THE COLLABORATIVE CONSUMPTION: A FORM OF CONSUMPTION ADAPTED TO MODERN TIMES

ANTONIA DE LA CALLE VAQUERO
Doctora por la Universidad de Extremadura

PATRICIA DE LA CALLE CALLE
Administradora de Liketing
Universidad Rey Juan Carlos

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SUMMARY

Consumers’ needs change as time moves on. This means that the way people consume must also evolve to adapt to the demands of a modern society. There are several factors that could drive this change, including government measures which may alter the purchasing power of the average citizen, technological developments, innovation, or marketing techniques.

Now more than ever, the companies are willing to develop new products capable of making life easier for consumers. By doing so, they try to make their products and services essential to their customer’s daily life.

What is clear is that today we do not have the same needs as yesterday. The circumstances or changes in the economic, social, and technological system have driven us to encourage new forms of consumption that pursue the common good.

Collaborative consumption is a new way of consumption that is booming due to telecommunication networks and technology. It is a form of consumption adjusted to the current scenario. Additionally, this alternative to regular consumption is able to generate huge profits and to meet needs through values such as solidarity.

Keywords: consumption, collaboration, solidarity, technology, exchange.

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1. INTRODUCTION

Currently, in the world in which we live, all people feel the necessity to possess certain material goods and access certain services in order to survive. We adapt to the times and hold on to new amenities that gradually become needs. This reality turns us all into consumers.

Just like our needs have changed over time, the definition of consumption has also evolved: centuries ago, before the emergence of money, people who needed something and could not make or obtain it by themselves would find someone else who could. Then, they would negotiate some kind of exchange to reach an agreement in which both parties were satisfied.

Barter can be very useful but it also has several limitations, including the complexity of finding an individual with matching interests so that the needs of both persons are met.
Diamonds, precious stones, and metals emerge as currency to facilitate the exchange process. These factors give rise to the coin or in more general terms, to money.

Therefore, what arises is what is economically defined as "indirect exchange," which is the change of products and services for money. This simplifies the exchange of goods between people in order to facilitate their use or consumption.

In the past, trade was made only with the purpose of satisfying needs. Today’s consumption is done almost daily for products that ensure our survival, such as food and water, and tend to our leisure, such as perfumes and jewelry.

This has led to an era of consumerism; to a world in which the mere acts of buying and spending have become a necessity.

There are millions of shops and an endless variety of products able to overwhelm the consumer. We are all consumers and we are all subjected to hundreds of daily stimuli which propel us to buy things that we do not even need.

This phenomenon, which is growing at an incredible speed through advertising and marketing techniques, has been the cause of why many people lived above their possibilities. It is therefore, one of the factors that have led to the current financial crisis.

The financial resources and the money of a large part of the population are becoming scarce because of the crisis. The bubble has burst and it has created the necessity to find a new way for consumers to meet at least the primary or physiological needs; the ones that guarantee our survival according to the humanistic theory proposed by Abraham Maslow1 in 1943.

If money becomes a scarce resource which many individuals do not have, how will consumption be possible? How will we be able to purchase goods in a world where everything has a price? How is possible to satisfy all the needs that modern times have created? Very simple, leading to a new concept of modern barter that combines exchange with collaboration: the collaborative consumption movement and the solidarity economy.

1 The basic idea of this theory states that the higher needs of the pyramid are attended only when the lower needs have already been satisfied.
This term was first used by Ray Algar\(^2\) in 2007 and it became popular in 2010 with the publication of Botsman and Rogers’ book: What's Mine Is Yours: The Rise of Collaborative Consumption.

2. THE ERA OF TELECOMMUNICATIONS

The wishes and needs of the population have changed over time. In response to all these changes, our knowledge and skills have adapted to them. It is about finding resources that can meet the demands of a modern consumer, a consumer characterized by frequent changes in their needs and by a constant feeling of dissatisfaction.

We live in a period known as the "age of telecommunications." The telecommunications sector opens up a range of possibilities due to its capacity to develop new communication platforms. In this way, we have managed to achieve and maintain an entire planet’s communication through tools such as the Internet and social media, which are elements that have become essential to modern human life. Now, people expect to have a mobile phone readily available and Internet access everywhere. This is a new necessity which has not always been there.

