Key trends of sharing economy in Russia

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Abstract. The article presents an analysis of the development of the economy of joint consumption in Russia, an essential area of human activity to ensure sustainable development, conservation of natural resources and energy. The paper presents a typology of the sharing economy. The fastest-growing markets are described: C2C sales, social savings (joint purchases), rental of goods, P2P services in the field of direct hiring (freelance), crowdfunding, and car-sharing. Particular attention is paid to changing the aging portrait of the market participant for the sharing economy, the conquest of these markets by more advanced categories of sellers and buyers. It is concluded that the sharing economy in Russia is on the verge of rapid growth and the need for government support for investments in this area.

1 Introduction

The sharing economy is rightfully considered one of the most promising drivers for developing the modern economy. In 2025 overall turnover of already executed services and the emerging industries will be more than 335 billion dollars (https://www.marketplaceplatform.com/emerging-trends-of-the-sharing-economy-in-2018-and-beyond/). The traditional sectors (car-sharing, short-term rental housing, joint purchases, and joint purchase of vacation spots), are supplemented by new ones related to the sharing of workplaces (https://bhweworkspace.com/blog/top-trends-in-sharing-economy/), expensive clothes (https://www.theguardian.com/business-to-business/2018/jan/18/check-me-out-the-library-where-you-can-borrow-clothes-instead-of-books), expensive household appliances. Linking to computer networks erases the physical boundaries for the development of the sharing economy. It turns into the most democratic and most demonopolized market segment. The new technologies of Industry 4.0 play a central role in the development of the sharing economy. Nevertheless, as practice shows (https://www.marketplaceplatform.com/what-successful-sharing-economy-companies-have-in-common/), the critical success factor is not technology, but entrepreneurial and elbow skills in a supply-saturated market. There are four essential success factors in world practice: dedication to rooting out inefficiencies, laser-like focus on quality control, unlocking the power of data, and finding common ground when necessary. In Russia, as in a country with a specific recent economic and technological history, even the introduction of such global in nature materials as the economy of joint consumption has its essential features. Their understanding is necessary both for the implementation and development of

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world projects of sharing economy in Russia in the future and for the implementation of further empirical collaborative firms in Russia. The paper aims to revise today's Russian sharing economy statement and perspectives.

2 Literature Review

The sharing economy concept's meaning has evolved from the initial, almost communist idea of free use of goods (see the classic work [1] for details) to a modern understanding of it as a way to make an economic profit. Initially, the sharing economy acted as the "flip side" of the commercial economy, was a "different economy" that denied both markets and profits. The communication opportunities between people who opened up with the IT development at the beginning of the 21st century, shorten the supply-chains in many vital issues (information, recreation, transportation, entertainment, and hiring). This creates conditions for the extensive development of the sharing economy. Thus came the era of disruption in modern economics. Interest is the classification of sharing economy made in [1] into thick and thin - depending on motivation. In the first case, the primary motivation is non-economic, altruistic, satisfying the "Veblen" human instincts. In the second, the main driving force is the pursuit of one's well-being and the expectation of reciprocity from emerging relationships. Modern approaches and models of the sharing economy practically ignore the first option and focus on the second, which primitizes the meaning of the initial sharing economy concept. It will reduce the potential of using this concept to increase humanity's wealth.

Several studies are devoted to analyzing motives for people's participation in the sharing economy. They can be different: recognition of the reasonableness of such a model of behavior [2], following a fashionable and interesting trend [3], the opportunity to save time and money [4], meeting the need for respect [5, 6] respecting the concept of sustainable development and preserving the environment [7].

Particular attention should be paid to the approach to studying the sharing economy with an emphasis on modern communication technologies. Technologies are considered a condition (enabler) and a driver of the modern economy of joint consumption [8-10].

3 Methodology and data

The article analyzes the sharing economy by most developed sectors. Key market participants (primarily online platforms) identified key trends and development prospects for each sector. To analyze the development of the joint economy in Russia, we used data from companies operating in these markets and specialized information agencies, including DATA insight and VC.

