



Department of Economics and Business

# THE FUTURE IS SHARING

Supervisor:

Prof. Riccardo Tiscini

Candidate:

Allegra Cordero di Montezemolo

ID 178621

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## **Introduction**

*Twenty-five years ago no one would have thought the world as a place where to share files, videos, photos, physical goods and more. Only a fool would have had the idea to share the global knowledge or either think that sharing a thought at a worldwide level was possible in one second.*

*Today everything is real.*

*Internet, the biggest collaborative and distributed network, allows millions of people to find the right contacts to share with others. The collaborative economy was born, a phenomenon which is about to affect the whole economy, more tied to the social capital rather than to the market. This technology platform is beginning to connect everything and everyone. “An economy driven more by social trust rather than market forces”.<sup>1</sup>*

*This economy is benefiting everyone because it's not anymore a vertical integration but an horizontal integration which is collaborative, efficient and productive. The capitalism is debilitated by the sharing economy which is due to the unexpected birth of technology.*

*Seventy years ago Gandhi had already understood that the general happiness of the world is not given by the introduction of new machines like Henry Ford was convinced of, but he suggested instead the idea of collaboration and sharing among each individual. The integration doesn't have to be vertical, but horizontal. “Life will not be a pyramid with the apex sustained by the bottom. But it will be an oceanic circle whose center will be the individual. Therefore the outermost circumference will not wield power to crush the inner circle but will give strength to all within and derive its own strength from it”.<sup>2</sup> His idea of economic scenario is pretty similar to the third revolution and the collaborative era that is spreading everywhere.*

*The only missing point was that Gandhi could have never imagined a world dominated by a technology which will drive all the costs down to zero.*

*This thesis aims at identifying what caused the economy to become a collaborative phenomenon rather than being centralized on ownership and possession. What are the principles that made this phenomenon to grow indefinitely, and those that keep sustaining it. In particular, I am going to focus on the technology, primary cause of sharing services and the benefits derived from sharing. People are connected and feel part of a group, called community. These communities, for long time*

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<sup>1</sup> Jeremy Rifkin, *The zero marginal cost society*, 2014

<sup>2</sup> Mahatma Gandhi, *The mind of Mahatma Gandhi: Encyclopedia of Gandhi's Thoughts*

*bad perceived, have now become the fundamental of the sharing economy, as they are supported by trust, social relationships and unique experiences.*

*The first chapter tries to identify the drivers of the sharing economy in order to be able to understand future opportunities both for businesses and consumers. Then, the principles sustaining the sharing economy and the benefits are analyzed, focusing on researches made on consumers embracing the sharing economy.*

*The second chapter discusses briefly the advantages of Apps, the mobile applications that enabled the sharing services to spread faster and more easily. Then, a comparison between the sharing economy in USA and Italy follows. The main users of sharing services are identified, and some sectors in which the collaborative consumption is now the leader have been described. The end of the second part of the thesis is concentrated on analyzing how business models are changing. Especially, the book written by Don Tapscott and Anthony Williams describes the characteristics that a firm must accomplish in order to become successful and survive in this changing world. The last part of the thesis studies the case of Scoobe, a startup that was firstly elaborated in the I-lab Luiss and which offers a service of scooter sharing.*

*I made an analysis from the strategic point of view, and on concentrating on a market analysis, SWOT and competitors analysis, I have been able to highlight the competitive advantages and the key variables that are of major interest for this business to grow.*

# CHAPTER ONE: ANALYSIS OF THE SHARING ECONOMY

## 1.1 Origins of the sharing economy

The sharing economy, also known as peer to peer (P2P) or collaborative consumption, is based on shared production or consumption of goods and services. It has started as a non-profit initiative and then, thanks to the advances in information technology, turned into a big business.

This collaborative consumption was born in response to many problems such as frenetic consumption, pollution and poverty. It offers several economic benefits such as temporary employment, improvement of social interactions and access to resources not obtainable by everyone.

In few years the sharing economy cornered every sector of the market: from agriculture to food, from clothing to sporting, from real estates to parking spots and more. This collaborative approach is about shared access rather than private ownership.

The right to exclude others has often been cited and criticized by many philosophers as Karl Marx to be the most important characteristic of private property in the era of capitalism. The automobile is a symbol of property as it includes the economic concept of possess related with freedom. Even the word “automobile” gives a sense of it: being autonomous due to mobility.

On the other side, the Internet generation, is starting to conceive the notion of freedom not in negative terms, as the right to own and exclude, but in positive terms, as the right to be part of a community and share collective benefits. The more social relations you have, the more freedom you acquire.

According to the last generation which is growing with the Internet, freedom means collaborating with others, without restrictions in a less unequal world. Consistently with a recent survey, among a big group of young people between 18-24 years old with a driving license, 46% of them declared that if they had to choose between possessing a car and having the access to the internet, they would choose the latter. More and more people are subscribing to car sharing services where, in exchange for a small entrance fee, they ride cars when they need it. In USA, one of the most common car sharing companies is ZipCar. The workers in the sector counted approximately 800,000 members of car sharing services in USA, while at a global level there are 1 million and 700,000 users of car sharing services in 27 countries. Moreover other striking data come from the number of people selling their cars in order to apply for car sharing services: 80% of them already sold the car.<sup>3</sup>

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<sup>3</sup> Jeremy Rifkin, *The Zero marginal cost society*, 2014

Hence, we are able to estimate that in few years the automobile sector will shrink up to minimal levels.

This service is bringing not only economic benefits to each consumer, but is also improving the sustainability as it is reducing the level of pollution emanated by cars. In USA, in the year 2010, the availability of car sharing services has reduced emissions of CO<sub>2</sub> of 482,170 metric ton. In economic terms, users of car sharing in USA are saving up to 20% of their total spending as maintaining a car is considered one of the biggest expenses after the maintenance of the house. By exploiting car-sharing services, the users do not pay anymore for the insurance, the routine maintenance, and additional taxes on cars.

“I think the biggest change that we’re seeing here is that people are choosing to buy mobility as opposed to just buying a car” said Shelby Clark, CEO of Peers.org.<sup>4</sup>

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<sup>4</sup><http://www.pwc.com/us/en/industry/entertainment-media/publications/consumer-intelligence-series/assets/pwc-cis-sharing-economy.pdf>

## **1.2- Drivers of the sharing economy**

First of all, it is important to understand the drivers which created the conditions for this phenomenon to succeed and increase at high levels in such a short period. The main determinants which enabled such an astonishing diffusion are: the technology, the community, the environmental awareness and the recent crisis.

### **Technology**

The most innovative technology ever introduced before is the Internet. In fact, the Internet revolutionized the way to communicate as it is a medium for collaboration and interaction between individuals without the need of being located in closed geographical positions. The sharing economy could have never sustained any growth without the networks and platforms that the Internet is able to generate. Thanks to the Internet it is very fast to enlarge our own network just by connecting to the Internet and share a link of a product or service with other users. The easiness of diffusion is a key factor for the functioning of the platforms and as a consequence of the sharing economy.

Another key determinant is the disintermediation. Through networks, it is possible to have direct contacts with the producer or user of a product or service, and this makes everything more efficient as the distribution is less costly and information are more reliable and transparent.

### **Networks and community**

The creation of networks has started when someone shared a link with some colleagues. This characteristic of diffusion has been added as an additional component to the feature of the products, in order to create something that people want so much that they can share in their networks made of friends, relatives and coworkers. If everyone shares the same link, this replicate itself creating a mass action which can be either positive or negative.