The concept of the Internet emerged decades ago as a result of a promising project and a military strategy.

- In the first case, it was an idea of the Belgians Paul Otlet and Henri La Fontaine. Their goal was to create a single common platform to make all types of documentation accessible to the world. This idea was proposed in the late nineteenth century when the project adopted the name of Universal Bibliographic Repertory\(^3\).

- The second reason why the Internet was born is given by the U.S. government: for military matters, they needed to develop a network capable of transmitting information even in the event that a nuclear battle took place.


\(^3\) Their goal was to collect all scientific knowledge covering any documentary form. It would come to form an ideal library.
Thus, the Internet emerged as a tool limited to academic and military use. However, the commercial appeal of this element and the reduction of military budgets after the end of the Cold War had made possible for any computer to be connected to the Internet. Today, technological evolution has achieved the ability to have access to this network from almost any mobile device.

The easy access to the Internet, the large amount of options offered by it, and the simplicity of its use turn this tool into an ideal way to create new companies and carry out different initiatives. This is how the development of alternatives to current consumption patterns has been possible, and these alternatives adapt better to modern needs.

3. THE BIRTH OF A NEW FORM OF CONSUMPTION

A consumer society has emerged with the appearance and evolution of capitalism. A form of consumption which was characterized by high levels of production, aggressive standards of competition between firms, and by the offer of innumerable goods and services. The products are no longer valued for their functionality or ability to meet needs, but rather by its symbolic value for what they represent to the consumers. Therefore, the identification of individuals with the values that the goods transmit has become a major factor when purchasing one product or another.

In this way, consumption has reached a breakneck pace, with high wastage and overspending by consumers. In addition to this, the continuous attempts of companies to remain competitive are added. They do so by investing in all types of marketing techniques in order to attract consumers and persuade them to buy.

The problem with this system is that it increases the materialistic desire of individuals and leads to waste. In fact, on many occasions marketing has been criticized. It creates need and, therefore, it encourages the purchase of attractive but unnecessary products. Many people who have lived above the mean can no longer afford their old lifestyle. Now these people are directly affected by a devastating crisis and they must find new ways to meet their needs while still fitting their standard of living.

These are some of the reasons that have boosted the trend to share, leading to a new form of consumption in which collaboration, respect, and solidarity are key words.
This is how collaborative consumption is born. A form of consumption that promotes cooperation between people awakens a sense of community and reinforces the sense of commitment. It is a form of consumption in which the social aspect becomes more relevant and important. According to Botsman and Rogers (2010), we pass from a generation “me” to a generation “we”.

4. THE EXTENTION OF COLLABORATIVE CONSUMPTION TO DIFFERENT SECTORS AND ITS MULTIPLE OFFERS

When we talk about collaborative consumption, we are not just talking about a possible modern barter. The collaborative consumption opens up many more possibilities and in several of them, the money is still there, only instead of being considered as currency, is interpreted as a means of collaboration.

Although there have been consumer collaborative projects for years, it is only now that this concept is beginning to be completely applied. This is happening due to the reasons aforementioned. Situations of need, environmental awareness, and the facilities that technological networks offer are just some examples.

However, although the collaborative consumption is present in a wide variety of services like travel, tourism, accommodation, and fashion, there are differences between them. For example, the idea of sharing a vehicle instead of booking a trip with transport companies is achieving great success. On the other hand, when it is about clothing or exchange of textiles, there is more skepticism.

Some of the possibilities that collaborative consumption presents currently are the following:

4.1. TOURIST ACCOMODATION

A crucial point to make when traveling is to find somewhere to stay. Nowadays, given the wide offer of accommodation it is an easy decision to make, however, for those who have a limited budget is not so easy to get something that fits their situation.

In fact, according to current data on Tourism and Hostelry in Spain, reservations of hotels have decreased a considerable percentage. The data from the survey of tourist movements in borders\(^4\) (Frontur, 2013) shows that more
than four and a half million foreign tourists did not book any hospitality offer in our country in 2012.

This has occurred due to the high number of cheaper deals which can be found easily on the Internet, and that mostly stems from the collaborative movement.

