



Dipartimento di Impresa e Management

Cattedra di International Marketing

ACCESS BASED CONSUMPTION IN THE SHARING ECONOMY.

ITALY AND THE MOBILITY SECTOR.

RELATORE

Prof. Alberto Marcati

CANDIDATA

Margherita Scaglione

Matr. 651401

CORRELATORE

Prof. Giovanna Devetag

ANNO ACCADEMICO 2013/2014

SUMMARY

Introduction

Chapter 1. The access vs ownership dilemma

- 1.1 Ownership
- 1.2 Access
- 1.3 Access vs ownership. Some practical examples
 - 3.1 The role of libraries
 - 3.2 The music industry
- 1.4 The sharing trend
 - 4.1 The sharing economy
- 1.5 Business implications of access and sharing
- 1.6 Summarizing

Chapter 2. Access, ownership and sharing solutions in the field of mobility

- 2.1 Mobility related issues
 - 1.1 Benefits from reduced use of cars
- 2.2 Government recognition of sharing mobility practices
 - 2.1 Europe – The MOMO Carsharing project
 - 2.2 Italy – Libro Bianco sulla mobilità e i trasporti
 - 2.3 Italy – Iniziativa Carsharing
- 2.3 Mobility sharing solutions

- 3.1 Carsharing
 - 3.2 Car2go and Enjoy
 - 3.3 Ridesharing
 - 3.4 Uber
 - 3.5 Carpooling
 - 3.6 Blablacar
- 2.4 Likely evolutions in the car sector and in car ownership

Chapter 3. Focus on the access vs ownership dilemma in the mobility field. Is there a future for mobility sharing solutions in Italy?

- 3.1 Research objectives
- 3.2 Previous contributes
- 3.3 The questionnaire
- 3.4 Results analysis

Conclusion

References

ACCESS BASED CONSUMPTION IN THE SHARING ECONOMY.

ITALY AND THE MOBILITY SECTOR.

The so-called sharing economy is changing the way we approach to the fruition of goods and service, contributing to the affirmation of collaborative practices, and of access over ownership. It is estimated to be worth \$ 3.5 billion¹

Sharing can be defined as:

“The act and process of distributing what is ours to others for their use and/or the act and process of receiving or taking something from others for our use.”²

And all the sharing practices have something in common, all relying on temporary access, non ownership models of utilizing consumer goods and services, and on the Internet to make it possible³. They have found a great ground for diffusion in the increased (online) socialization of younger generations.

Ownership is the traditional pattern of fruition of goods and services, more involving but at the same time with a symbolic value of stability and independence, more convenient and more secure. Belk⁴ believed we are what we own, and Tuan and James before him that we use what we own to strengthen our sense of self. Anyway, it is not a static concept, but it evolves not only during the age of life, but also with society.

Access is gaining acceptance for a number of reasons, from digitalization of the information, affirmation of Web 2.0 and sharing practices, and the economic downturn that is causing younger generations to look with interest at *access-based consumption*,

¹ Fournier S., Eckhardt G.M., Bardhi F. (2013) Learning to Play in the New “Share Economy” Experience Case Study. *Harvard Business Review*.

² Belk R. (2013). You are what you can access: Sharing and collaborative consumption online. *Journal of Business Research*. 67.

³ Ibid.

⁴Belk R. (2013). You are what you can access: Sharing and collaborative consumption online. *Journal of Business Research* 67.

practices in which no transfer of ownership take place⁵. Examples of affirmation of access over ownership can be observed in different fields of business and life.

There are 260 collaborative platforms in Italy, even if a research conducted by *Romacult* revealed that only 13% of Italians have had a try of sharing practices, and four over ten is skeptical about them.

Those also put existing companies in the position of choosing if embracing the phenomenon or fighting it.

The area of focus of the paper will be the mobility field. Issues connected with modern mobility, urbanization and increasing affordability of cars, affect the society as a whole, as well as the citizens at personal level. Using a shared solution, which is proved reduces the number of kilometers travelled and the number of cars on the street, has some main advantages:

- Cost savings;
- Traffic reduction;
- Changes in general mindset;
- Greenhouse gas emissions reduction.