The viral effect is much more credible than any other type of advertising, as people with same tastes and lifestyles find each other and share similar ideas creating a sort of community. The adoption of this strategy is the most low cost way which is able to create the biggest network in the fastest way reaching a “tipping point”.

“ The more connection you have, the more nodes, the more people, the more valuable it will be. (...) That’s because if you can get many people to use your product, someone somewhere will pay you to reach them.”<sup>5</sup>

Thus, the Internet is a multiplying effect as it is the biggest network which shows the fastest exponential growth. Each additional user has more value than any other user taken individually as each one of them not only shares, but creates even more connections just by being connected to other people who, in turn, will share the same link again and so on. Nowadays people feel the need to connect with each other, to be included in a community because having some connections means having an identity. “You are a brand that must be managed”<sup>6</sup> as the need of communicating has been transferred online and it has become a communication path.

According to Yochai Benkler, professor at Harvard Law School: “ It is in fact only one example of a much broader social-economic phenomenon. I suggest that we are seeing the broad and deep emergence of a new, third mode of production in the digitally networked environment. I call this mode “ Commons-based peer production”, to distinguish it from the property-and-contract-based-modes of firms and markets. Its central characteristic is that groups of individuals successfully collaborate on large scale projects following a diverse cluster of motivational drivers and social signals, rather than either market prices or managerial commands”.<sup>7</sup>

In reality, this system based on communities is older than the capitalism, but in the modern age its image was compromised to leave space to capitalism. The most popular negative description was given by Garrett Hardin in the “Tragedy of the Commons” in 1969. In particular, the author points at the social dilemma, created by the short term selfish individual interests that are at odds with long term groups interests. If we imagine a pasture open to everyone we expect each herdsman to keep as many cattle as possible on the commons. For many centuries this arrangement works well as diseases or wars keep the level of men and cows constant. However, the day of social stability arrives, and at this point, the logic of the commons generates a tragedy. Each man, being rational, seeks to maximize his profit by adding one more animal to the commons. This utility has a positive component which is a function of the increment of one animal, but it also has a negative component due to overgrazing that is shared among all the herdsman. As benefits are higher than costs, all rational herdsmen conclude their reasoning by adding another animal to the herd. Then another, and another. “Therein is the tragedy. Each man is locked into a system that compels him to increase his herd without limit--in a world that is limited. Ruin is the destination toward which all men rush,

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<sup>5</sup> *Viral Loop: From Facebook to Twitter, How Today's Smartest Businesses Grow Themselves*, Adam Penenberg, 2009

<sup>6</sup> *Viral Loop: From Facebook to Twitter, How Today's Smartest Businesses Grow Themselves*, Adam Penenberg, 2009

<sup>7</sup> Yochai Benkler, *Coase's Penguin, or, Linux and the Nature of the firms*, Yale Law Journal 112(369), August 2002



each pursuing his own best interest in a society that believes in the freedom of the commons. Freedom in a commons brings ruin to all.”<sup>8</sup>

Eighteen years after the article published by Garrett Hardin, Carol Rose, professor of Northwestern University published “The Comedy of the Commons”, an article which highly criticizes Hardin’s theory. According to Rose, not everything can be transformed into private property. Oceans, rivers, lakes, hiking trails, air, forests etc. belong to the sphere of public goods. Rose recognized the existence of private goods, public goods and a third category: inherently public goods. “One can find analogies to scale returns in the doctrines of "inherently public property," but this is more evident in the customary doctrines than in the doctrines relating to roads and waterways. The British courts' acceptance of customary claims, especially those concerning recreation, suggested a rationale similar to scale economies. One example was the customary right claimed by some communities to hold periodic dances, a custom held good over a landowner's objections. At least within the community, the more persons who participate in a dance, the higher its value to each participant. Each added dancer brings new opportunities to vary partners and share the excitement. British cases reveal other sporting and festive events that appeared to be part of some regular community gatherings. Activities of this sort may have value precisely because they reinforce the solidarity and fellow-feeling of the whole community; thus the more members of the community who participate, even if only as observers, the better for all. In a sense, this is the reverse of the "tragedy of the commons": it is a "comedy of the commons," as is so felicitously expressed in the phrase, "the more the merrier." Indeed, the real danger is that individuals may "underinvest" in such activities, particularly at the outset. No one, after all, wants to be the first on the dance floor, and in general, individuals engaging in such activities cannot capture for themselves the full value that their participation brings to the entire group. Here indefinite numbers and expandability take on a special flavor, relating not to negotiation costs, but to what I call "interactive" activities, where increasing participation enhances the value of the activity rather than diminishing it.”<sup>9</sup> What makes this article so surprising is that Carol Rose had already understood that the Internet would have become a public “square” where everyone would meet and share ideas even if in 1986 the World Wide Web was not even created.

In recent years, Commons appeared to dominate again, trying to oppose to the public inefficiency created by the Governments, to the private sector operating through the hungry corporations motivated only by low-cost labor and high profits, completely ignoring the environmental diseases.

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<sup>8</sup> Garrett Hardin, *The tragedy of the commons* , in *Science* 162, 3589, 13th December 1968, p.1244

<sup>9</sup> Carol Rose, *The Comedy of the Commons: Commerce, Custom, and Inherently Public Property*, 1986, p.767

## Recent Crisis

With the arrival of the economic crisis in 2008 the inequality among individuals' income increased and this highlighted the need for savings and a stringent rethinking to find new allocation of resources. The reduction of these available resources contributed to emerge the necessity to reinvent ourselves. The unemployment rate had a steep increase and many people found themselves without a job from one day to another. Especially in USA, people were highly indebted as they sustained excessive consumption for about twenty years. In 2008, only the debt accumulated by all American families accounted for \$13,900<sup>10</sup>. Thus, families started to realize that the marketing strategies used to sell had worked very well on them, they had been tricked for so many years! A collective awareness and consciousness began during the financial crisis. People had to reverse the entire economic system: buy less, save more and share their things with others. The optimization was achieved through the sharing of assets and their utilization rather than ownership.

Thanks to the Internet this new economic movement grew so rapidly and in few years affected the way of doing business.

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<sup>10</sup> Jeremy Rifkin, *The zero marginal cost society*, 2014

### **1.3- Principles guiding the Sharing economy**

The main principle guiding the sharing economy is the use of human resources in the most efficient way within the community of producers and users, having both sharing open data, transparency and trust. The transparency and the systems which are enabled by networks allows anyone to share, exchange or rent goods and services. The sharing of information may be related to the single products, the distribution or the resale of unused goods and services.

More and more organizations have realized that the access and the retention of information is able to generate much more value if that information is transparent and available at a large scale, bringing innovation, efficiency and more support to the communities.<sup>11</sup>

But most of all it is necessary to establish a system of trust and reputation within the community in order to work efficiently. These platforms are equipped with a mechanism where the users of the service can express a personal comment or an evaluation about the experience. Ratings and comments indicate the reliability and the quality of the services, provide useful information to the new users who want to try a service offered by the platform and to people who already used it.

#### **Trust**

Trust is extremely relevant as it is the way in which users are able to reduce the risks and at the same time generate loyalty and responsibility.

Obviously, this is facilitated by the fact that each user can present him/herself by highlighting some of his features via widgets that create the necessary information that tell if you have an affinity with the person with whom you will share the service. The widgets are there to highlight and make visible the essential information to users, supporting the start of social relations.

Other methods that make these services safer and more reliable involve to associate your profile on Facebook at the moment of the registration. This has become a very strong reputation mechanism that discourages people from malpractice; in fact exposing himself, the person would want to avoid a negative review in order not to negatively affect his personal reputation, or the future prospects of profits from the services offered by the site. In this way you build a community of trust.