Some of the collaborative proposals that are being made for this sector are:
- Swap houses: people who travel and leave their homes idle, can contact other people who are willing to share or swap their homes in the destination. That way, both groups have a place to stay.

The problem with this type of accommodation lies mainly in the lack of confidence and in the concern of finding people with matching interests, considering there should be a mutual agreement. In order to get an arrangement, both persons and groups would need to want to visit each other's city.

Despite this, it is a very economical way to stay. It invites people to take the risk of seeing new places.

Some of the online platforms dedicated to enforce these housing exchanges are: My twin place, Love home swap and Home for Home.
- Guests willing to accommodate in a voluntary and free way: This is the couchsurfing phenomena, one of the most globally expanded ideas from the collaborative consumption movement. This is also one of the projects with the best reviews.

No matter where you travel, you can always meet very friendly people willing to help in a completely altruistic way. Open minded and generous individuals eager to meet new people and cultures. This is also called the couchsurfing effect. It refers to people around the world willing to lend their couch, bed, or mattress to any other person in need.

It may sound crazy on both ends because on one hand, you are hosting a person you do not know, and on the other, you are spending the night in the house of a stranger. However, this platform has generated a sense of community derived from this option, which is mostly attracts younger people. The best of this idea is brought out by the fact that it is not just about housing. In the case of couchsurfing, they also organize hangouts in bars or coffee stores, to learn different languages, entertainment activities like going to the movies,

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4 Survey carried out by June 2013 by the Institute of Tourism Studies (Ministry of Industry, Energy and Tourism).
partying, and walking around the city... There are also people who volunteer to show and do tours around their cities.

All these initiatives are posted on the official website which allows anyone to join.

- Flat rental during holiday periods: as mentioned above, money is sometimes the currency for exchange collaborative consumption; only in these cases it is done as a form of cooperation with the person who provides the goods or services.

This housing rental option is a way to make our houses profitable when they are empty because we have gone for a while. Therefore, during the period of time we are gone, our home becomes the residence of another person willing to pay for a different offer.

If all goes well, both parties are better off. However, we must not forget the negative effects this may cause to the hotel industry, which is sometimes unable to compete with the prices and therefore seeks legal loopholes into the collaborative consumption offers. Due to this, it is important to keep in mind that those people who benefit from offering their homes as shelter should declare their earnings to the treasure. This is one step that most opt to skip.

The best options for those who choose to find accommodation in this way or for those who want to offer their home are: Airbnb and Knok.

4.2. TRAVELLING AND ROUTES

The rise in the price of gasoline and the VAT increasing tendency both boost travel costs, whether people travel by private vehicle or through transport companies.

Currently, new initiatives are been promoted, especially projects that encourage car sharing. This is not done just to lower the expenses of each person but to also cooperate with the environment by decreasing emissions.

Some of the alternatives or options offered by the collaborative consumption within this field are:

- Car sharing trips: drivers who are required to travel to any place can invite someone else to join them in their car. That way, other people who have to get to the same destination have an alternative way to get there. In return, passengers offer to pay an amount to the driver in order to help with the expenses of the trip, especially gasoline costs.
For example, in the event that a person drives every Monday from Madrid to Sevilla for work, you can invite other people looking to go to Sevilla on the same day and who are willing to share the cost of gasoline. In this case, not only the driver saves money but also the passengers arrive there faster, economically and with greater flexibility to arrange the departure times and stops. As if this was not enough, it helps generate fewer emissions into the environment.

The online platforms most famous to access to these services are: Blablacar, Amovens and Carpooling.

- Rental car when it is not being used: This option is typically done for trips within the urban areas. It consists of allowing someone to use our car when we are not going to use it. It is not an expanded option, especially because of the skepticism of leaving our vehicle to a stranger. However, it is an attempt to boost through deposits for the mere benefit that can save costs on both parties. Social Car and Bluemove are the ideal websites for this initiative.

Although it may seem strange, these risky initiatives are changing mobility preferences and they are decreasing vehicle purchasing desire. Some reasons for this are the enormous costs in gas, insurance, and reviews, which are associated with having a vehicle. A survey carried out by Bluemove car Sharing in collaboration with Doymo\(^5\), during the months of May and June 2013, in Madrid, concluded that the majority of young people (between 18 and 25 years) in Madrid prefer to have access to the Internet than having their own vehicle.