Moving in urban areas may prove to be very difficult, affecting time, health and minds, as the number of cars is in constant increase. Those difficulties are then considered in the light of the alternative: not owning a car, but using a shared mobility system, providing access instead of ownership, and ideally all the benefits of ownership but implying lower, variable costs and less responsibilities.

Sharing mobility systems are seeing an affirmation in Italy. The most popular sharing practices today are carsharing, carpooling and ridesharing, and some of the most successful companies are Car2go, Enjoy, Blablacar and Uber.

⁵ Bhardi F., Eckhardt G.M. (2012). Access based consumption: The Case of Car Sharing. *Journal of Consumer Research* 39 pp. 881-894.

Carsharing is surely the most adopted system, and even if has been the subject of different definitions, and a distinction can be made between free floating carsharing and peer to peer carsharing, the traits on which there is common agreement are:

- Users are pre-qualified and screened;
- They drive the vehicles by themselves;
- Vehicles are not complicated to operate;
- Usage is billed in time increments, and only sometimes also considering the distance travelled;
- There may be provisions for a sign-up, or anyway a one-time fee;
- Usage can be reserved in advance or casual;
- Vehicles are available in multiple locations on the street;
- Servicing and cleaning are responsibilities of the company, and done occasionally.

A key for them to be successful has been the sponsorship by governments, needing privileged access to restricted traffic areas and to public parking space. Governments both at Italian level (*Libro Bianco sulla Mobilità e i Trasporti*, investigating the *urban sprawl* phenomenon as one of the main generators of traffic congestion, and *Iniziativa Car Sharing*, accounting for the only example in Europe of a program sponsored by the government to promote carsharing, and established to:

- Ensure the development of Italian carsharing services in most important cities and making them a unitary network;
- Guarantee professional standards of service to drivers;
- Promote awareness;
- Ensure interoperability among different services.

) and European level (MOMO Carsharing program to establish and increase carsharing as part as a new mobility culture).

Intuitively, access is an economic conscious solution for a good as a private vehicle, which is rarely used all day long, but instead left on the streets for hours, while still accounting

for a significant fixed expense. In Europe, 80% of cars driven in cities travel around a hour a day and carry an average of 1.2 people⁶.

If this was not enough, variable costs as fuel are increasing while the average income is going down. All said would make reasonable, especially for younger generations, not to purchase a private vehicle. But the abandon of ownership is not guaranteed, as it is not only a custom or an habit: it has symbolic meanings, too. And, we cannot expect it to happen in one day.

To deepen the understanding of the subject, and to have some relevant data about the current trends in mobility sharing systems, I have implemented a survey in February 2015, reaching 200 Italian respondents. Through an analysis of the results, I have tried to paint a picture of mobility habits of Italians (how often they need to move, how many kilometers they need to travel on daily basis and how they usually do so). Moreover, I have tried to have a look at what features (age, city of living or sex) account for the biggest differences in habits and attitudes toward sharing practices.

Intuitively, younger generations should be less bond to traditional vehicle ownership then older ones. They should also be more aware of new sharing practices, as those often involve smartphone and new technologies and has new generations are increasingly social.

Two of the key variables for my research will be:

- The perception of ownership of a private vehicle;
- The attitude toward letting it go in favor of an alternative.

The reason is that those will help me conclude if, in Italy, owning a vehicle is still a concept too deeply eradicated in the culture, or if there is a certain openness toward alternatives. Another interesting point is to look at how much consciousness of sharing practices is in place, the perceived advantages and disadvantages, and the propensity to share the privately owned vehicle.

The survey revealed that those satisfied for how mobility currently works are only the 3%.

⁶ *Iniziativa Car Sharing*

The general perception of ownership of a vehicle in Italy is still of something you cannot renounce to, but we should not stop to this conclusion. This, because it is worth noticing that the following statement is “something you can renounce to”.

