



# IS SHARING THE NEW BUYING?

**REPUTATION AND TRUST ARE  
EMERGING AS NEW CURRENCIES**

MAY 2014

**nielsen**  
.....

AN UNCOMMON SENSE  
OF THE CONSUMER™

# IT'S A MATTER OF TRUST



More than two-thirds of global respondents (68%) are willing to share or rent their personal assets for financial gain



Two-thirds of global respondents (66%) are likely to utilize the products and services from others in a share community



Asia-Pacific respondents are most willing to share and rent personal goods of their own and from others



Electronics, lessons/services and power tools are favored properties for sharing



Share communities are not only for the young

Think about the car or bicycle you have sitting idle in your garage at home. How about the power tools you bought for the project around the house that you never seem to get to? What about the camping gear you used only once or twice, which is taking up space in your basement or attic?

Now think about leveraging those unused items to earn hundreds or even thousands of extra dollars a month.

Welcome to the share economy, also known as collaborative consumption and peer-to-peer rental arrangements, in which people around the world are leveraging the unused capacity of things they already own or services they can provide by leveraging them for a profit. A down economy, coupled with the ease of use and reliability of the Internet, has given rise to a network of part-time entrepreneurs who are turning personal assets into income.

The consumer rental market is worth an estimated \$26 billion, according to Rachel Botsman, a global thought leader on the power of collaboration and sharing through digital technologies. And companies like Avis Budget Group, which paid a reported \$500 million for U.S. car-sharing service Zipcar in 2014, and The Home Depot, which rents products in about half of its stores, are getting in on the action.

“Share communities have given rise to an economic revolution that is getting noticed,” said John Burbank, president, Strategic Initiatives, Nielsen. “Connecting online for activities such as, shopping, managing finances, conducting research or watching videos have become an integral part of the daily routines for many. There is now an established comfort level that has opened the door for sharing personal property via the Internet that may have seemed unfathomable even a few short years ago.”

So what does this mean for marketers? Does a sharing economy create new value or does it disrupt existing businesses? The answer is both, which can be good news for everyone involved. The cornerstone of success, however, is built on a foundation of reputation and trust—the new currency.

To measure the appetite for participation in share communities around the world, Nielsen polled more than 30,000 Internet respondents in 60 countries to identify who is joining, for what products and services, and where. The findings provide insight into how marketers can not only adjust to, but, more importantly, thrive in a share economy.

## ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on respondents with online access in 60 countries. While an online survey methodology allows for tremendous scale and global reach, it provides a perspective only on the habits of existing Internet users, not total populations. In developing markets where online penetration is still growing, audiences may be younger and more affluent than the general population of that country. In addition, survey responses are based on claimed behavior rather than actual metered data.

# SHARING WHAT YOU'VE GOT FOR PROFIT

A recessionary environment and stagnant wage market set the stage for the notion of sharing personal property for extra cash. But what started as a modest income boost for some has turned into a pipeline of revenue that Forbes estimates will surpass \$3.5 billion this year.

“And just about anything is fair game for sharing,” said Burbank. “From cars and homes to power tools, clothes, furniture, electronics, sports equipment, camping gear and even pets, owners in a share economy become both consumer and producer.”

More than two-thirds (68%) of global respondents in Nielsen’s survey are willing to share their personal assets for financial gain. Similarly, 66 percent say they’re likely to use or rent products or services from others in a share community.

Across regions, respondents in Asia-Pacific are most receptive to the idea, with the highest percentage willing to share their own goods (78%) and likely to rent from others (81%). In Latin America and the Middle East/Africa, 70 percent and 68 percent of respondents, respectively, are willing to share their personal property and 73 percent and 71 percent, respectively, are likely to rent products from others.

While more than half of respondents in Europe (54%) and North America (52%) are willing to rent their possessions for pay, fewer (44% and 43%, respectively) will lease goods and services from others.

