



## Beyond Zipcar: Collaborative Consumption

by Rachel Botsman and Roo Rogers

It's been more than a decade since the founding of Netflix and Zipcar, and by now both are well-established businesses. They're leading examples of an economy and culture model we call collaborative consumption—systems of organized sharing, bartering, lending, trading, renting, gifting, and swapping. Collaborative consumption gives people the benefits of ownership with reduced personal burden and cost and also lower environmental impact—and it's proving to be a compelling alternative to traditional forms of buying and ownership.

	THE PROBLEM	THE SOLUTION
PRODUCT SERVICE SYSTEMS	Half of U.S. households own power drills, but most of them are used for only 6 to 13 minutes during their lifetime.	Zilok.com offers peer-to-peer daily rental of tools, camcorders, and other goods.
REDISTRIBUTION MARKETS	Americans discard 7 million tons of cardboard annually.	UsedCardboardBoxes.com "rescues" and resells boxes to movers.
COLLABORATIVE LIFESTYLES	Millions of houses and spare rooms around the world are sitting empty and have "idling capacity."	Airbnb.com, the "Match.com for travel," allows anyone from private residents to commercial property owners to rent out their extra space.

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We've organized the thousands of examples of collaborative consumption into three types of systems:

**Product service systems** enable companies to offer goods as a service rather than sell them as products. Goods that are privately owned can be shared or rented peer-to-peer. PSSs appeal to the increasing number of people shifting to a usage mind-set: They want the benefits of a product, but they don't need to own the product outright.

**In redistribution markets**, used or preowned goods are moved from somewhere they are not needed to somewhere they are. In some markets, the goods may be free, as on Freecycle and Kashless. In others, the goods are swapped (as on thredUP and SwapTree) or sold for cash (as on eBay and craigslist). Over time, "redistribute" may become the fifth R—joining "reduce, reuse, recycle, and repair"—and a key form of sustainable commerce.

**In collaborative lifestyles**, people with similar needs or interests band together to share and exchange less-tangible assets such as time, space, skills, and money. These exchanges happen mostly on a local or neighborhood level, as people share working spaces (for example, on Citizen Space or Hub Culture), gardens (on SharedEarth or Landshare), or parking spots (on ParkatmyHouse). Collaborative lifestyle sharing happens on a global scale, too, through activities such as peer-to-peer lending (on platforms like Zopa and Lending Club) and the rapidly growing peer-to-peer travel (on Airbnb and Roomorama).

Collaborative consumption is not a niche trend, and it's not a reactionary blip to the recession. It's a socioeconomic groundswell that will transform the way companies think about their value propositions—and the way people fulfill their needs.

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