

Sharing Economy-New Phenomenon

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Abstract

Economics sharing is one of the most amazing and provoking phenomena with which we face in the modern economy. The purpose of this article is to show the specificity of sharing economy and its international outreach. The phenomenon of sharing economy is a phenomenon of recent years in developed countries; being a social response to the crisis, the debt trap, high profits of big corporations, environmental destruction and waste of raw materials and products. Development of the sharing economy indicates that started a new period of market education and economic rationality in consumer behavior. National governments will have to take a stand on the issue of regulation and taxation of transactions in the new market segment, which is the sharing economy. the article makes an important issue which is the future and opportunities faced by the sharing economy. The authors conduct synthetic quantitative analysis of this phenomenon, not forgetting the presentation of critical comments.

Keywords: Circular economy, Ecology, Peer-to-peer, Risk, Second-hand assets, Sharing economy.

1. Introduction

The phenomenon of sharing economy is a phenomenon of recent years in developed countries; being a social response to the crisis, the debt trap, high profits of big corporations, environmental destruction and waste of raw materials and products. Observing the functioning of sharing economy indicates that started a new period of market education and economic rationality in consumer behavior. TIME Magazine called sharing economy one of the "10 ideas that will change the world." Market consumer peer-to-peer seems to have a

great future, but it is a serious competitive threat to the corporate and commercial services. What will be the reactions of large companies, it is difficult to predict today.

The main purpose of this article is to analyze the specifics of sharing economy and its international outreach. The authors pose the thesis that segment of the sharing economy will be growing rapidly and will be an important part of the concept of the closed loop ("circular economy"); in spite of obstacles and dangers that arise here. The economy closed loop ("circular economy") is a new concept to the market more efficient ecological environment and social. Such a concept of economic development is currently being created in the European Commission. The methods used in this study are a literature analysis, desk research and case studies.

2. Characteristics Sharing Economy - Double Value Creation

Economic activities generally called sharing economy have different definitions; in terms of both broad and narrow. There is no official definition. The terms "sharing economy," "peer economy," "collaborative economy," "on-demand economy," "collaborative consumption" are often being used interchangeably. (Botsman, 2016) (Hamari et al, 2016). Economy sharing may also be defined as economic model where people are creating and sharing goods, services, space and money with each other." (Miller, 2016)

Author's definition of the sharing economy, in terms of a narrow, is as follows: "the project type sharing economy are beings organizational or legal entities informal, organized by a group of people who provide services or resell used goods (second-hand assets, or: commodity of second hand?) at low prices. These are projects of non-profit and are self-help." (Masiukiewicz, 2016c) An important feature of the activity in this market segment is a mutual aid (self-help). In light of this definition to the sharing economy may include the so-called. social enterprises, but may include e.g. cooperative savings and credit unions profit. The main features of business ventures of a self-help are as follows: (The rise, 2013)

- Trust as the basis of the transaction,
- Use of the internet and social media to get in touch directly commercial (C2C)
- Types of transactions: rent, exchange, sale of used items for a symbolic price,
- Lack of legal regulations such transactions,
- The part of the business no formal registration of such projects (i.e. not disclose in the register of companies)
- Low or non-payment of taxes and other public and legal,
- Low price or operation of non-profit,
- Low or zero marginal cost,
- Offering opportunities (e.g. free space in the car)
- Risk clients (customers) associated with oral agreements or mail addresses.

Relationships sharing economy and the environment show the figure 1.

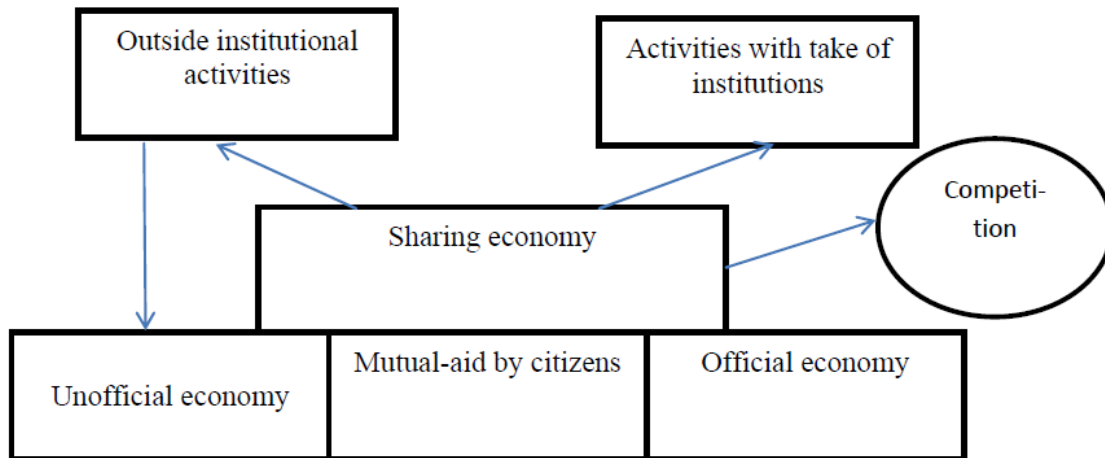


Figure 1. Position of sharing economy (own studies)

