

BMW has announced that its pay-as-you-go car club, DriveNow, will [launch in London](#), following on from Berlin, Vienna and San Francisco. DriveNow works by giving users access to a fleet of BMWs and Minis for a registration fee. Whereas alternatives, such as the well-established Zipcar, require vehicles to be picked up and dropped off in the same location, DriveNow has the advantage of allowing cars to be parked in a range of local areas.

Consumers renting things isn't new. Most domestic accommodation across the EU is rented and, to a lesser extent, so are vehicles, capital goods, luxury items such as watches and even clothing. But renting is set for a growth spurt, fuelled by online platforms which enable efficient matching, monetising and management.

Environment, producers and consumers

Known as “the sharing economy”, this kind of collaborative consumption is also gaining political backing for the way that sharing goods encourages re-use and sustainability. Dutch MEP Judith Merkies' paper, [The lease society: the end of ownership](#), advocates the benefits of sharing resources to cut down on waste for the benefit of consumers and the environment. It has passed EU committees, so we can expect a push on “sharing” from EU regulators too.

The sharing economy is important for producers as well as consumers and has the potential to change consumption for the benefit of all. Take the example of cars. Manufacturers can no longer rely on growth through private sales as cars are built better and last longer, and [car ownership has dwindled](#) along with an increasingly urban global population. So, manufacturers need a new business model for growth.

Consumers gain in the flexibility that sharing gives them. very different to old fashioned renting which inevitably required the consumer to “buy in” for a period of time. With sharing you can mix and match your consumption as and when you choose. You are not tied in, it's all about being available and easy to use. Schemes such as DriveNow offer people the opportunity to drive prestige cars they might not be able to purchase, as well as the variety of options from Minis to the bigger BMW models.

A growth business

The sharing economy is a triple win for consumers, business and the environment

Written by The Conversation

Since the advent and immense popularity of bike-hire schemes in [cities across the world](#) – from Chicago to London – new initiatives to get city dwellers to engage more with the business of sharing keep on coming. In 2015 French entrepreneur Vincent Bolloré will be [launching an electric car-sharing scheme in London](#), based on his Parisian Autolib' prototype. It will allow drivers to book a car using their mobile phones and smart cards for short periods of time from £5 for half an hour.

Car sharing is a growth business – the number of people involved [increased by 50% worldwide in 2013](#), with the US and Germany the forefront in terms of the number of car-sharing club members. But similar businesses are being set up all over the world – including in China and Malaysia, suggesting huge growth potential.

It is likely to be the companies that can tailor their offerings to the needs of city inhabitants who will be the winners in this new market. Convenience of access and ease of use and location will be paramount. It's not just transport that suits the sharing economy. Fashion is another product category, increasingly being used for sharing with websites like Girl Meets Dress and Fashion Hire giving people access to designer dresses and handbags they can't afford to own outright.

An important element of this market is that it is open to consumers as well as businesses to engage in. So, if anyone has something to share then they may be able to make some money out of it by simply plugging into these ready-made platforms. Airbnb, where travellers rent private accommodation, is an example of businesses and the owners of accommodation benefiting. Airbnb takes a cut of the rent that customers pay owners of rooms and homes around the world at reasonable prices.

Similarly justpark.com allows owners of parking spaces around the UK to rent them out to travellers needing a safe place to park in congested cities and of course Uber has offered car owners the opportunity to become taxi drivers. The space is still wide open for businesses and consumers alike – and with the promise of greater access, at lower cost to the consumer and less strain on the planet's natural resources, it does sound like a triple-win. So if you've got it, why not share it.

Isabelle Szmigin does not work for, consult to, own shares in or receive funding from any company or organisation that would benefit from this article, and has no relevant affiliations.

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