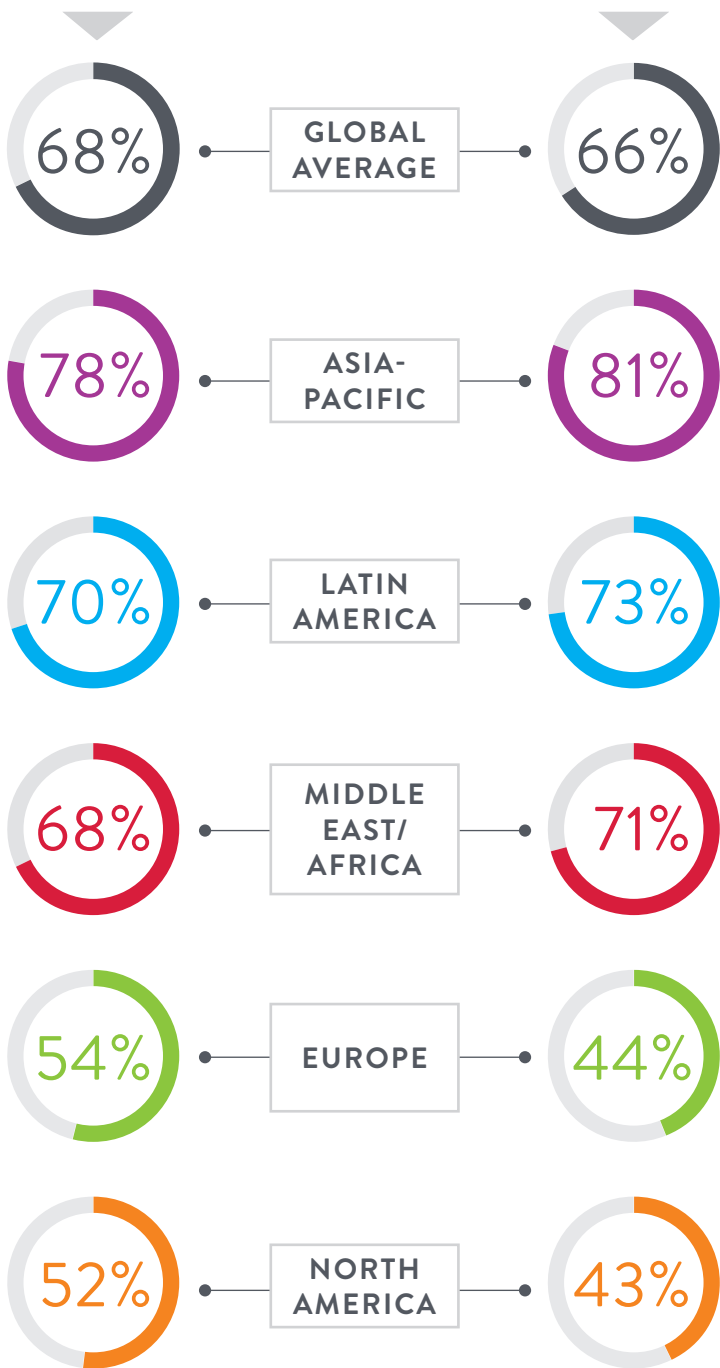
“While the Internet still has limited reach in many parts of the world, the comparatively high willingness of online consumers in developing regions to participate in share communities demonstrates how the web can quickly become part of the culture,” said Burbank. “Online consumers in developing markets often represent a younger and more affluent demographic than the general population, which can contribute to greater eagerness and enthusiasm.”

The countries reporting the highest response rates for the likelihood to use products or services from others in a share community include: China (94%), Indonesia (87%), Slovenia (86%), the Philippines (85%), Thailand (84%), Bulgaria (79%), Mexico (79%), Brazil (78%), Hong Kong (78%), India (78%), Egypt (77%) and Vietnam (76%).