Activity in the sharing economy creates a double value-that is customer value and social value - defined as the increase in the rationality and effectiveness of macroeconomic - according to the rules: you do not have to buy can borrow, you do not have to have new things, do not have to throw away everything, etc.

In terms of local economic benefit of this concept are the new economic jobs, cheaper access to services, integration on the basis of sharing but also the marginal costs close to zero. (Rifkin, 2016) Some of the undoubted advantage the sharing economy indicates that it is sometimes touted for teaching people skills and helping them learn new things (Schor, 2016). Sharing economy requires research both in real and digital space, as well as in regulatory space.

3. The Scale of the Phenomenon Sharing Economy in Practice

Observing the functioning of sharing economy indicates that this market segment is growing in countries of high and medium developed countries. In third world countries used trade assets and barter services and exchange of goods they have been known for a long time.

The scope of trade in goods and services in this area increasing; from clothing to exchange money bitcoin (Table 1). Unfortunately, the market there are already large companies, which under the banner of sharing economy offer goods or services on a fully commercial and operate for profit. (Sharing economy, 2016)

Services such as targeted at travelers - Airbnb, the space dedicated to searching utility - WeWork, respond well to the needs of the generation Y. This generation is characterized by a strong need for independence, mobility, willingness adventures, while the lack of financial stability and weak attachment to the external signs of status. (Zervas et al, 2017) (Sharing economy, 2016)

Table 1. Basic types of offers in the area of sharing economy (Risk assessment 0-5; 5 rating - the highest risk for the customer)

Lp.	Offer type	Area of activity	Customer risk rating
1	Social lendings in internet platform	International or national	4
2	Bitcoin – internet money	International	5
3	Services of facilities car transport	International and local	2
4	Flatt facilities for holidays	International	2
5	Library services	Local	0
6	Change of second – hand clothes	Local	1
7	Press/information local editors	Local	0
8	Bicycles for rent	Local	1
9	Household equipment for rent	Local	1
10	Offers of digital work (remote work)	Local	2
11	Rent of toys	Local	0
12	Mutual change of services	Local	0

Source: own study

New, authentic manifestation of the sharing economy is free access to the premises through couchsurfing, to knowledge through bookcrossing, a common pool of tools held by some local communities, e.g., Growing among American farmers, project-sharing tool. These projects are still little popularized in the media. (Sharing economy, 2016)

According to R. Fucks with the prevalence of digital exchange models, such as rental, lease or exchange, created new forms of transactions based on trust. It saves money, energy and raw materials. Thanks to the virtual exchange stock exchanges in the network idea in common use becomes widespread; e.g. in Germany three students founded in 2009. Internet exchange clothing Klederkreisel - three years later, the stock market had already 380 thousand. members. (Fucks, 2013)

The prerequisite for sharing consumption is maintaining close relationships between people. When this closeness is not there, we are dealing with a purely commercial relationship. The idea for the new model to the exchange of goods and services to introduce special legislation, including taxation and consumer protection rules seems debatable - here should apply the principle of proportionality adjustment. Transactions segment sharing economy is largely based on trust. Among other things, the PWC study showed that users of the platform BlaBlaCar (rental cars) when deciding to make use of the services most trust opinions, family and friends (rating 4.7) and supplemented profiles on BlaBlaCar (rating 4.3); shows the results of the table 2.

Table 2. Who trust users BlaBlaCar? (In a 1-5 scale provided by BlaBlaCar)

Lp.	The entity of confidence (trust)	Rate
1	Family and friends	4,7
2	Supplemented profile BlaBlaCar	4,3
3	Colleagues	3,6
4	Neighbors	3,1
5	Share on Facebook	2,5
6	Strangers	1,0

Source: (Wpółdziel, 2016)

By the way business analysis platforms like BlaBlaCar pay attention to the commercial nature of this type of platforms for hiring the remaining seats in the vehicle or other passengers. At the beginning of the service was free for those who seek a journey on the road, but after a huge increase in the popularity and number of users, the decision to introduce fees. Whether it can inhibit the further development of this type of platform, opinion is divided. However, this case shows how thin is the line between the idea and the imminent temptation to earn it.

