



Understanding the Sharing Economy

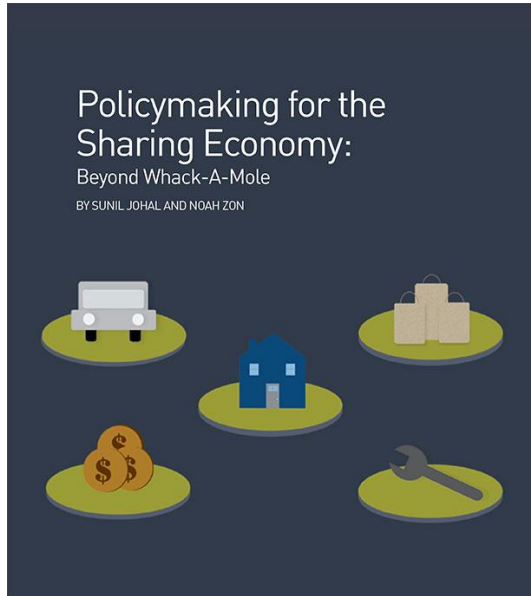
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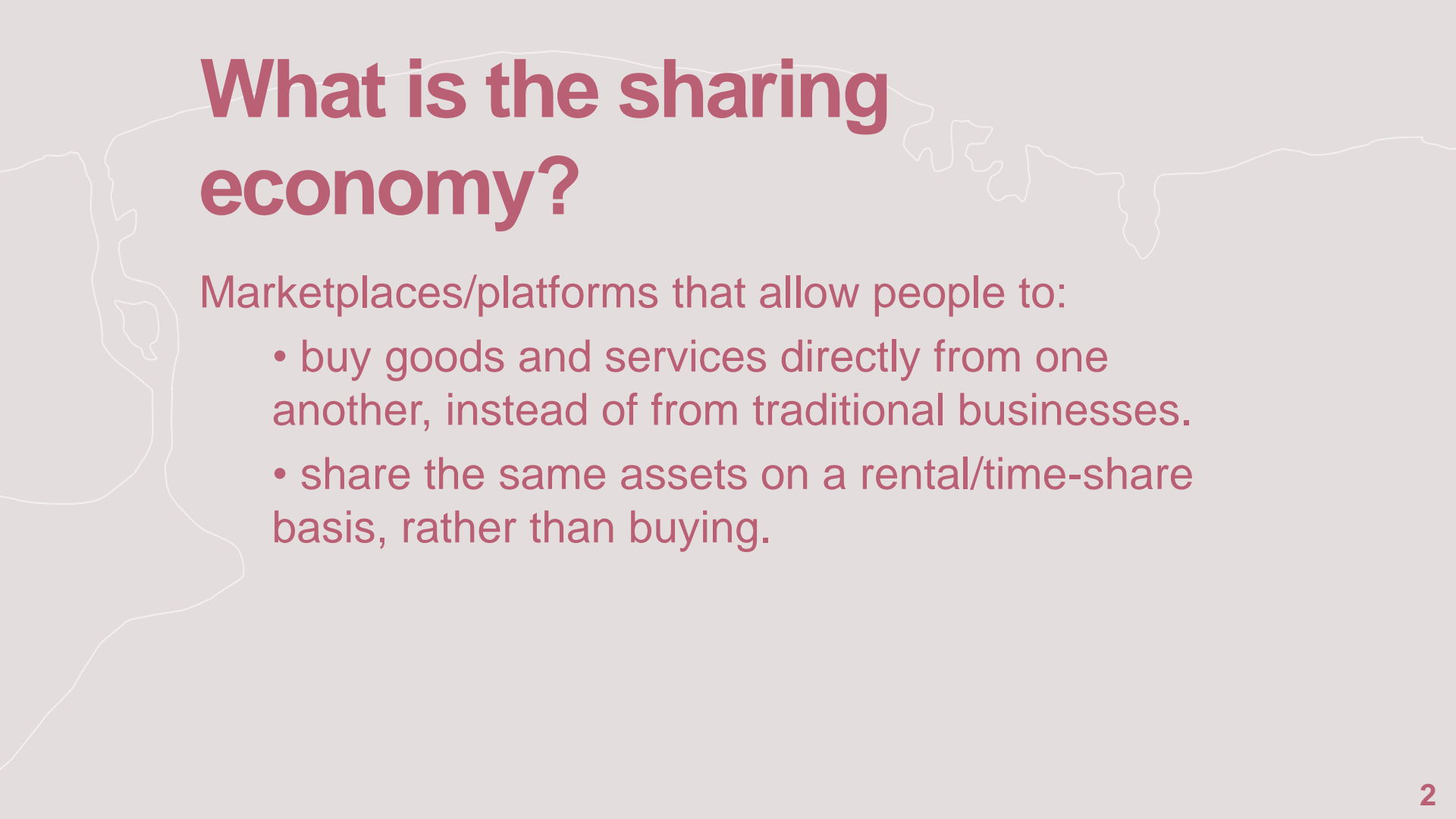
ONTARIO'S VOICE ON PUBLIC POLICY

Our research



- Policymaking for Sharing Economy
- City of Ottawa Taxi Review
- OECD - Tourism and the Sharing Economy
- Consulting and research reports with government agencies/private sector

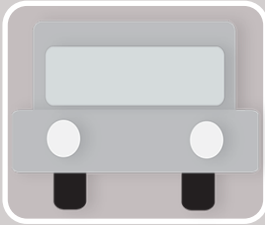
What is the sharing economy?