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<sup>11</sup> R.Hammel, *The social economy: unlocking value and productivity through social technologies*, McKinsey Global Institute, July 2012

BlaBlaCar, the leading ridesharing platform in Europe, connects people who need to travel with drivers who have empty seats. In this platform each member introduces himself to the community through an online trust profile, with verified contact information, a description, a photo and some personal preferences. Members also indicate their chat preference choosing whether they are Bla, Bla Bla or Bla Bla Bla. Hence from this, the name of the website BlaBlaCar. In addition, this program fixes a range of prices, ensuring to avoid that there are users who use the platform to make profits : the price can cover costs, but never generate extra earnings.

Another case is Airbnb, an online community marketplace that connects people looking to rent their homes with people who are looking for accommodations. In here announcements are free, but anyone can verify the identity of the host and of the client just by connecting to social networks or looking at the reviews posted by previous guests. Furthermore, Airbnb introduced a Verified ID program, designed to “build trust in our community”.

In November 2012, Chronos and BlaBlaCar conducted a survey to examine in depth what creates trust in the community. 631 answers were collected from a questionnaire available on the homepage of the website, created on Google docs. The results were analyzed by Bruno Marzloff, sociologist and co-founder of Chronos and Frédéric Mazzella, founder of BlaBlaCar. The great majority of respondents was below 35 years (72%) and around 54% of them were male. Regardless of the respondent’s profile, the answers were highly convergent.

They first asked participants the level of trust given to friends, relatives, neighbors, strangers on the street and strangers online. Here the results in the chart below:

### **Degree of trust given**



Figure<sup>12</sup>

As expected, friends and relatives have a dominant position with respect to strangers, with an indicator of 4.71 on a scale from 0 to 5. On the other hand of the spectrum, stranger online were placed 1.92 while stranger in the street 2.15.

But if we take into account the members of an online community, in this case the BlaBlaCar community, surprising data regarding the mechanism of trust online emerge.

### Degree of trust given to BlaBlaCar members

Figure<sup>12</sup>: [www.betrustman.com/download.php](http://www.betrustman.com/download.php)



Figure <sup>13</sup>

The trust that is attributed to a stranger with a complete online profile (with photos, email address and telephone number verified, positive reviews and additional information ) reaches levels almost equal to those of friends and family!

This is a result that certainly cannot be underestimated: members with complete profiles are trusted almost as much as friends.

With an additional survey BlaBlacar tried to understand better where this trust comes from. Three out of four respondents said that BlaBlaCar's role is that of being a trusted third party which regulates the community.

This system based on trust is strengthened also by the fact that platforms create strong relationship with their users; often users give advice, suggestions, critics and collaborating all together, they are involved in the improvement of the platform. Since the users are those who make use of the service, they know what are the issues and what can be improved to make the system more efficient. Users continuously participate to the creation of the product, always suggesting new ideas; users are involved much more often and this consolidate their strong relationship within the community.<sup>14</sup>

### **From ownership to access**

<sup>13</sup> [www.betrustman.com/download.php](http://www.betrustman.com/download.php)

<sup>14</sup> [www.betrustman.com/download.php](http://www.betrustman.com/download.php)

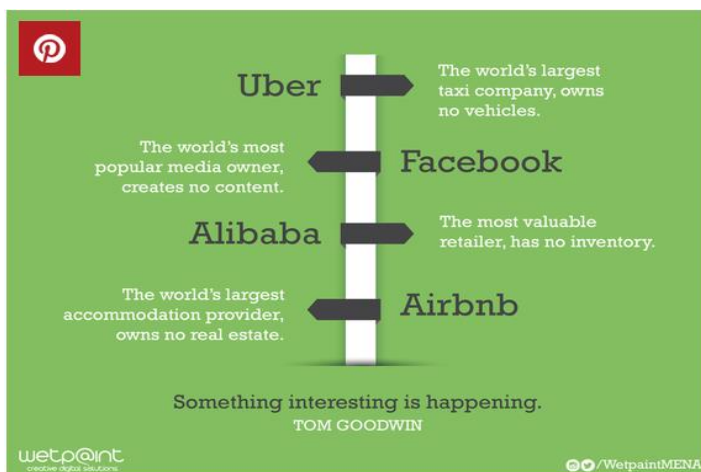
Another factor that has become a guiding principle is that the value of a product or service can be removed from the notion of property. The traditional business models are based on the sale of products, on possession. Nowadays most of the platforms are built to allow people to access goods and services they need without transferring the property.

“Mesh companies create, share and use social media, wireless networks, and data crunched from every available source to provide people with goods and services at the exact moment they need them, without the burden and expense of owning them. (...) There is real money to be made, trusted brands and strong communities to be built in helping your customers by less but use more.”<sup>15</sup>

The property does not allow an optimal use, and the unused value becomes wasted. The unused time becomes a value that has created a significant opportunity for new solutions. According to BlaBlaCar estimates, cars travel with 1.6 people on board, so it becomes rational to think to share the travel with other individuals, to better use their car and reduce the total costs.

Airbnb published 50,000 available spaces to be shared for one night or more. In this platform we are able to find from sofas to castles, tree houses, or even whole islands. This shows that everyone can make use of available houses, rooms or places that before were not used in an efficient way, being able to reduce costs and earn some revenues. The sharing economy is a form of innovation which creates opportunities that were not considered before and were leading to high inefficiency due to private property.

### Being powerful without possessing



Figure<sup>16</sup>

Recent developments showed that dominating online businesses do not necessarily need to own estates or tangible assets to prove their power and success. According to the image above, Uber,

<sup>15</sup> Lisa Gansky, *The Mesh*, 2009

<sup>16</sup> Figure: [http://www.huffingtonpost.com/marty-zwilling/be-a-winning-entrepreneur\\_b\\_7233874.html](http://www.huffingtonpost.com/marty-zwilling/be-a-winning-entrepreneur_b_7233874.html)

Facebook, Alibaba and Airbnb do not own actual assets, but rather they offer collaborative experiences without being tied up with limited resources.

## **Social relationships**

Another principle guiding the sharing economy is to offer the user an experience charged of value and pleasure in sharing it with others. People establish social relationships among each other, for example by sharing a house or a boat during holidays means to relate to other people. Couchsurfing is a platform which connects travelers with a global network of people who open their houses to travelers. It has 10 million members in more than 200,000 cities and it describes itself: “We envision a world made better by travel and travel made richer by connection. Couchsurfers share their lives with the people they encounter, fostering cultural exchange and mutual respect.” More than 99% of couchsurfers positively evaluated their experience. According to some data found on the website, 19 million and 100,000 couchsurfers found new friends with which they are still in contact. This reciprocal exchange consolidates the relationships that are created within this service.<sup>17</sup>

Also the evaluations of BlaBlaCar users are extremely positive: " You get a more enjoyable trip, in which costs and ideas are shared and you introduce yourself to new people; the journey itself becomes less boring, you can relax and reduce the stress. " <sup>18</sup>

An instructive example of enriching experience is the case of MOOC: massive open online courses. These courses are educational programs which are able to offer ECTS to millions of university students who cannot afford to pay for it. This new form of education is spreading mostly in USA where the costs of education are too high. In this new era of collaboration students share the learning experience with students from any country. They all study together on online platforms, sharing knowledge among them and organizing in small groups to prepare projects and researches. The objective is that of stimulating the creativity of sharing, something really similar to what people do in everyday life using the internet. While in the traditional teaching the knowledge is considered as something made of discrete and separate pieces, in this collaborative education everything is shared and all the separate experiences are pulled together. The idea that the education is an individual path and it's an exclusive right is related with capitalism and the traditional teaching. But in these years this collaborative era is rejecting the principles of capitalism and it's starting to