4 Results

4.1 C2C (sale of goods by private individuals to private individuals, consumer to consumer)

As a rule, these are things that were in use (62% of sales on specialized platforms) or new things (23%). The advantage of such transactions is that the buyer can purchase a thing at a significant discount. The seller can sell an unnecessary thing and get some income. The C2C sales market volume in Russia is approximately 370 billion rubles per year or about 116 million transactions per year. The most significant player in this market is Avito. In addition to it, the C2C transaction platform Yula gained wide popularity. There are also less
massive platforms organized either within specific segments (for example, Beauty Bazar's C2C platform for selling beauty products - cosmetics and perfumes), or local platforms covering the audience of one city or a district. Also, C2C transactions are often carried out as part of special announcements in social networks groups Vkontakte and Odnoklassniki.

The main product categories in C2C transactions on online platforms are children's products, electronics, clothing, shoes, accessories, and furniture. One of the recent phenomena, popular so far mainly in the West, has been the purchase of used items (clothes, shoes) of luxury brands in high demand and sold through such well-known online sites as Amazon and eBay.

The dynamics of C2C sales in Russia in 2017-19 are characterized by an almost two-fold increase in sales with an increase in the number of sellers by 74% (data source is a joint study by Avito and DATA insight https://roem.ru/wp-content/uploads/2019/10/di.avito.c2c.2019.pdf). This also suggests that they began to buy more often precisely at C2C sites (on average - 1.3 times a month). Also noteworthy is the expansion of this market's age framework - for individual segments, growth amounted to more than 50% (even though the national average is only 18%) - (Table 1). Even more impressive dynamics are observed among the number of sellers - an increase as a whole - almost 85%. In specific categories - by 2.5 - 3 times. This can be partly explained by the fact that the users themselves are "aging" and moving to the next group. These dynamics speak of this sector's development.

Table 1. Comparative structure of the number of sellers and buyers in the Avito C2C service by age group (https://roem.ru/wp-content/uploads/2019/10/di.avito.c2c.2019.pdf)

| Ages   | Number of buyers | Number of sellers |
|--------|------------------|-------------------|
|        | 2017  | 2019   | Growth | 2017  | 2019   | Growth |
| 18-24  | 1.7   | 2.2    | 29.4%  | 1.4   | 2.8    | 100.0% |
| 25-34  | 4.5   | 4.6    | 2.2%   | 3.3   | 5.1    | 54.5%  |
| 35-44  | 2.5   | 2.8    | 12.0%  | 2.1   | 3.9    | 85.7%  |
| 45-54  | 0.9   | 1.4    | 55.6%  | 0.48  | 1.5    | 212.5% |
| 55-64  | 0.4   | 0.7    | 75.0%  | 0.24  | 0.6    | 150.0% |
| Total  | 10    | 11.7   | 17.0%  | 7.52  | 13.9   | 84.8%  |

Most often, with the help of such services, they buy and sell household appliances (used), clothes and shoes (mostly new and unsuitable), as well as children's goods (strollers, cribs, tables, playpens)

4.2 Joint purchases - social savings

Today, many companies or trading floors offer customers the option of joint purchases, thereby reducing the price to wholesale customers. This new tool is interesting to the consumer, who has not yet figured out all of its pitfalls (and they certainly are), serves as an additional tool for the seller to attract customers. Simultaneously, some online stores set a rather high minimum threshold for the amount of one order for customers, which is challenging to handle alone, among the well-known sites using the option of social savings: foreign - Aliexpress, DHgate, Russian - Sima Land. In the context of travel restrictions due to the coronavirus pandemic, such companies are actively promoting their services, reducing the number of orders, and moving to the individual procurement market. Many Western and American online stores (such as Amazon) practice free shipping on a particular order amount.

There are many groups on social networks (Vkontakte, Odnoklassniki), where the organizers professionally buy goods from foreign (less often Russian) online stores and
deliver them to the buyer in Russia. The primary users of such services are young women from 18 to 45 years old who make purchases in this way regularly.

4.3. Rental items

One of the newest areas of the sharing economy has become the rental of things. In Russia and abroad, platforms have appeared to rent personal items, such as electronics, goods for sports and recreation, and even clothing. Among the most famous P2P rental sites in Russia are RentMania, Avito, Next2U.ru, and Arendorium. According to experts, most often premium or niche things are rented at such sites (expensive electronics and game systems, evening dresses, expensive sports equipment, photo lenses). In addition to individuals, the creators of sharing platforms also attract companies specializing in the offline rental of things. The market is developing dynamically (although there is no talk of mass demand). In 2018, the market for such services is estimated 60 thousand transactions or 180 million rubles, which is more than two times higher than in 2017.