# WILLINGNESS TO PARTICIPATE IN SHARE COMMUNITIES AROUND THE WORLD

WILLING TO SHARE OWN ASSETS

WILLING TO SHARE FROM OTHERS



## TOP COUNTRIES LIKELY TO SHARE FROM OTHERS

- 94% CHINA
- 87% INDONESIA
- 86% SLOVENIA
- 85% PHILIPPINES
- 84% THAILAND
- 79% MEXICO
- 79% BULGARIA
- 78% HONG KONG
- 78% INDIA
- 78% BRAZIL

Source: Nielsen Global Survey of Share Communities, Q3 2013



## FROM IN YOUR HAND (OR MIND) TO IN YOUR POCKET

Perhaps due to the portability and non-personal nature of electronic devices, more than a quarter of global respondents (28%) are willing to share or rent these devices for a fee. Respondents in Asia-Pacific exceed the global average at 39 percent.

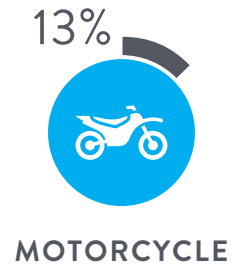
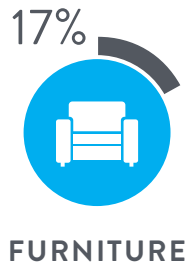
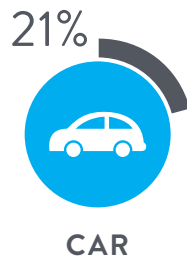
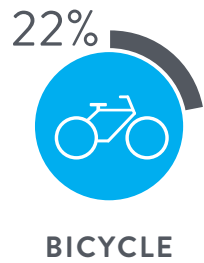
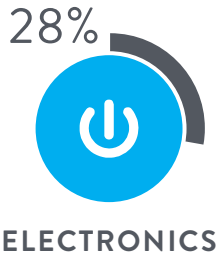
“Shared goods, however, do not need to be physical assets,” said Burbank.

Just over a quarter of global respondents (26%) are keen to share their intellectual property in the form of lessons or services. Running errands or offering skills via the Internet, such as language or music lessons or dog sitting services, require nothing more than time and ability. Exceeding the global average for these types of activities are respondents in Latin America, where 30 percent indicate a willingness to share their experience for profit.

The next grouping of products, which roughly one-fifth of global respondents are willing to rent, include power tools (23%), bicycles (22%), clothing (22%), household items (22%), sports equipment (22%) and cars (21%). Less popular sharing items include outdoor camping gear (18%), furniture (17%), homes (15%) and motorcycles (13%).

THINGS PEOPLE WILL SHARE

GLOBAL AVERAGE



Source: Nielsen Global Survey of Share Communities, Q3 2013

# SHARING IS NOT JUST FOR THE YOUNG

Growing up in the digital age has benefits. From banking to shopping to conducting research, Generation Z (under age 20) and Millennial (ages 21-34) consumers could hardly imagine life without the quick-click, instant-gratification conveniences that the Internet offers. Not surprisingly, greater percentages of the Millennial segment are likely to participate in share communities, compared with older respondents. Nielsen reports that among global respondents who are likely to rent products from others in share communities, 35 percent are Millennials and 7 percent are Generation Z consumers.

Among those willing to participate in a share economy, almost half in Asia-Pacific (49%) and Middle East/Africa (45%) are Millennials, compared with 28 percent in Latin America, 18 percent in North America and 17 percent in Europe.

But don't count out older generations; they are getting involved, too.

In fact, among willing global share community participants, 17 percent are Generation X (ages 35-49) respondents and 7 percent are Baby Boomer (ages 50-64) respondents. Latin America reports the highest percentages of older consumers who are probable share community renters, with 22 percent in the Generation X segment and 15 percent in the Baby Boomer segment, which exceeds the global average.

