashion and Accessories Rental

Fashion Hire <http://www.fashionhire.co.uk/>

Girl Meets Dress <http://www.girlmeetsdress.com/>

GetAhead Hats <http://www.getaheadhats.co.uk/>

Kennedy Purple <http://kennedypurple.com/>

Erento <http://www.erento.co.uk/>

One Night Stand <http://www.onenightstand.co.uk/>

Movies

LoveFilm <http://www.lovefilm.com/>

FutureMovies http://www.futuremovies.co.uk/dvd_rental.asp

Virgin Online Movies <http://onlinemovies.virginmedia.com/>

Redistribution Markets

Redistribute used or pre-owned goods from where they are not needed to somewhere or someone where they are.

Big marketplaces

craigslist <http://london.craigslist.co.uk/>

Gumtree <http://www.gumtree.com/>

Freecycle <http://www.uk.freecycle.org/>

eBay <http://www.ebay.co.uk/>

Swap sites for like goods/goods of similar value

Swapcycle <http://www.swapcycle.co.uk/>

Barter Swap <http://www.u-exchange.com/barter-uk>

Swapshop <http://www.swapshop.co.uk/>

ReadItSwapIt <http://www.readitswapit.co.uk/TheLibrary.aspx>

iSwap <http://www.iswap.co.uk/home/home.asp>

Swapz <http://www.swapz.co.uk/>

Clothing swaps

VisaSwap <http://www.visaswap.com/>

Swishing <http://www.swishing.org/>

Big Wardrobe <http://www.bigwardrobe.com/>

Covert Candy <http://www.covertcandy.co.uk/>

SwapStyle <http://www.swapstyle.com/>

Collaborative Lifestyles

People with similar interests are banding together to share and exchange assets such as time, space, skills, and money.

Coworking Spaces

Hub Culture <http://www.hubculture.com/pavilions/london/>

Le Bureau <http://www.lebu.co.uk/>

Lemon Studios <http://lemonstudioslondon.com/>

The Cube London <http://thecubelondon.com/>

The Tuttle Club <http://tuttleclub.wordpress.com/>

The Hub <http://www.the-hub.net/>

The Trampery <http://thetrampery.com/>

P2P Social Lending

Zopa <http://uk.zopa.com/ZopaWeb/>

YES-Secure <http://www.yes-secure.com/>

Social currencies

LETS <http://www.letslinkuk.net/index.htm>

Crowdfunding

CrowdCube <http://www.crowdcube.com/>

Sponsume <http://www.sponsume.com/>

Fundbreak UK <http://www.fundbreak.co.uk/comesoon/>

Travel

Crashpadder <http://www.crashpadder.com/>

Aibnb <http://www.airbnb.com>

Bartering

Bartercard <http://uk.bartercard.com/>

U-exchange [http://www.u-exchange.com/memberlist/
United%20Kingdom/state/View-All](http://www.u-exchange.com/memberlist/United%20Kingdom/state/View-All)

Miroma Media trading <http://www.miroma.com/>

P2P sharing of Gardens, Parking Spaces, Storage

Landshare <http://www.landshare.net/>

Yours2Share [http://www.yours2share.com/cgi-bin/
mojoClassified.cgi?cat=2217&parent=1&number=8](http://www.yours2share.com/cgi-bin/mojoClassified.cgi?cat=2217&parent=1&number=8)

Parkatmyhouse <http://au.parkatmyhouse.com>

Grow Your Neighbour's Own [http://grow.
transitionbrightonandhove.org.uk/](http://grow.transitionbrightonandhove.org.uk/)

Edinburgh Garden Share Scheme [http://edinburghgardenshare.
org.uk/](http://edinburghgardenshare.org.uk/)

Park-UK <http://www.park-uk.com/>

Neighbourhood Sharing

Thingloop <http://www.thingloop.com/>

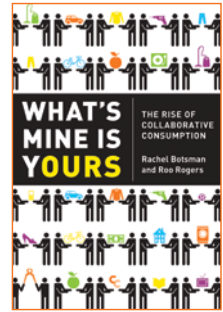
Ecomodo www.ecomodo.co.uk

THE BOOK

What's Mine Is Yours: The Rise of Collaborative Consumption

The rise of Collaborative Consumption and the opportunities it presents is described in Rachel Botsman's book *What's Mine is Yours*, recently published by HarperCollins.

It is an indispensable guide for understanding the key forces driving the next evolution in our consumer economy and the opportunities it presents.



“Part cultural critique and part practical guide to the fledgling collaborative consumption market, the book provides a wealth of information for consumers looking to redefine their relationships with the things they use and the communities they live in.”

Publishers Weekly, 16 August, 2010.

MORE INFORMATION

COLLABORATIVE CONSUMPTION

For more information on the growing Collaborative Consumption movement including info-graphics, videos, stories and resources for you to use and share, please visit:

www.collaborativeconsumption.com

twitter: **@CollCons**

NESTA INNOVATION LAB

NESTA will be undertaking a programme of work specifically aimed at stimulating wider debate and action in support of new systems of timebanking, complementary currencies and new marketplaces of barter and exchange.

If you are interested in taking the ideas in this session and running a workshop with NESTA to develop innovative solutions suited to your organisation please contact **helen.goulden@nesta.org.uk** to find out more.

Please join us on in reimagining public services and the future of our society.

All our Best,

Philip Colligan, Executive Director, The Public Services Lab and
Rachel Botsman, Social Innovator



ABOUT RACHEL BOTSMAN

Rachel is a social innovator and the co-author of the upcoming book *What's Mine Is Yours: The Rise of Collaborative Consumption*. She consults, writes, and speaks on the power of collaboration and sharing through current and emerging technologies, and on how it will transform business, consumerism, and the way we live. Her work has appeared in the *Harvard Business Review*, *Wired*, and *New York Times* and she has spoken at high profile events including The Clinton Global Initiative, TEDx, GOOGLE and Microsoft.

Rachel has lived and worked in the United Kingdom, United States, Asia, and Australia. She graduated with a BFA (Honors) from the University of Oxford and undertook her postgraduate studies at Harvard University. Rachel has consulted with leaders at the highest levels on the intersection between brand, innovation, and sustainability. As a former director at The William J. Clinton Foundation, she spearheaded high-profile public-private partnerships including Nickelodeon and Rachael Ray.

Rachel is currently working with start-ups, big businesses and local governments around the world to design and deliver innovative solutions based on the ideas of Collaborative Consumption.

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