This market in Europe and the USA is much more developed and represented by a large number of various goods, including mass consumption, sold (leased) through specialized sites and individual offers of lessor companies. So online stores offering rental of everyday clothes and working on the principle of a fixed monthly fee for the possibility of unlimited use of things presented in the store (for example, Le Tote) are quite widely known and famous. Among the rented items are evening dresses (Rent The Runway, Style Land), tools and equipment (Home Depot), washing machines, vacuum cleaners, books, cameras, Christmas trees, and even umbrellas.

4.4. P2P services (freelance)

This sector of sharing economy in Russia is still at the initial stage of development. P2P services are implemented through such famous platforms like Avito and Yula and several lesser-known sites - You Do, Profi.ru. On freelance exchanges, people can find specialists in any field (for example, a master in repairing household appliances) or post a task, receive offers, and choose an artist from registered users. Such sites support self-employment quite well. However, according to experts, the number of freelancers using these services is about 2.5 million people (approximately 12-19% of self-employed in Russia). As a rule, freelance exchanges are in high demand among students or parents on maternity leave. The volume of P2P services in Russia in 2018 is estimated at approximately 98 billion rubles or 64 million transactions.

During the years 2009-19, there were severe changes both in the number and in the structure of freelancers performing work for customers without employers' mediation. First, their number has grown exponentially, and further growth can be predicted. Second, the share of those who consider freelance as the only income source doubled (Fig. 1).
It should also be noted that a typical freelancer has significantly "matured", and now more than half of these employees are older than 30 years old (in 2009, there were less than a quarter of all freelancers (Table 2).

Table 2. Dynamics of the age distribution of freelancers (https://vc.ru/hr/67084-den-frilansera-v-rossii-kak-izmenilsya-frilans-za-desyat-let).

| Ages          | The share in a total number of freelancers, in: |
|---------------|-----------------------------------------------|
|               | 2009   | 2014   | 2019   |
| Up to 22      | 32     | 13     | 11     |
| 23-26         | 29     | 24     | 16     |
| 27-30         | 18     | 21     | 20     |
| 31-40         | 16     | 26     | 33     |
| 41 and older  | 6      | 16     | 20     |

Also noteworthy is that many consider freelance as a starting point for the development of their business.

4.5 Joint investments (crowdfunding)

Crowdfunding is another recent direction that researchers attribute to the sharing economy. It is a collective fundraising system for specific projects, most often in the field of art and new technologies in which users themselves are interested. When organizing crowdfunding, it is essential to clearly articulate the idea, present it to the public, and indicate the time and limits of the amount collected. Among the most successful global platforms are Wix.com, Kickstarter, Derev, Crowdculture, and others. Experts talk about the very high pace of developing this activity; the forecast is until 2021 - crowdfunding turnover will reach $ 500
billion. Consider the Russian experience in organizing crowdfunding. Today in Russia, there are more than 30 sites for collective financing of projects.

One of the most significant projects in this area is Planeta.ru, launched in 2012. One of the first successful projects of this resource is to collect 1 million 250 thousand rubles for the release of the Spirit album of the famous rock band Bi-2. Gradually Planeta.ru, justifying its name, turned into a global network: after the musicians, authors of projects from other fields (Evgeny Grishkovets, Colta) reached the platform, earned "planetary" services - online broadcasts of concerts, music festivals; an online store of exclusive products of the authors of the Planet; special projects and unique content appeared.

The most active users are residents of the Russian Federation (82%), Ukraine (7%), Europe (6%), Belarus (3%) and the USA (1.4%). The total collection for the entire life of the resource amounted to more than 951 million rubles and 4309 successful projects. Like-minded and fans of the author can become sponsors by contributing their funds to the project. Thus, they contribute to a new undertaking, become co-producers of a new album, clip, or film. In return, they receive rewards provided by the author.

The second most crucial Russian crowdfunding project is Boomstarter, founded in 2012 and received the award as the best startup in the same year. The project works according to two schemes. The first is "Everything or nothing" (project author can raise any amount within a limited time frame, but you can raise an unlimited amount). The second signifies "To the goal" (project author can raise funds as much time as you need, but the project ends immediately after collecting the necessary amount). The platform takes its commission in the amount of 3.5%.