For customer's main benefit in light of previous research, it is the low price. The decisions of purchase is guided by it frequently (60% of responses), the opinion of friends (table 3).

Table 3. What is guided by the client in assessing the credibility of platform sharing economy?

Lp.	Factors decision	% Answers
1	Opinion friends	60,0
2	The price offered	54,0
3	Opinion on social media	23,0
4	Knowledge of the brand	20,0
5	Star ratings	14,0

Source: (Współdziel, 2016)

Turnover in transactions peer-to-peer in the US market amounted to about \$ 100 billion a year. (Rifkin, 2016) D. Kuadi, the leader of the Chinese market of transport services on demand designs to achieve \$ 2 billion in the next round of investment - which will make it the fourth most valued startup in the world. By 2025, global revenue sharing economy share would be 335 billion USD. (Sharing Economics, 2016) Internet services based on the idea of sharing, offering, among others, car transport or accommodation, are becoming increasingly popular in Poland: actively using them 26 percent citizens. It seems that the sharing economy represents a significant growth potential for European economies.

According to R. Fucks with the spread of digital models of exchange like hire, rent or exchange, new forms of transactions, based on trust have been created. It means saving money, energy and resources. Thanks to virtual stock exchanges on the internet the idea of common use is becoming more and more popular; for instance in Germany in 2009 three

students launched a garment exchange market Klederkreisel – three years on it had 360 thousand users. (Fucks, 2013)

However, when the communities of users turn into corporations, they usually don't respect regulations applicable to entrepreneurs and that can lead to unfair business competition and tax evasion. (Domaradzki, 2015) A necessary condition for sharing consumption is close relationships between people. When this closeness is missing, the relationship stays purely commercial. A demand of implementing legal regulations for the new model of exchange of goods and services, e.g. in taxation and consumer protection principles seems controversial.

4. Finance and Transport - Case Study

4.1 Crowdfunding

Crowdfunding is financing projects on the principles of the Internet by using Internet platforms. Different platforms of this type offer other forms of financing. Donors can transfer the funds as loans, payments for shares, gifts or receive when you start a project goods or services with a value comparable to the inserted capital. It is important to underline that the crowdfunding active role played by several players and they are mainly people proposing new ideas or projects to be financed then. These people have the goal of gaining access to the market and attracting investors community (for which data design is attractive) financial support. Then you can just distinguish a crowd of people who decide to fund the proposed projects / ideas, while taking the risk of failure and waiting therefore for some compensation / rewards. Participant's crowd financing not only allocate their financial resources, but also often have an influence on the final shape of the project or product being crowdfunding campaign. That is why so many people at the same time fully a part of the jury, which indicates the best solution - that is the best idea gets funding, and has a chance for further development. Thus, we have here an example not only joint financing, but also a shared decision-making process. Kickstarter, characteristic of this type of project, started in 2009 in the United States. It is an intermediary in raising capital for investments of Internet users. The funds provided by investors or donors are collected as payments Amazon. (Rifkin, 2016) Kickstarter takes 5% of the accumulated capital, and Amazon a commission of 3-5%. Kickstarter unlike traditional lenders does not own capital but the mediator. By 2013, this investment platform supported 51 thousand. Projects, of which 44% have been successful. Collected capital in the amount of 871 million USD. Kickstarter limited funding for projects up to 13 categories in the areas of art, dance, design, fashion, film, video, food, games, music, photography, theater, publishing, technology. (Rifkin, 2016)

Also, cultural institutions are increasingly turning to crowdfunding to finance its current operations, an example of which is even back at the activity in this field 6 Floor Theatre in Warsaw (Bankier, 2016). Note, however, that such actions mainly need to rely on the involvement of social media, where the biggest role still played by the young person does not necessarily have independently working and earning. That is why it is so important skilful using crowdfunding to first achieve the desired amount of funds, and the two do not discourage each other for a long time their existing supporters and fans.

4.2 Activity of Uber Poland

In the countries of Central and Eastern Europe, including Poland, more and more often you can meet with an offer of domestic and foreign companies in the sharing economy. One such example is the Uber Poland; although it is doubtful whether this is a typical example of the described economy.