Looking at the results more specifically, I can further conclude that men are those who could renounce more easily. Therefore, if we should build the “typical sharing solution user”, his first feature would be being a male. This is also confirmed giving a look at vehicle ownership (interesting 78% males and 84% females). The second, would be having an age between 31 and 40 years old, also according to the analysis of ways of moving by age, while private vehicle use is concentrated between less than 21 years old and over 40. The 31-40 years old are the ones that own less vehicles (around 60%), and the over 40 the most (100% of the respondents). They are also the ones more bend toward sharing their own vehicle. The first reason that comes to mind, is that in Italy, people tend to begin living by themselves after 30 years old and to have their own job. We can imagine, then, that they will buy a car by their own, and will be no more using their parents’ one. And this expense is carefully considered.

Italians are also a population that moves from home to go to work, in primis, and then for other reasons. The survey reported a 60% of respondents travelling an average of 20 kilometers per day, still largely relying on private means of travel, mostly in Rome. Public transport and walk have been “discovered” especially by Italians living abroad, and sharing practices have their best use in Milan by now.

Concluding, the largest part of private vehicle owners are not satisfied with current status of things. Half of those who own a vehicle would give up, if they had an alternative. Therefore, the fact sharing solutions are not yet widespread in Italy needs to be accounted to other issues, not in the fact that they do not solve a real problem. And, one of them will surely be the lack of a widespread knowledge, even if the general opinion is positive.

Another one, the skepticism that still exists toward sharing generally speaking, for trust issue.

The perception toward sharing practices is then generally positive, ownership is still eradicated in the measure in which for a 40 years old person it just does not come to the mind not having a private owned vehicle, they are just not accustomed to the idea.

But, for younger generations, especially for young people in their 30s, there is greater consciousness of alternative, and a more careful consideration of expenses to be sustained.

A deeper knowledge of alternatives needs to affirm in Italy, and this will probably happen as the user base increases, resolving the issue perceived by many: the lack of enough cars at disposal.

It is not guaranteed that vehicle ownership will completely disappear in Italy, and if this would happen it would certainly take decades, but according to my research I believe there is for sure room for sharing mobility options to gain acceptance and increase their grip on the market.

The picture I presented, is for certain the beginning of a broader phenomenon, that will increase its grip on the market and in our everyday lives, as well. Anyway, I believe that asking a question like “where is the future, in access or in ownership?” would not be the right way to confront the problem. This may not really be a one or another choice, but instead account for some innovations and positive changes. As we had a deeper insight into the dynamics that regulate the field of mobility, we can conclude that here, innovations can have a huge range of actions, both because it is experiencing a significant growth, and because it is not working perfectly.

This has relevant implications, as people that are satisfied with the status quo would have no reasons for changing their behavior.

References

(1986). Evaluation of the Short-Term Auto Rental Service in San Francisco, CA. Report submitted to the U.S. Department of Transportation

(2008). Beyond ownership. Music companies need more ways to sell access to content. *Financial Times*.

(2011) Why they buy: ownership prevails over streaming access in music. *Entertainment Marketing Letter*. 24 (19)

(2014) Renault and Bolloré form a partnership in electric vehicles, *Renault website*

(2014). *Libro Bianco sulla mobilità e i trasporti in Italia*. EURISPES. <http://eurispes.eu/content/libro-bianco-sulla-mobilit%C3%A0-e-i-trasporti-italia>

Ballus-Armet I., Shaheen S. A., Clonts K., Weinzimmer D. (2014). Peer-to-Peer Carsharing. Exploring Public Perception and Market Characteristics in the San Francisco Bay Area, California. *Transportation Research Record: Journal of the Transportation Research Board*. (2416) pp. 27-36.

Bardhi F., Eckhardt G. M. (2012) Access-based consumption: The Case of Car Sharing. *Journal of Consumer Research* 39, pp. 882.

Belk R. (1988). Possessions and the extended self. *Journal of Consumer Research*, 15, pp. 139-168.

Belk R. (2007). Why not share rather than own? *The ANNALS of the American Academy of Political and Social Science*. 611 (126).