Boomstarter is available only for copyright projects (artists, actors, filmmakers, musicians, designers, writers, illustrators, researchers), business people (creating a new product for consumers), scientists. The main criterion is uniqueness and originality. Charity projects cannot be launched on this resource. For 2012-2015, more than 850 projects raised over 180 million rubles. As of August 2017, Boomstarter raised 330 million rubles for 1,5 thousand projects. The success rate is 38%. Among the successful projects: the film "28 Panfilov", the print of the "Sports calendar" for 2014 in Pin-up's style on the theme of the Winter Olympics.

Another example of crowdfunding in Russia is the Kroogi platform. In this creative community, musicians, artists, writers, or photographers post their compositions, artwork, books or photographs, and distribute them according to the "Pay as much as you like" model ... However, the crowdfunding market in Russia is not comparable in size to the world - the fees on the world's most popular Kickstarter platform have already exceeded $3 billion, and the number of completed projects is more than 126 thousand. On Kickstarter, game development projects attract the most funds (in total $654 million), design ($637 million), and, finally, technology startups ($637 million). Very few users know about this area and even less willing to become sponsors. Another feature is the specialization of projects, mainly in music, cinema, literature, art, food, and technological projects. There are very few, so the business mainly doubts crowdfunding as a source of alternative investment.

### 4.6 Car sharing

The next direction of the actively developing joint economy is car sharing. It is a per-minute or hourly car rental for a specific trip. Using car sharing can significantly relieve the transportation network, and for consumers - reduce the cost of using a car. According to estimates, the car-sharing market in Russia is developing rapidly. The number of car-sharing fleets in Moscow is more than 11,000 cars, and the market is not saturated,
according to estimates, the market size can be 20-30 thousand cars. Car sharing has received extensive support from the Moscow government, and these are significant benefits when paying for parking. The market has about two dozen operators, the largest. The development of this market in Russia is proceeding at an accelerating pace (Fig. 2).

![Fig. 2. The dynamics of car-sharing in Russia in 2017-19 (the data source: https://roem.ru/wp-content/uploads/2019/03/karshering.issledovanie.sberbanka.pdf)](image)

In addition to Moscow, in Russia, a car-sharing service is available in St. Petersburg from companies: YouDrive, Delimobil, and Colesa. In the Krasnodar Territory, in Sochi, Krasnodar, Mineralnye Vody, Pyatigorsk, Essentuki, Kislovodsk, Anapa, Adler, Krasnaya Polyana, car sharing from Urentcar works. The P2P model (when a private car owner allows others to use his car) to date has not been realized as a mass phenomenon. Currently, the center of car-sharing development is Moscow and the Moscow region, which account for more than 4/5 of the entire market. However, gradually these services become of interest to the regions (Fig. 3).

![Fig. 3. The regional structure of the car-sharing market in 2018 (the data source https://tiarcenter.com/sharing-economy-research)](image)
According to the forecast of IHS Markit, by 2040, the global car-sharing fleet will grow to 10 million cars, while in 2017, it amounted to about 300 thousand cars. The total number of machines used will be reduced, but they will be used much more - the total mileage will be about 17.7 billion km per year.

According to PwC, a personal car will be needed only outside the settlements in the near future. People in the city will prefer to share cars as a more profitable and comfortable way to travel. It will be a crewless vehicle that will operate on electricity. Reducing the number of cars will reduce greenhouse gas emissions into the atmosphere.

A feature of this market is a high level of initial costs. For this reason, most enterprises are still operating at a loss, and there are frequent cases of bankruptcy.

5. Conclusion

The sharing economy in Russia is at the initial stage of its development. For the most part, they are still far from the stage of explosive growth. Meanwhile, these markets' future seems cloudless, and it is essential not to miss the moment while maintaining the presence of national players in all its segments. This is the key to the sustainable development of the economy of joint consumption in Russia. Among the further areas of research can be identified:

1. A detailed analysis of the dynamics and essential growth factors for individual segments of the joint consumption economy takes into account new trends in 2020.
2. Analysis of the rate of development of the economy of joint consumption, depending on institutional factors operating in various regions
3. Supplement the analysis with new sectors of the sharing economy, and there is currently insufficient data.

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