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<sup>17</sup> <https://www.couchsurfing.com/>

<sup>18</sup> <https://www.blablacar.com/>



embrace other characteristics which benefit the social interactions. This unexpected way of teaching has already found many universities around the world willing to accept it. There are already available classes who connect with each other through Skype or similar programs in order to make projects and works together. Students who are thousands of kilometers away are able to interact with each other and organize in virtual groups and share ideas. One of the main services that is known up to now is “Skype in the Classroom”, an online free community which accounts for 80,000 teachers and it aims at including 1 million classrooms all over the world. This kind of revolution started in 2011 when a professor from Stanford University, namely Sebastian Thrun, offered an online free course about the artificial intelligence. Usually his course was followed by around 200 students and Thrun was sure his online course would not have passed few thousands. To his astonishment 160,000 students registered for his course and 23,000 followed the entire course and passed the exam. So here we get to the paradox that in order to follow this course at the university students have to pay 50,000 dollars or more, while those students who are following it from the internet pay almost zero. Thrun, thereafter, launched an online university called Udacity with the objective of giving high quality training to everyone, and especially to those students who are not able to afford such big tuitions fees.<sup>19</sup>

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<sup>19</sup> Jeremy Rifkin, *The zero marginal cost society*, April 2014

## 1.4- Benefits from sharing

### Why do people share



Figure<sup>20</sup>

Following the survey made by Chronos & BlaBlaCar in 2012, members were asked the motives of sharing. Three main motivations are clear: economic, social and environmental. 85% of respondents answered that the main reason is due to savings, 40% of them is concerned with the environment and 52% answered that it creates social relationships.

#### *Individual benefits*

By sharing assets, consumers do not have to bear the entire price of the product by themselves, but instead, they only pay for the effective usage. Moreover, all those expenses as maintenance, assurance, and repair are eliminated. Secondly, it is easier to satisfy people's need if access prevails over ownership: more and more consumers are able to afford extra consumer goods, durable goods and unique travel experience.

Figure<sup>20</sup>: [www.betrustman.com/download.php](http://www.betrustman.com/download.php)

### *General benefits*

Networks enable millions of people to enter in contact, and this leads the suppliers to instantaneously meet the demand at marginal costs closed to zero. The costs are lowered and the efficiency is maximized as both the consumers and the suppliers are able to earn money or save them. At environmental levels, the benefits are even higher as the emissions of CO<sub>2</sub> and waste are reduced. Accessibility, community, sustainability and collaboration represent the virtues of the sharing economy and were all made possible thanks to the technology.

### **Costs of sharing**

The emphasis of this collaborative economy is on sharing a resource or some spare time. The “sharer” or owner of the resource can monetize it by sharing it for a fee or exchange it for something else. For many of these sharers, this represents a critical source of income which could become a job. On one side the platforms as Uber and Airbnb are able to keep the prices down and can control for the labor force, but on the other side all those costs like workers’ compensations and unemployment insurance are avoided. By the same token, the risks associated with illnesses, or the change in customer demand are largely born by the workers and this type of occupation belongs to the series of precarious jobs which lead to unpredictable incomes.<sup>21</sup>

PwC interviewed Richard Steinberg, CEO of Drive Now at BMW who declared: “The biggest challenge all of us have in the shared economy is insurance. And insurance—whether it’s your house, your car, your driver—is really a fragmented market. They don’t know how to deal with people occasionally using their asset. There are major issues around people who don’t understand the risks they’re taking on. So this is a real area for attention by the insurers—making sure that people know what they’re doing in terms of the risks they’re taking if they list their asset or use someone else’s asset in the sharing economy”.<sup>22</sup>

### **Different types of sharing:**

These businesses are relatively easy to start and are spreading like wildfire: home exchanges, bike and car sharing, cohousing, tool libraries, food cooperatives, energy cooperatives and many more.<sup>23</sup>

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<sup>21</sup> <http://www.aspeninstitute.org/about/blog/downside-lower-labor-costs-sharing-economy>

<sup>22</sup> [https://www.pwc.se/sv\\_SE/se/media/assets/consumer-intelligence-series-the-sharing-economy.pdf](https://www.pwc.se/sv_SE/se/media/assets/consumer-intelligence-series-the-sharing-economy.pdf)

<sup>23</sup> Lisa Gansky, *The Mesh*, 2010

Chronos and BlaBlaCar tried to collect data on other attitudes toward online collaborative behaviors among their BlaBlaCar users, other than car sharing. A massive 76% of this community uses different platforms to buy and resell goods online and another 10% intend to do so. Skillshares and home staying present very similar results. Crowdfunding, instead, is less popular as only 18% make use of crowdfunding platforms. From the results we note that after starting to use BlaBlaCar, an average of 6% of respondents began another type of online collaborative behavior. The sharing economy is common among several sectors: hospitality and dining, automotive and transportation, retail and consumer goods and media and entertainment.<sup>24</sup>

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<sup>24</sup> [www.betrustman.com/download.php](http://www.betrustman.com/download.php)

## CHAPTER TWO: COMPARISON BETWEEN USA AND ITALY

### 2.1 The world made of Apps

A mobile app is a computer program designed to run on mobile devices and tablet computers and it works through application distribution platforms operated mainly by Apple, Google and Windows. The term “app” is a shortening of the term “application software”. Basically, Apps are self-contained programs used to perform almost any task in a simpler way. Especially in these years, more and more people are becoming developers of Apps and almost all of them are related with sharing services. In 2013, Google was the leader in the industry with 900 million users, then Apple with 600 million, followed by Microsoft.<sup>25</sup>

Apple, at its WorldWide Developer Conference, was proud of being able to pay \$5 billion to the community of developers and counted an average of 50 million downloads from the app store in one year. Also Google is close to the numbers claimed by Apple. At the Android developer conference, Google analysts counted 48 billion downloads and \$900 million in pay-outs to developers. The figure below shows the number of apps and users and the money paid to developers. According to the data, Apple is the software which pays more for developers and has the highest number of users.<sup>26</sup>

#### Data on users and developers according to Google, Apple and Microsoft

Figure<sup>27</sup>

	<b>Google</b>	<b>Apple</b>	<b>Microsoft</b>
<b>Number of users (in millions)</b>	900	600	12
<b>Number of apps (in thousands)</b>	800	1250	160
<b>Number of developers (in thousands)</b>	150	235	45
<b>Number of downloads (in billions)</b>	48	50	65
<b>Millions paid to developers</b>	900	5000	100

<sup>25</sup> <http://www.forbes.com/sites/tristanlouis/2013/08/10/how-much-do-average-apps-make/>

<sup>26</sup> <http://www.forbes.com/sites/tristanlouis/2013/08/10/how-much-do-average-apps-make/>

<sup>27</sup> <http://www.forbes.com/sites/tristanlouis/2013/08/10/how-much-do-average-apps-make/>