- Taxi sharing or tickets resale: Carpling is a company that aims to lower the costs of all travelers through the act of reselling unused tickets, that way the passengers that can’t use their tickets won’t have to deal with cancellation fees.

- Vehicle’s barter: This is another innovative initiative aiming to exchange a car that is no longer needed with another vehicle that can be more tailored to the needs of the consumer.

For example, anyone with a small roadster who decides to start a family could find a larger size vehicle more suited to their needs. The difficulty lies in finding a person with a bigger car who is also willing to exchange his vehicle for a smaller one and arranging the financial difference.

4.3. GASTRONOMY AND SHARED MEALS

Gastronomy is a symbol of identity at each destination. There is no cultural offer that is totally complete if it does not include meals or typical local products in it. However, many restaurants and bars take advantage of gastronomic appeal to raise prices, which gradually reduces the desire to order them.

In these cases, they have created platforms that help passionate cooks earn some money by sharing their meals with people from other places. The idea consists of inviting travellers from other places to their homes and preparing a good meal for them. It is one option that offers the opportunity to sample different cuisines to those who want it.

The most featured websites and applications for this service are: EatWith, Mealmeets and Superking.

4.4. LOANS AMONG INDIVIDUALS

The financial and economic situation our country is going through does not encourage trust in Banks and much less in the concession of loans. Fortunately, there are people with resources willing to help not just individuals but also small and medium sized companies that need it.

It is complicated to trust a website that offers loans amongst individuals: the so called P2P or Peer-to-Peer; nevertheless, the reviews from people who have experienced it, the usage conditions, and the insurances that the different websites provide may help when considering this option.

All the web platforms quoted here are linked to a sense of community and the collaborative consumption, and for this reason they are connected to values regarding exchanging, sharing, and collaborating. Due to this, the loans among peers become a new possibility to borrow money, which may be capable of providing more safety than any other financial entity.

The option that better identifies itself with the sense of community is the website called: Comunitae. Although there are other sites more professional like ZOPA (Zone of Possible Agreement) in which the parties interested are the ones who set the conditions and interest rates with the goal of achieving an agreement.
On the other hand, the portal Partizipa searches individuals who have the necessary resources and the adequate disposition to help enterprises, which means that it is more focused in the concept of C2P (loans from individuals to enterprises).

People who have already tried this form of exchange have proved themselves to be very satisfied by its quickness and for the comfort of doing everything through the net. This is just one more benefit added to the collaborative consumption and its convenient means of expansion: the Internet.

4.5. CLOTHING AND COMPLEMENTS

We, as individuals, tend to accumulate stuff that loses its use after certain periods of time or loses the sentimental value linked to us. Clothes belong to that group of elements that we accumulate in the closet until we do not have any options other than to give it to someone else, throw it away, or donate it. This happens on many occasions simply because these clothing owners get bored of certain clothes. In other cases, the main problem comes when the clothes stop fitting the person. Now, those clothes, which are no longer used, can be swapped or even resold.

There are several online platforms used to find people who may need those things we are getting rid of.

On those websites, we can find five kinds of offers: people who give things, people who exchange things for other things, people who lend out, people who sell and people who are looking or want something in specific.

Some recommended pages (not only for clothes but also for also elements such as toys or baby products) are: Ropadona, Nolotiro, Segundamanita, Creciclando (the items can be exchanged through a system of points instead of getting money back) or Chicfy.

4.6. TIME BANKING

One of the most expanded forms of collaborative consumption is given by the exchange of services, knowledge, and people caregiving for a different service. This is known as time banking, since the time is the way to measure and to control fairly the equality in the exchanges. It is a system of barter or exchange activities with others in which there is no intervention of money and
which aims to encourage the establishment of social networks based on mutual help and solidarity.

As in traditional banks, users need to register or open an account to use their services. This account is not created to store money, but time and the unit of value is the hour, that is, the time is the main wealth and all it is worth the time it takes to do it (all services have the same value: teaching how to play guitar is as worth it as to fix a plug or walking the dog).