Marketplaces/platforms that allow people to:

- buy goods and services directly from one another, instead of from traditional businesses.
- share the same assets on a rental/time-share basis, rather than buying.

Not just Uber and Airbnb



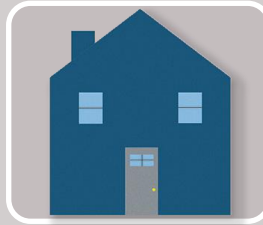
Transportation

Ridesharing (Uber, Lyft) and carsharing (Zipcar, Autoshare)



Retail

Independent producers and sellers connect directly with buyers (Etsy, eBay, Craigslist)



Accommodation

Peer-to-peer home sharing as an alternative to hotel (Airbnb, VRBO)



Services

On-demand services – Handy (home repair), Taskrabbit (various services)



Finance

Peer-to-peer financing/ investments (Indiegogo, Kickstarter) and lending (Prosper, Borrowell)



Is this really new?

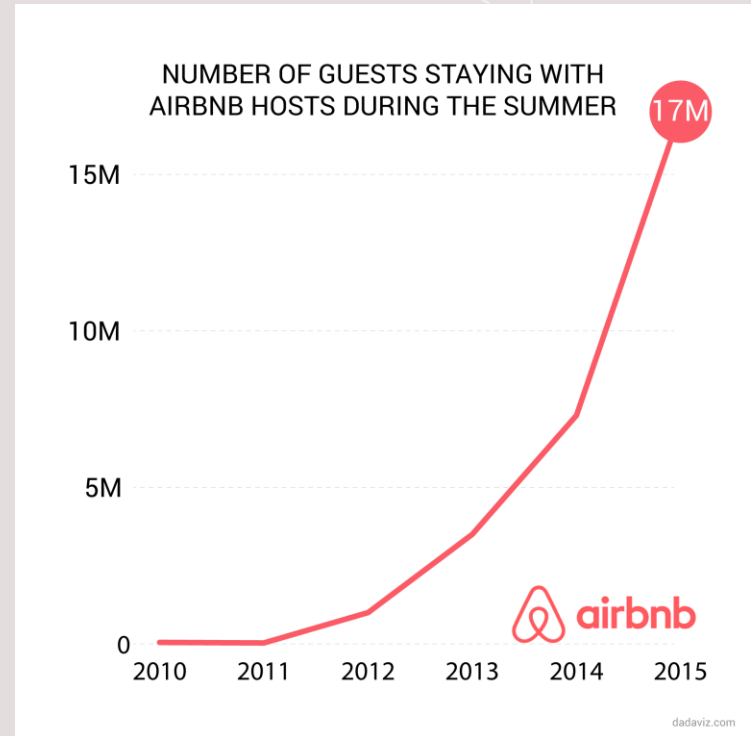
Peer-to-peer transactions aren't new, but the scale is.

Technology allows it to be relatively frictionless and safe, making it more appealing.

Easy to expand rapidly – no need for physical infrastructure to enter new city. Regulatory barriers are central to their trajectory.

Speed & Scale of growth

- Airbnb, established 2008, valued at approx \$25B. Official provider for Rio games.
- Uber, established 2009, valued at over \$50B – more than General Motors.
- Etsy held an IPO in April, current market cap around \$1.5B.



Established Operators

Platforms/
Marketplaces

Entrepreneurs/Service
Providers/Workers

Consumers/Users

Broader Public

Sectors Ripe for Disruption

- Rentable/Sharable Assets (hard/soft)
- Consumer/Service Industries with non-specialized labour, little brand loyalty, and/or limited competition
- Highly Fragmented Markets
- Economic 'Win-Win'
- Network effects matter



Going beyond ‘whack-a-mole

Response so far has been disconnected and unproductive.

Need to step back and establish a principles-based strategic operating framework.

Address structures and culture in government.

Some starting points:

- More performance-based regulation

- Harness data on reputation and operation

- Use waivers and exemptions for learning periods

- Review existing regulation

- Consider tiered approaches for part-timers.



Opportunity to learn

Sharing economy is popular with consumers:

- Better use of data.
- Maximizing the value of assets
- More efficient marketplaces

Shifting away from ownership model has major implications

Thank you

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