## 2.2 The sharing economy in USA

The collaborative consumption is not a trend reserved to specific markets, not even a niche trend. It grew at unprecedented levels in 2008 and nowadays millions of people are participating from all the corners of the world. It was firstly in USA that the sharing economy took the road. As listed before, trust, communities and convenience are all factors pushing the collaborative economy to be accepted everywhere. The sharing economy has existed for over 15 years but people needed time to become more secure about online payments and trust online. Of course, the Internet is at the center of this change and all tech pioneers as PayPal, Amazon, EBay and Google created the ground for this economy to grow. Nowadays, more than 44% of American consumers are familiar with the collaborative internet and 19% of them are already engaged in transactions related to sharing and 7% participated as providers. The most common transactions are finalized in the sectors Media and Entertainment which include Amazon Family Library, Wix, Spotify, SoundCloud and Earbits, and Transportation which include RelayRides, Hitch, Uber, Lyft, Getaround, Sidecar.<sup>28</sup>

### Main users

The main users in USA are people between 18 and 24 year olds, households with income between \$50,000 and \$75,000 and all those families with kids in the house under the age of 18. According to a survey made in 2015, PwC sampled 1,000 consumers familiar with the sharing economy and it found out that people perceive multiple benefits related to it:

- 86% agree that it makes life more affordable
- 83% agree that it makes life more efficient and convenient as it is less expensive to share goods than to own them individually
- 53% agree access is the new ownership
- 76% it's better for the environment
- 78% agree it builds a stronger community
- 63% agree it makes life more fun than engaging with traditional companies
- 89% agree it is based on trust between providers and users

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<sup>28</sup><http://www.pwc.com/us/en/industry/entertainment-media/publications/consumer-intelligence-series/assets/pwc-cis-sharing-economy.pdf>

The perceived benefits are many, but people have still some concerns related with trust and the sharing experience itself. 69% of people do not try the service offered by the sharing economy company if it is not first recommended by someone they trust, and more than 60% of people feel that the sharing economy experience is not consistent. In fact, no single individual can neatly comprehend this phenomenon, but everyone believes that the term “sharing economy” broadly defines the emergent movement that is changing our way of living and possessing assets.<sup>29</sup>

San Francisco is one of the largest hub in USA for the sharing economy as it is closed to the Silicon Valley, known for the established tech and startup system financed by the government fostering innovation. The phenomenon of sharing is present in every sector, especially in transportation, hospitality, food , media and clothing.

### *Transportation*

Zipcar is the world largest car sharing and car club service. Unlike traditional rental car companies, cars can be located and distributed throughout the city. Zipcar has a simple objective: create an easy and efficient way for people to share cars rather than own them. The service is convenient and affordable and in few years Zipcar acquired some competitors. The company invested in UK with Streetcar and in Avancar in Spain. Zipcar collects information on who uses the car, when and how it is used; this method enables the business to cluster data and define groups by location and demographics.<sup>30</sup>

### *Hospitality*

Data from PwC survey show that 6% of the US population made use of home staying services. In USA the most commons platforms are: Airbnb, Couchsurfing and Homeaway which are big competitors among them. All of them offers to match spare rooms and apartments with travelers in need of lodging. Couchsurfing is quite different as it offers free hospitality among users. Its main objective differs from Airbnb as it invites couchsurfers to share their experiences and promotes cultural exchanges.

### *Food*

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<sup>29</sup><http://www.pwc.com/us/en/industry/entertainment-media/publications/consumer-intelligence-series/assets/pwc-cis-sharing-economy.pdf>

<sup>30</sup>Lisa Gansky, *The Mesh*, 2010

The food sector is less frequently used than the hospitality sector, but it is catching up with EatWith. This platform provides a marketplace that connect diners with hosts creating a unique social experience where guests are able to eat a home-cooked meal. Both hosts and guests are able to extract benefits from it: hosts do what they love to do in their house and get some money too, while guests are able to share stories and get an authentic meal at a lower price than restaurants'. In 2014, the platform already counted more than 500 hosts in 30 countries and 160 cities around the world.<sup>31</sup>

### *Media and entertainment*

According to PwC survey, this is the highest category for consumer participation. All consumers making use of the sharing services are more engaged in media sharing than they are with transportation or hospitality. The benefits are similar to the other sharing categories: higher choices and better pricing, easier access and more particular experiences. As said above, Spotify offers the possibility of listening millions of songs for free without physically possessing any asset. As Jim Griffith, Dean of eBay Education, put it “ the sharing space in entertainment is a Wild West frontier that will continue to be disrupted”.<sup>32</sup>

### *Clothing*

ThreadUP is the most common platform or app made especially for clothing. It is a fashion resale website for consumers to buy and sell secondhand clothing online. Up to now it is considered one of the largest collaborative consumption movement which encourages consumers to live more collectively.<sup>33</sup> ThreadUp counts an average of 385,000 people per month visiting the webpage and in 2012 it sold more than 350,000 clothes increasing sales of 51% each month.<sup>34</sup>

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<sup>31</sup> <http://techcrunch.com/2014/09/18/eatwith/>

<sup>32</sup> <http://www.pwc.com/us/en/industry/entertainment-media/publications/consumer-intelligence-series/assets/pwc-cis-sharing-economy.pdf>

<sup>33</sup> <http://en.wikipedia.org/wiki/Thredup>

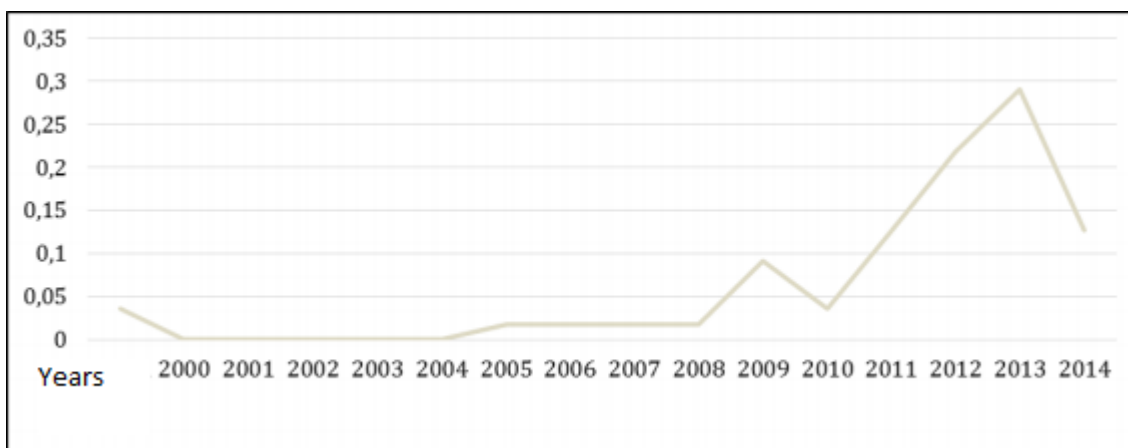
<sup>34</sup> Jeremy Rifkin, *The Zero Marginal Cost Society*, page 334, 2014



## 2.3 The sharing economy in Italy

In Italy the phenomenon of sharing economy started few years later than USA. As we can see from the graph below, at the beginning of 2011 the collaborative era faced a sharp increase with a consequent diffusion among all the regions of the country. The graph shows that already in 2000 there were some existing platforms in Italy. Examples are EBay and Craigslist, but the expansion of the sharing phenomenon has taken place only from the beginning of 2011.