Belk R. (2013). You are what you can access: Sharing and collaborative consumption online. *Journal of Business Research*, 67.

Benkler Y. (2004) Sharing nicely: On sharable goods and the emergence of sharing as a modality of economic production. *Yale Law Journal*, 114, pp. 273-358.

Bhatt K. (2010). Potential for Meeting the EU new passenger car CO₂ car emission targets. *Massachusetts Institute of Technology*.

Bianchessi A. G., Cugola G. (2014). Green Move: a platform for highly configurable, heterogeneous electric vehicle sharing. *IEEE Intelligent Transportation Systems Magazine*. 6 (3), pp. 96-108.

Bianchessi A., Cugola G., Formentin S., Morzenti A., Ongini C., Panigati E., Rossi M., Savaresi S., Schreiber F.A., Tanca L., Vannutelli Depoli E. (2014). Green Move: A Platform for Highly Configurable, Heterogeneous Electric Vehicle Sharing. *IEEE Intelligent Transportation Systems Magazine*. 6 (3) pp. 96-108

Bonazzi R., Daolio F. (2014). Spread like a virus. A model to assess the diffusion of dynamic ridesharing services. 27th Bled eConference, eEcosystems.

Botsman R., Rogers R. (2010). *What's mine is yours: The rise of collaborative consumption*. New York: Harper Collins.

Brook D. (2004). Carsharing – Start Up Issues and New Operation Models. *Transportation Research Board*. Introduction.

Carroll E, Romano J. (2011). *Your digital afterlife: When Facebook, Flickr and Twitter are your estate, what's your legacy?* Berkley CA: New Riders.

Cervero R., Tsai Y. S. (2002) City CarShare in San Francisco, California - Second-year travel demand and car ownership impacts. *Transit Planning and Development, Management and Performance, Marketing and Fare Policy, and Capacity and Quality of Service, 2004(1887)*. p. 117-127.

Ciacci D. *Uber ora integra Spotify per scegliere quale musica ascoltare in macchina*. In Wired.it.

Coyne R. (2005). *Cornucopia limited: Design and dissent on the Internet*, Cambridge, MA; MIT Press

Dargaya J., Gately D. (1999). Income's effect on car and vehicle ownership, worldwide: 1960-2015. *Transportation Research Part A* 33 pp. 101-138

Delo C. (2012) Startup Watch: Car-Sharing Service Lyft Looks To Branding to Break Out From the Crowd. *Advertising Age*. 83. p.1

Dewan K., Ahmad I. (2007) Carpooling: A Step To Reduce Congestion (A Case Study of Delhi) *Engineering Letters* 14.

European Commission website, <http://www.ec.europa.eu/>, specifically http://ec.europa.eu/clima/policies/transport/index_en.htm

Fitzpatrick R. (2009) Why Spotify may spell the end of ownership; the new music website shows us how we will access our entertainment in future. *The Sunday Times*.

Fournier S., Eckhardt G. M., Bardhi F. (2013) Learning to Play in the New “Share Economy” Experience Case Study. *Harvard Business Review*.

Harms S., Truffer B. (1998). The Emergence of a Nationwide Carsharing Cooperative in Switzerland. *SNM case study: Carsharing*.

Gyimesi K., Vincent C., Lamba N (2011). *IBM’s 2011 Global Commuter Pain Survey*.

Jaisinghani S., Sapru T. (2013). Avis to buy Zipcar as slow economy boosts car-share business. *Reuters*.
<http://www.reuters.com/>

James W. (1890). *The Principles of Psychology*, Vol. 1, New York; Henry Holt.

Katzev R. (1999) Carsharing Portland: Review and Analysis of Its First Year. *Department of Environmental Quality*, Portland.

Lane C. (2005) PhillyCarShare: First-Year Social and Mobility Impacts of Carsharing in Philadelphia. *Transportation Research Board*, 1972. Pp 158-166.

Le Vine S., Polak J., Zolfaghari A. (2014). Carsharing. Evolution, challenges, opportunities. 22th ACEA Scientific Advisory Group Report. *Centre for transport studies, Imperial College London*. p.6.