Among share community users, men are more likely to participate than women in every region except Europe. Among the 44 percent of European respondents who would rent products from others, the genders are evenly split with 22 percent each. The gender split is close to even, but with men holding a slight edge, in Latin America (38% men vs. 35% women) and North America (23% men vs. 20% women).

The greatest gap between men and women share community participants are in the Middle East/Africa (52% men vs. 19% women) and Asia-Pacific (49% men vs. 32% women).



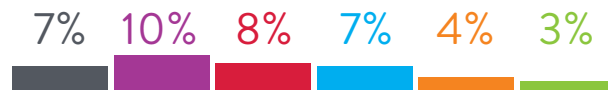
# SHARE COMMUNITY PARTICIPATION WILLINGNESS BY GENERATION

PERCENTAGES ARE AMONG THOSE LIKELY TO UTILIZE/RENT PRODUCTS OR SERVICES FROM A SHARE COMMUNITY

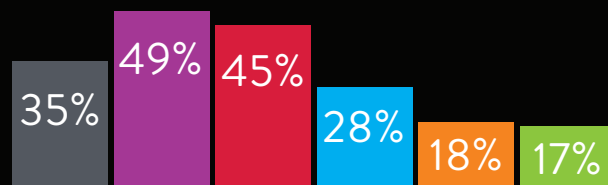
● GLOBAL AVERAGE ● ASIA-PACIFIC ● MIDDLE EAST/AFRICA ● LATIN AMERICA ● NORTH AMERICA ● EUROPE



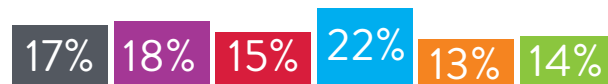
## GENERATION Z (UNDER 20)



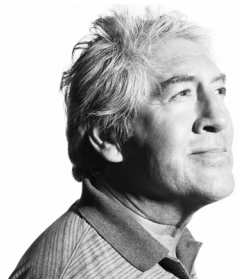
## MILLENNIALS (21-34)



## GENERATION X (35-49)



## BABY BOOMER (50-64)



## SILENT GENERATION (65+)



Source: Nielsen Global Survey of Share Communities, Q3 2013

# REDEFINING RELATIONSHIPS AND THE IMPORTANCE OF TRUST

Trust is the cornerstone of any successful relationship, be it personal or professional. But what happens when the lines between public and private lives get blurred? Trust goes from expected to essential.

Almost seven of 10 respondents (69%) in Nielsen's survey use the Internet to share their feedback—whether to voice a concern, offer praise or discuss a customer service issue. For the majority of these respondents (54%), social media are their go-to platforms to vent. About one-third (32%) make their opinions known via manufacturer websites and 30 percent voice their feedback on retailer sites.

And these opinions are golden. Word-of-mouth recommendations from friends and family are the most influential source of advertising among 84 percent of global respondents, according to Nielsen's 2013 Trust in Advertising Survey.

“While the ability to build trust between strangers in the digital world is the foundation for share community success, it's increasingly vital for every other business model, too,” said Burbank. “And when it comes to reciprocal feedback shared via the Internet, consumers are not shy about voicing their opinions.”