### Italian platforms diffusion



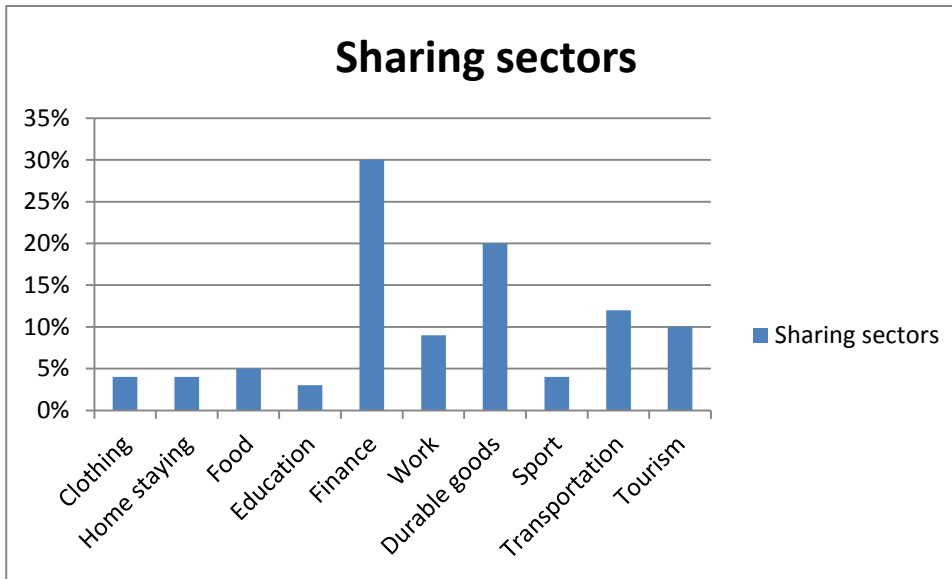
Figure<sup>35</sup>

Up to May 2014 the active platforms operating in Italy and involved in sharing physical goods, time and spaces were 131, out of which 41 were crowdfunding services and 11 were foreign.

We can classify these 97 platforms according to the different sectors they belong to: clothing, home, food, finance, education, work, physical goods, sport, transportation and tourism.

### Sectors of sharing in Italy

<sup>35</sup> [http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing\\_Economy\\_Indagine\\_2014.pdf](http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing_Economy_Indagine_2014.pdf)



Figure<sup>36</sup>

Most successful sectors in Italy are: crowdfunding, which accounts for 30% of all the platforms; transportation, which account for slightly less than 13%; tourism (9%) and labor (8%). Moreover, about 20% consists of platforms that enable the exchange or the sharing of consumer goods.

### *Home staying*

When we think about home staying Airbnb immediately jumps on our mind. But, just to clarify it, Airbnb is not the only platform which offers a similar service. In Italy there are 14 more platforms, out of which several are foreign. In addition to Airbnb, there are Wimdu, BedyCasa, Tripwell and many more.

Instead, services more similar to Couchsurfing are: Scambiocasa, Homelink, Guestoguest.

### *Food*

In this sector we are able to find 7 platforms that perform two main services. There are some platforms which make possible the exchange of food or food products: Ifoodshare, Lastmarketshare and NextdoorHelp. Another kind of service is given by RestaurantDay, where people open their houses only for one day to anyone who take a reservation.

<sup>36</sup> Research ClicLavoro, 2014 :

[http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing\\_Economy\\_Indagine\\_2014.pdf](http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing_Economy_Indagine_2014.pdf)

## *Education*

There are already available services such as Skillbros and Insegnalo that provide knowledge sharing where people are able to upload an online lesson with fee. Oilproject is an online free platform where everyone can upload exercises, tests and video at a high school and university level.

## *Work*

All platforms belonging to this area of interest promote the skill sharing. The most common Italian ones are those that provide babysitting services like: Le Cicogne, Mytata, Oltretata. But also services aimed at taking care of animals of other people diffused in recent years thanks to Petme and Petsharing.

## *Durable goods*

This sector found many startups ready to invest in Italy, probably because the exchange of goods has always been present in different parts of Italy. Most of them are generic and involve the exchange of almost all kinds of goods. BarattoFacile, E-barty, Freecycle and many more are examples of it. Then, we can also find some platforms much more specific such as Green Books Club or Testi usati which involve the exchange of books only.

## *Sport*

GoKick, Fubles and Sportilia create direct contacts among those sporty people that want to play soccer, while Wesport is a generic platform which includes all sporting activities.

## *Transportation*

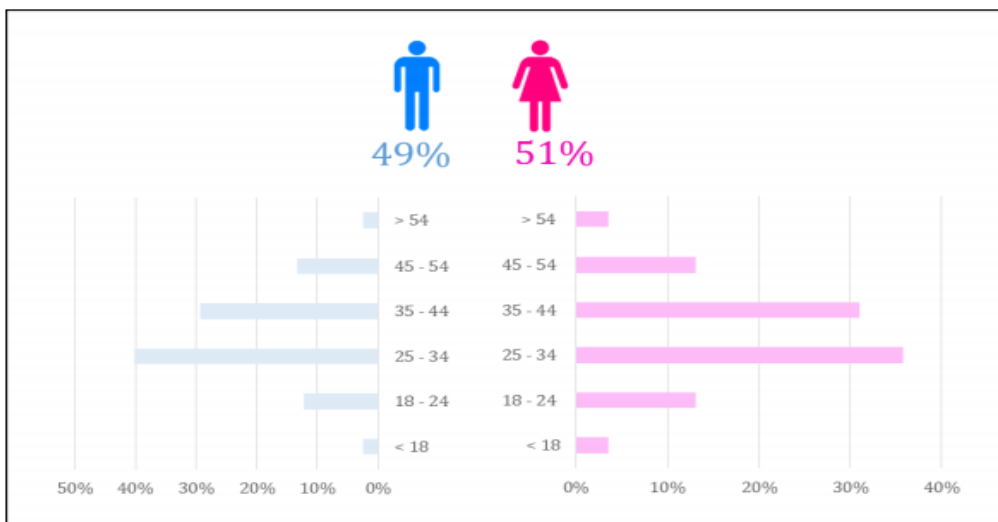
Services of transportation can be divided in ridesharing such as BlaBlaCar, Carpooling or Avancar (ride sharing on long routes) or Uber and Strappo that give rides in the city. Other types of services like Parcheggiami or Parksharing enable people to rent their garages or parking spots when they do not use them. Fly2share is another type of platform which allows people to share the cost of taxis. There is also a very smart one which is called Sendilo and it is the first type of lorry-sharing in Italy

where truck drivers rent available spaces on their trucks to people that need to send something in order to optimize their capacity of transportation.

### 2.3.1 Main users

In Italy the collaborative platforms are used by men and women in equal measures with a slightly female prevalence of 2%. Those services most used by the female gender are those devoted to the exchange or sell of clothes and unused stuffs or those that aim at finding jobs as babysitter. On the contrary, the platforms most used by the other gender are those related to sporting and transportation activities. As data confirms, the collaborative economy is not addressed only to young people. 51% of users are aged between 18-34, but about 43% are between 34-43 years old.

#### Main users of sharing services divided per gender



Figure<sup>37</sup>

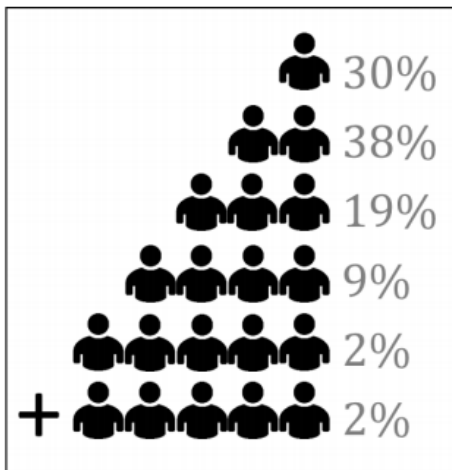
Even if users are uniformly distributed there is a disparity of gender among the founders of these collaborative services (78% are men) aged between 25-44. Differently from what we read often, most of the founders are not only young people, but mostly older people aged between 35-54 that voluntarily leave their jobs to invest their own idea. To the question: “What are the objectives of your organization?” the most common answers have been “To improve our life and people’s life”, “build trust around us” and “create alternative economies”.