According to general manager of Uber Poland: "Poland is now the third most important market for Uber in Europe, after the UK and France. Ourselves surprised extremely positive reception solution, which is Uber, on the Polish market. In our opinion, the popularity is due to several reasons: firstly, the Poles are very open to innovation, many solutions as even NFC technology adopted with us better than in the West; Second Poles appreciate the convenience. Polish Uber users pay attention first to the non-cash settlements, and reliability - one click on the screen smartphone and the car appears within 5 minutes; thirdly, we value transparency and affordability: we do not like to be fetched. Therefore pricing mechanism of the course before ordering and monitoring of routes during the GPS has been adopted by the passengers with great enthusiasm. On the other hand, we see - in comparison with other markets - that Poles want to work. The average increase partners during the first year of the application in Poland were higher than in Paris, Stockholm and Amsterdam. Much more often than their Western colleagues, they log on to the platform to generate additional earnings, although the amount is comparable and adjusted to the economic realities of each market." (Współdziel, 2016) Unfortunately Uber also has big problems with his business and is now in many countries, like the recently Hungary have banned this type of business, which withdrew it from the market. On the other hand, in Poland more often they observed attacks of taxi drivers on the drivers' Uber (and often affects also on their customers) involving dousing dirty substances cars or blocking and frightening drivers.

5. Opportunities and Threats

On the phenomenon of sharing economy be looked at from the point of view of social benefits and risks. (Rifkin, 2016 Domaradzki, 2015) The benefits of this economy for environmentally friendly development in the countries and global scale are high. The benefit of the social development of the sharing economy as the official economy will probably reduce the black market trade, services and finance. (Masiukiewicz, Dec, 2015) Opportunity for clients (customers) is to buy goods and services at low or very low prices; including products used - often unique or rare (e.g. clothing brand). (Fucks, 2013)

A chance for the country's economy is to save resources and reduce waste products. Of course, this new sector also creates jobs; the question whether it will be a completely new jobs or effect occurs cannibalism. Consumer's sector sharing economy is exposed to several risks. Relatively frequent use of the so-called oral agreements transactions may pose a threat to customers in this market; the risk may also affect the prices of our products or services. (Masiukiewicz, 2016b)

A serious threat may be the development of unlicensed financial services, especially pyramid scheme. Remember to be here for bankruptcy in recent years the two platforms bitcoin in the

US, which resulted in losses to customers in the amount of \$ 0.5 billion. (Masiukiewicz, 2016) Threat to the development of this market segment could be carrying so undeclared activities, referred to as a black market and on the other hand, possible trends of state authorities to the regulations and the introduction of excessive tax burden on entities operating on the market sharing economy.

6. Conclusions

The dynamic development of the segment sharing economy requires more attention of researchers and new research in this area. This development is a social reaction to the high corporate profits, crises and environmental destruction. A kind of reaction to these events is the work of the European Union on the concept of circular economy. National governments will have to take a stand on the issue of regulation and taxation of transactions in the new market segment, which is the sharing economy. The increase in turnover in this segment is inevitable. However, you can expect an attack from competitors - i.e. large global companies. "The economy is a wholly-owned subsidiary of the ecology, not the other way around", moreover the environment fuels the economy growth and the ecosystem services with the natural resources. (Soltan, 2016) The environment is in inseparable relationship with the economic development and what's coming with - health and wellbeing of the society.

Economics sharing is one of the most amazing and provoking phenomena with which we face in the modern economy. It creates promising perspectives for future development; possible thanks to new, breakthrough technologies. Very important inference with respect to the sharing economy is on the approach to the managers of this phenomenon in terms of their effectiveness in managing their businesses. Especially since you can even talk about the race of people using social media in inventing ever new ways of sharing services or products. Hence, it is necessary to complete reorientation marketing tools that are used to acquire not only new customers, but even maintain the existing ones. So front of sharing economy are many challenges, as you should have in mind the high uncertainty for its further development. In many traditional branches of services or production sharing economy can be a significant threat not only to the primary leaders in their industries, but also for the overall balance in the economy. Certainly, the governments of individual countries should adopt appropriate legal regulations in the field of insurance and taxation of sharing economy services. This, to a large extent, will allow avoiding attempts to cheat customers, and above all will strengthen domestic economies through greater fiscal influence. Elements of such regulations are already in many countries where, for example, car sharing activities are subject to specific legal regulations. Efforts must be directed towards the introduction of some regulations in this area (which in turn goes against the basic idea of economy sharing), as well as the improvement of methods of quantification of this sector of the economy. The challenge in future studies about the sharing economy should be primarily an interdisciplinary approach to the problem for connection to aspects of psychological and economic, which is inextricably determine the habits and customs of the customers. In addition, future research as much as possible should be conducted on a broad group of research and is the bringing together an online community, because that is where the real source of sharing economy. Many researchers and economic experts downplayed the problem of sharing economy, claiming that

this is a fad. Nothing could be further from the truth, the sharing economy will determine future trends, and these sectors and managers who do not quickly recognize may not have time to adapt their businesses to the already current market conditions.

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