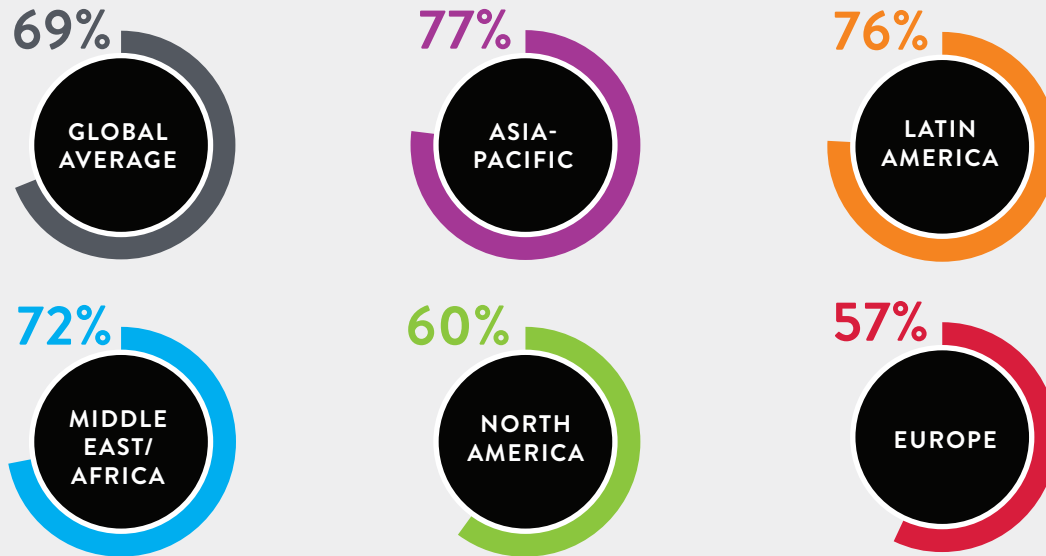
Consider how sharing can become an integral part of your business process. Think about rental agreements for those who prefer access to ownership, get customers involved with deliveries to local communities and brainstorm with customers to develop your next, best product innovation.

Your customer relationships are your true assets. Treat them as such. While share communities may add another link to the value chain, it need not disrupt your business. Rather, leverage the learnings to transform your customers into valued partners. Build loyalty programs that matter. Listen and act accordingly—online and off.

# SHARING FEEDBACK VIA THE INTERNET IS PERVERSIVE

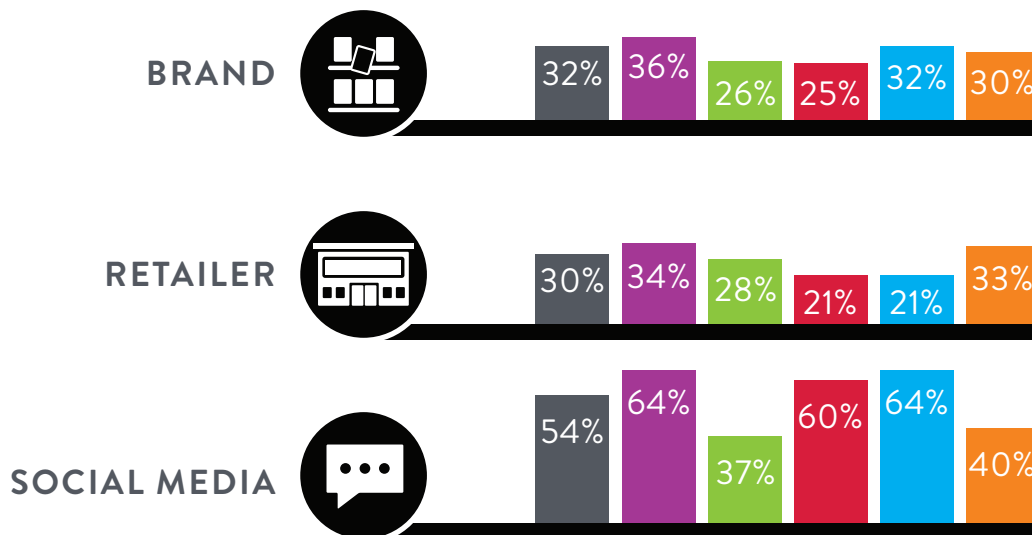
PERCENT WHO POST CONCERNS, OFFER PRAISE OR DISCUSS A CUSTOMER SERVICE ISSUE

## SHARE FEEDBACK ONLINE\*



## TYPES OF WEBSITES USED

● GLOBAL AVERAGE ● ASIA-PACIFIC ● EUROPE ● MIDDLE EAST/AFRICA ● LATIN AMERICA ● NORTH AMERICA



Source: Nielsen Global Survey of Share Communities, Q3 2013  
 \*Based on respondents who have Internet access