<sup>37</sup> Research Clic Lavoro, 2014:

[http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing\\_Economy\\_Indagine\\_2014.pdf](http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing_Economy_Indagine_2014.pdf)

Moreover, according to ClicLavoro report, 57% of Italian platforms count 2-3 founders, but there are many services (around 30%) which declare only one founder.

### Number of founders in percentage



Figure<sup>38</sup>

### 2.3.2 Business models

All these platforms follow different business models. The most common one, at the Italian and international level, is to collect a percentage on each transaction. In Italy, 44% of platforms make use of this model and especially Airbnb takes 3% on each successful transaction. Meanwhile, in those platforms where any payment is required as it provides a free exchange of goods, it is required to pay a subscription fee which can vary from a minimum of 8€ to a maximum of 20€ per month. However, this is a business model which is not able to reach high volumes of users. Other platforms, instead, sell some spaces to brands which need advertising spots. This model is typically Italian, as in Europe or USA all these platforms try to collect money in other ways.

Platforms in Italy and abroad grow continuously, every week some new platforms are discovered. Even if the sharing economy is pursuing a quick growth and the offer is increasing every day, the demand remains quite constant. Specifically in Italy, it is not easy for Italian platforms to reach a high number of users as Airbnb or BlaBlaCar, as mainly Italian people are still not so confident with online payments or the internet. The majority faces a reluctance toward the internet and the innovative services it provides. In order to create a big community made of many users the founders

<sup>38</sup> Research Clic lavoro, 2014:

[http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing\\_Economy\\_Indagine\\_2014.pdf](http://www.cliclavoro.gov.it/approfondimenti/Documents/Sharing_Economy_Indagine_2014.pdf)

of these collaborative platforms have to implement some strategic plans since the beginning. First of all, it is necessary to identify the target of people. Even if everyone aspire to operate at an international level, it is necessary to create and consolidate a strong community at a national level, and only then try to collect other users. Building a stable community is not easy, as promoting activities both online and offline are needed to induce people to try the service. Building and running a community is becoming the hardest challenge all managers of this collaborative economy have to overcome as it is an uncertain job which requires continuous changes to keep up with the pace of technology.

## 2.4 Evolutions and prospects of organizational business models

Nowadays people are more and more involved in sharing information, knowledge and resources that all together are creating an open source world. The business organizations themselves are facing a big paradigm. They have to understand costumers' needs by co-innovating and embracing this collaborative economy in order to become successful and obtain some rewards.

At the end of 2006, Don Tapscott and Anthony D. Williams published "Wikinomics: How Mass collaboration changes everything", according to which they explore how some companies at the early 21<sup>st</sup> century have been used mass collaboration and open source technology to succeed in the market. The title derives its name from the concept of Wiki in which individuals participate to co-create a product. Then, the book underlines the concept that the Internet is no longer "an information super-highway" but rather "a giant computer that everyone can program". In this way, new opportunities to create business models that connect people simultaneously are created and old traditional business models are overthrown. According to Tapscott and Williams, Wikinomics is based on four main ideas:

1. *Openness*: it requires companies to have "porous" boundaries and become transparent and open to consumers. Holding the material that before was considered private and not publicity material doesn't create anymore a competitive advantage but rather it creates a disadvantage. Now that transparency is a leading strategy, collaboration is maximized, consumers are more able at identifying the true value of a product and are part of the creation of the product itself.
2. *Peering*: businesses' structures are becoming more horizontal and are competing against the traditional hierarchical command. Peer-to-peer models are spreading and are emerging as the key points of business organizations. In this way, it is easier to share information and collaboration. Wikipedia is the most notable example which shows that the collaboration of many individuals led to the most successful encyclopedia at a global level.
3. *Sharing*: Businesses are treating intellectual property as a public right. Most businesses have already understood that they can benefit from sharing infrastructures, resources and skills rather than protecting them.

4. *Acting globally*: business organizations are facing new challenges as they are competing at a global level. They have to be aware of the fact that they are encountering different cultures that require not only to think global, but mostly to act global. Moreover, they are facing more demanding markets and harsh competition.

The authors write, “These four principles [...] increasingly define how twenty-first-century corporations compete. This is very different from the hierarchical, closed, secretive, and insular multi-national that dominated the previous century.” Furthermore, “We must collaborate or perish across borders, cultures, disciplines, and firms, and increasingly with masses of people at one time.”<sup>39</sup>

PwC interviewed Richard Steinberg, CEO of DriveNow at BMW, who declared: “We used to be the provider of premium cars and now we’re the provider of premium mobility services as well as premium cars. Mobility services was recognized by our board as something that we needed to be engaged in—that’s where DriveNow was born from. Millennials are not so much interested in spending their hard-earned money on buying a car. They’re not interested in parking, insurance, vehicle acquisition. But they still have mobility needs. Public transit, Uber, all the various sharing tools are at their disposal—but there’s not personal mobility. So that’s where we fit in. In many ways, the market BMW Group competes in is a premium market for our new car sales. And the younger generation that’s using car share and using our service is not necessarily in the market for a premium automobile. They might be interested in a base or a non-premium car or a used car, but not so much in the premium category”.<sup>40</sup>

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<sup>39</sup> Trapscott D., Williams A., *Wikinomics: How mass collaboration changes everything*, Penguin Group, New York, 2006

<sup>40</sup><http://www.pwc.com/us/en/industry/entertainment-media/publications/consumer-intelligence-series/assets/pwc-cis-sharing-economy.pdf>



## **CHAPTER THREE: CASE STUDY ON SCOUBE**

### **3.1 Analyzing a case study: Scooter sharing**

Scooter sharing is the sharing of scooters used to move in a city or in the periphery of the city. This initiative is based on already known concepts as bike sharing and car sharing. The idea of scooter sharing was born in response to a need from people that are tired of using public transportation and would like to be more autonomous without the obligation possessing a car or a scooter.

Scooter sharing is a solution which is able to give, only by booking online, a scooter which can be used when needed. Of course, scooter sharing has many benefits: it is cheaper than possessing, renting or sharing a car or a scooter, it is more flexible and easier to use, and people would end up paying only for the actual use.

### **3.2 Scoobe: a solution to many problems**

Nowadays living in a city involves bearing many costs of transportation, especially in Rome. Scoobe was created to solve many problems that people face all the time: costs of possessing a car or a scooter, the fuel consumed being stuck in the morning traffic, the time lost and more. Scoobe allows people to change their habitudes and embrace the benefits of sharing while helping the environment with electric scooters. Scoobe is a scooter sharing provider in Italy offering a completely new mobility concept that redefines individual transportation in urban areas. The scooters can be located via mobile application and rented spontaneously for short or long trips simply by accessing an available vehicle on the street. After the ride, people are free to leave the Scoobe wherever they prefer to and they don't have to rush to the final place as they only pay kilometers-based tariffs. Each Scoobe is monitored all the time with a GPS system and the Internet allows the Scoobe operators to control the battery left and any eventual damage. Also the probability of theft is discouraged as each scooter has an alarm incorporated in it, that allows the company to identify eventual movements of scooters not booked by users.