Lev-Ram M. (2014). The End of Driving (as we know it). *Fortune.com*.

Li J., Embry P., Mattingly S.P., Sadabadi K. F., Rasmidatta I., Burriss M. W. (2007). Who Chooses to Carpool and Why? Examination of Texas Carpoolers. *Transportation Research Record: Journal of the Transportation Research Board*. 2021. pp. 110-117.

Libro bianco sulla mobilità e i trasporti in Italia (2014). *Eurispes*.

Line M.B. (1979). National Interlending Systems Existing Systems and Possible models. *Interlending Review* 7 p. 42-46

Mariotti I., Beria P., Laurino A. (2013). Car sharing peer-to-peer: un’analisi empirica sulla città di Milano. *Rivista di Economia e Politica dei trasporti*.

Millard-Ball A., Murray G., Ter Schure J. (2006). Carsharing as a Parking Management Strategy.

Monas. R.(1994). A Car Pool that Really Works. *Forbes* pp 108-110

More Options for Energy Efficient Mobility through Car-Sharing, *Intelligent Energy Europe*
(<http://ec.europa.eu/energy/intelligent/projects>)

Nelson, N. (2013) *Why Millennials are ditching cars and redefining ownership*. In NPR.org

Niederland W. G., Sholevar B. (1981) The Creative Process – A psychoanalytic discussion. *The Arts in Psychotherapy*, 8 (1), pp. 71-101.

Pelatelli P. (2013). La sharing economy in Italia. In <http://www.blablacar.it/>

Peters, Von Klot S., Heier M., Trentinaglia I., Hormann A., Wichmann H. E., Lowel H. (2004). Exposure to traffic and the onset of myocardial infarction. *New England Journal of Medicine*. 351 (17).

Rigatto A. (2013). Enjoy, in esclusiva Wired prova il nuovo car sharing milanese. *Wired*.

Shaheen S. A., Cohen A. P. (2006). *Worldwide carsharing growth: an international comparison*. University of California.

Shaheen S., Sperling D., Wagner C. (1998). Carsharing in Europe and North American: Past, Present, and Future. *Transportation Quarterly*, 52 (3), 35-52.

Siddiqi Z., Buliung R. (2013). Dynamic ridesharing and information and communications technology: past, present and future prospects. *Transportation Planning and Technology*.

Snare F. (1972). The concept of property. *American Philosophical Quarterly*. 9 (2).

Stopher P. (2004). Reducing road congestion: a reality check. *Transport Policy* 11, 117–131.

Strahilevitz L. J. (2012). Less Regulation, More Reputation. *The Reputation Society*. The MIT Press, pp. 63–72.

Tal G., (2009) Evaluating the Effect of Car-Sharing: Exploring the Gap Between What We Know vs. What We Need to know and Its Effect on Optimism. *Institute of Transportation Studies University of California*.

The State of European Carsharing Final report, MOMO carsharing <http://ec.europa.eu/>

Tovey K., in Claburn A., Kerry L. (2009). Using existing european road capacity efficiently. *Association for European Transport and contributors*.

Townsend L. (1997) *Access vs. Ownership: Do We Have To Make a Choice?* Kane. College & Research Libraries. 58 (1), pp. 59-67

Truesdell B. C. (1994) Is Access a Viable Alternative to Ownership? A Review of Access Performance. *The Journal of Academic Librarianship*. pp. 200-206.

Tuan Y. (1980). The significance of the Artifact. *Geographical Review*, 70 (4) p. 472.

Walsh B. (2011). Today's Smart Choice: Don't Own. Share in *Times International*, 10 Ideas That will change the world

Y. Benkler (2006). *The wealth of networks: how social production transforms markets and freedom*. London: Yale University Press.

Zilvetti M., Brevi F.(2014). Moving in the Digital Era – Innovative Mobility for Responsive Urban Spaces. *The Mediated City Conference, Architecture_MPS, Ravensbourne, Woosbury University*.