## COUNTRIES INCLUDED IN THIS STUDY

EUROPE	
MARKET	INTERNET PENETRATION
Austria	80%
Belgium	81%
Bulgaria	51%
Croatia	71%
Czech Republic	73%
Denmark	90%
Estonia	78%
Finland	89%
France	80%
Germany	83%
Greece	53%
Hungary	65%
Ireland	77%
Israel	70%
Italy	58%
Latvia	72%
Lithuania	65%
Netherlands	93%
Norway	97%
Poland	65%
Portugal	55%
Romania	44%
Russia	48%
Serbia	56%
Slovakia	79%
Slovenia	72%
Spain	67%
Sweden	93%
Switzerland	82%
Turkey	46%
United Kingdom	84%
Ukraine	34%

ASIA-PACIFIC	
MARKET	INTERNET PENETRATION
Australia	89%
China	40%
Hong Kong	75%
India	11%
Indonesia	22%
Japan	80%
Malaysia	61%
New Zealand	88%
Philippines	32%
Singapore	75%
South Korea	83%
Taiwan	75%
Thailand	30%
Vietnam	34%

LATIN AMERICA	
MARKET	INTERNET PENETRATION
Argentina	66%
Brazil	46%
Chile	59%
Colombia	60%
Mexico	37%
Peru	37%
Venezuela	41%

MIDDLE EAST / AFRICA	
MARKET	INTERNET PENETRATION
Egypt	36%
Pakistan	15%
Saudi Arabia	49%
South Africa	17%
United Arab Emirates	71%

NORTH AMERICA	
MARKET	INTERNET PENETRATION
Canada	83%
United States	78%

Source: Internet World Stats, June 30, 2012

## ABOUT THE NIELSEN GLOBAL SURVEY

The Nielsen Global Survey of Share Communities was conducted between August 14 and September 6, 2013, and polled more than 30,000 consumers in 60 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample has quotas based on age and sex for each country based on its Internet users, and is weighted to be representative of Internet consumers. It has a margin of error of  $\pm 0.6$  percent. This Nielsen survey is based only on the behavior of respondents with online access. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or an online population of 10 million for survey inclusion. The Nielsen Global Survey, which includes the Global Consumer Confidence Index, was established in 2005.

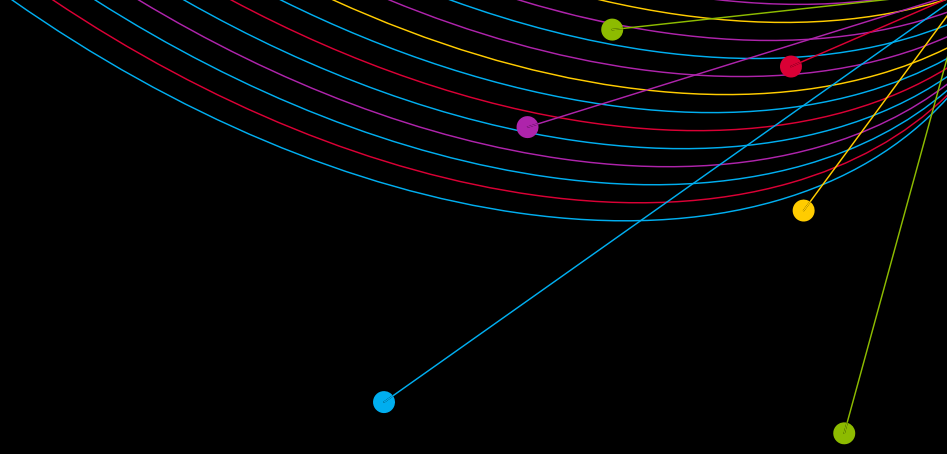
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## ABOUT NIELSEN

Nielsen N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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