### **3.3 Strategic analysis of Scoobe**

#### **3.3.1 Segmentation and demand**

Scoobe tried to identify the potential demand inside the city, so more than a segmentation according to geography, I would use a demographic segmentation based on gender, age, occupation and educational level. People that represent the potential demand are:

- Low profile consumers, mainly young people between 18-36 years old that do not possess a car or a scooter or have it only occasionally.
- Consumers that possess a car or a scooter and want to use them in a smarter way while embracing the benefits of sharing such as car sharing services.

### 3.3.2 Strategy to implement

Scoobe wants to be viewed as an innovative and efficient company providing ecofriendly scooters to help people in avoiding transportation problems. The company is going to communicate with a direct marketing strategy what are the distinctive characteristics offered by this service with respect to the traditional rent of scooters. Scoobe offers lower prices than services of car sharing and other traditional services and this allows a broader range of people to participate and become actual users. Scoobe is going to use four main channels to advertise its service: Universities, Social media, streets visibility and word of mouth.

#### Product, need and response strategy

Product	Need	Strategy
Scooter	<ul style="list-style-type: none"> <li>- Individual use</li> <li>- Personal errand</li> <li>- Job meeting</li> </ul>	<ul style="list-style-type: none"> <li>- Offer a scooter for rapid errands and individual use</li> <li>- Offer flexibility and easy parking</li> </ul>

Figure<sup>41</sup>

### 3.3.3 Market analysis

The product belongs to the sector of transportation, which includes public transportation, the rent of cars and scooters and the car sharing or carpooling.

<sup>41</sup> Source: Allegra Cordero di Montezemolo and Scoobe Startup

	Existing market	New market
New product		
Existing product		<b>SCOUBE</b>

Figure<sup>42</sup>

### 3.3.4 Competitors Analysis

The main competitors are represented by public transportation and car sharing companies.



Figure<sup>43</sup>

Public transportation costs € 1.50 per trip, Enjoy costs 25 cents/min and Car2Go 29 cents/min.<sup>44</sup> Scoobe is the best one in price convenience as it offers a km-based tariff rather than a minute-based one and it costs 45 cents/km which is approximately 20 cents/min. It also offers the highest flexibility as the scooters don't have to fear any traffic congestion or waste of time in the search for a parking spot.

### 3.3.5 Competitive positioning

I selected five main variables that are the key points when dealing with transportation:

<sup>42</sup> Source: Allegra Cordero di Montezemolo and Scoobe Startup

<sup>43</sup> Executive summary Scoobe

<sup>44</sup> [www.atac.roma.it/](http://www.atac.roma.it/), <https://enjoy.it.com/it/roma/tariffe>,  
<https://www.car2go.com/it/roma/>

- Perceived quality
- Price
- Image and design
- Usability
- Flexibility

**Perceived quality and Price**

<b>High quality</b>	SCOUBE Car2Go Enjoy	Traditional rental shops
<b>Low quality</b>	Public transportation	
	<b>Low price</b>	<b>High price</b>

Figure<sup>45</sup>

Scoobe is more convenient than traditional renting shops car sharing services as Enjoy and Car2Go. It also offers higher quality services than the public transportation.

**Flexibility and image**

<b>High flexibility</b>		SCOUBE Car2Go Enjoy
<b>Low flexibility</b>	Public transportation	
	<b>Negative image</b>	<b>Positive image</b>

Figure<sup>46</sup>

<sup>45</sup> Source: Allegra Cordero di Montezemolo and Scoobe startup

<sup>46</sup> Source: Allegra Cordero di Montezemolo and Scoobe startup

Scoobe has some distinctive characteristics that make the service more appealing. The scooters are designed by the company Ebrelli and their green color distinguishes them from the thousands of scooter driving in the city. Moreover, the flexibility is much higher than Enjoy or Car2Go as users of Scoobe are able to access to the historical centers where cars can't and they don't need big parking spots to be searched for hours.

### 3.3.6 SWOT analysis

The SWOT analysis aims at identifying internal and external key factors, that if well understood, help the company to achieve an objective. The SWOT analysis distinguishes between:

Internal factors: the strengths and weaknesses internal to the organization

External factors: opportunities and threats presented by the environment surrounding the organization

<p><b>STRENGTHS:</b></p> <ul style="list-style-type: none"> <li>- <b>Eco-friendly</b></li> <li>- <b>More flexible</b></li> <li>- <b>Well-designed</b></li> <li>- <b>More convenient</b></li> <li>- <b>Easier to use</b></li> </ul>	<p><b>WEAKNESSES:</b></p> <ul style="list-style-type: none"> <li>- <b>people fear that it will limit their autonomy</b></li> <li>- <b>scarce information</b></li> </ul>
<p><b>OPPORTUNITIES:</b></p> <ul style="list-style-type: none"> <li>- <b>Few competitors</b></li> <li>- <b>Young Market with possibility of growth</b></li> <li>- <b>Increase in mobility</b></li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>- Possible investment by established car companies</li> <li>- People are still diffident with sharing services</li> </ul>

Figure<sup>47</sup>

As we are able to observe from the analysis above, Scoobe has several competitive advantages:

- *Eco*: the scooters have electric engines and are able to offer much lower tariffs than competition, therefore being Eco-friendly.
- *Flexibility*: there are no fixed stations, instead users are free to leave the scooters wherever they want to.
- *Design*: the scooter has a fresh and young look and it is easily recognizable.
- *Friendly-user*: Easy to use user interface

<sup>47</sup> Source: Allegra Cordero di Montezemolo and Scoobe startup

For what it concerns the weaknesses, by using the four channels of communication in an efficient way, Scoobe's main objective is that of promoting the service as much as possible in order to induce people to try it and well understand the multiple benefits attached to it.

The opportunities are many as the market is still young and the competitors are few, so Scoobe has an incentive to establish its service before potential entrants may decide to enter the market. In addition, the need for mobility is increasing and more and more people are starting to use sharing services to eliminate the costs of possessing a vehicle.

In this years the collaborative consumption is increasing at high levels and more and more people are starting to trust more online services. There is still a significant percentage of people who still have some concerns with these online communities, and this could represent a threat for this market to grow. Moreover, established cars and motorcycle companies with positive well known brands, could decide to promote scooter sharing services. As a consequence people would trust more these companies, rather than new startup as Scoobe. Scoobe could change the way we are able to get around the city.

## Conclusions

This research has started with the objective of understanding the phenomenon of the collaborative economy that is favoring the reemergence of communities, the introduction of new technologies, and more sensible environmental sustaining services.

By first examining the drivers and the principles supporting the sharing economy, we have been able to understand how businesses and consumers are adapting to the changing world by embracing new forms of technologies and new ways of thinking. The new generations are born with different principles and values, mostly in contrast with the established ones. They have higher propensity for interactions rather than being based on independence, they are less interested on profitable returns and more concentrated on promoting something valuable for the quality of life, less involved in possessing physical goods and more focused on accessing and sharing, less engaged on exploiting natural resources and more occupied on using sustainable ones.

Managers themselves are becoming much more empathetic rather than continuing to be utilitarian. On the other hand the major contribute was given by the technology which followed an exponential growth and allowed people to share everything in a convenient and faster way than the original barter conceded.

Business organizations are always adapting to the changing environments: at the beginning of the Second Revolution almost all businesses had to reversed their structure in order to survive. By the same reasoning, the Third Revolution, as Jeremy Rifkin calls it, is an analogous situation in which many enterprises are developing strategies to remain at the forefront, even if this means to find an equilibrium between the capitalistic traditional market and the collaborative phenomenon.

The transition from the capitalistic era to the cooperative one is spreading everywhere due to the furiousness rapidity of the Internet and it is creating a global economy that is more fair, equitable, humane and sustainable.

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