Exchanges may consist on personal, family or group terms and they are defined in many different activities such as:

- Care for people: accompanying children to school, taking care of elderly or accompany them to the doctor, do running errands or administrative actions, etc...
- Body care and health: massage, relaxation, hair care, makeup, reflexology, etc...
- Housework: cooking, shopping, minor home repair (electrical, plumbing, blinds ...), care of animals and plants, etc...
- Computing: computer consulting, computer jobs, to teach Internet browsing, etc...
- Languages: translations, conversation, etc...
- Education: homework help, to teach study techniques etc...

In this case, not only there are websites that promote the use of barter, it is also promoted by many municipalities (Barcelona, Bilbao, Burgos, Granada, León, Madrid, etc...), so that its citizens can benefit from all the advantages the exchange of services offer, allowing them to save costs and build strong community ties.

4.7. OTHER COLLABORATIVE CONSUMPTION OFFERS

Other services that can be found and shared due to the collaborative consumption are:

- Cultivation exchange: this project reunites all those people who share a passion for cultivation and who have crops. It connects all those individuals who own agricultural lands with people who need a space to cultivate.

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6 The term time banking began to be used in the U.S. began the concept of "Time Dollar" developed by Edgar S. Cahn in the 80s.
This idea has spread throughout Spain thanks to this website: www.huertoscompartidos.es.

- Sharing or leasing offices and professionals spaces: Due to this initiative, people can rent offices during some time or they can even share the space. It can be carried out among people with independent business activities or it can be used as a way of co-working. This way, expenses can be shared so that both parties get to save a considerable amount of money. To be able to carry out these actions there are sites like: Alcubic.

- Language exchange: Bussu is an online community which helps people look for cultural exchange of languages. Its goal consists of turning conventional, older teaching methods into a fun system; a system based in the interaction with other people from around the world (mutual language teaching and learning). The website makes this possible through the educational content and curricular units that it provides. Most of the options are free, although, users must pay for a Premium account to get access to some other more advanced options.

- Wi-Fi sharing: this idea consists of making our wifi connection available to other users so that they can get free access on their phones. Yellwifi is the website that offers the best platform for business and individuals willing to let other people use their Wifi network. This can become a good idea with the ability to attract potential customers and create social relationships.

The variety of possibilities offered by collaborative consumption platforms is noticeably huge. As time passes, more new ideas are being developed; ideas that join and complete the collaborative consumption movement. In a way, all these ideas and initiatives become an anti-crisis option due to the savings brought by joining them.

5. CONCLUSIONS

It is very difficult to return to the barter system. We can comfortably say that it is almost impossible. History shows us that it is very hard to fit all of the needs and exchange goods or services in a way that satisfies everyone, but what we do have in our favor is a technological era with tools that facilitate communication and make it easier to achieve agreements that suit each one’s requirements.

Collaborative consumption is not the perfect means for satisfying needs;
in fact, a lot of work must still be done in order to improve this concept so that it can generate enough confidence in users. However, many benefits may be obtained for all parties involved. Those benefits can be translated according to the different fields: in economic terms (the savings), in social terms (relationships or friendships created) and in ecological terms (promoting consumption in a greener and more environment-friendly way).

Skepticism is perhaps the biggest barrier the collaborative consumption initiatives have to face. Therefore, the efforts of those who want to promote this way of buying and selling must be addressed to the creation of trust.

However, the implementation of these proposals is exceeding expectations of a great majority. It is therefore only a matter of time before all of these platforms dedicated to the collaborative movement achieve a greater expansion. This can be done not due to large investments in marketing and advertising, but rather through the reliability offered by the word of mouth, also called WOM marketing.

Thus, collaborative consumption has gotten to have a place in today's society thanks to technology and social networking, and by filling some needs and desires of consumers who have experienced a change in their personal or economic status. Just like that, this new collaborative economy gets to create another form of consumption adapted to the individual conditions of each person.

The trend for collaborative consumption is looking for a change. It pursues the evolution from a twentieth century characterized by the excessive waste and consumerism to a twenty-first century that becomes a collaborative era. It is believed that this can come true through the technology and through a change in humans’ attitudes that can drive us to a more flexible and social way to exchange things. We will achieve this level by following the example of those who are willing to say: “What’s mine is yours” (Botsman and Rogers, 2010).

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