The Sharing Economy
An overview with special focus on Peer-to-Peer Lending
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This report examines the phenomenon of the Sharing Economy – its features, major players, size and possible impact of this revolution in consumer behaviour. Charities, citizen institutions and businesses have discovered the force of this phenomenon and developed campaigns, ideas, products and services around it. Otherwise known as collaborative consumption or peer-to-peer marketplaces, the Sharing Economy is all about getting the maximum use from an asset or skill and thereby allowing participants to make or save money.

‘Sharing goods’ is not a new thing especially not during economically hard times. Latest reports underline that in those European economies hardest hit since the crisis a new type of ‘bartering economy’ - i.e. swap goods without the exchange of cash – has developed in response to high unemployment. While this is certainly a sobering and less cheerful feature of the current economic reality, this recession is considered one of the key drivers of the new sharing phenomenon. Other drivers are related to the financial crisis, as we see widespread consumer consensus that there must be ‘something else out there’ than being subjected to low interest rate savings accounts or overpriced shelf products.
The potential cost savings in a global circular economy scenario are estimated to be between $340 and $630 billion, depending on adoption levels. The current global market size (so not just savings but revenue) based on existing players is already estimated to be around $310 billion. The actual existence of a peer-to-peer, people-to-people marketplace means that businesses have discovered the wonders of this phenomenon too, as they identify and provide the requirement for facilitators, platforms and intermediaries (online or physical). However, peer-to-peer business models seem to carry very different implications depending on the size of a business. Large businesses, having already changed marketing and advertising strategies due to a more demanding (and engaged) consumer, are increasingly encouraged by marketers to engage with their global customer base in an even more interactive and multimedia kind of way. The responsiveness towards a more engaged (if only technologically) customer is a big part of this, however some large players go beyond mere responsiveness and conversation and build sharing modules into their existing business model. For smaller businesses it is a completely different story, as many smaller to medium sized businesses around the globe (though predominately from the US) only exist due to this phenomenon in the first place.

Is there a major change occurring in the market place? It is fair to say it has not reached tipping point yet, i.e. that moment in time during an ‘epidemic’ when a ‘virus’ reaches critical mass.

Speaking of viruses, big businesses might see this as more of a threat than an opportunity but it does not necessarily have to be that way. The opportunity for businesses and for new entrants to take advantage is apparent – already a community of millions of users as well as followers exists, ‘sharing’ news and developments about this occurrence.
Raising awareness for the global Sharing Economy as well as simply celebrating its existence is the aim of Global Sharing Day on the 14th of November 2012, following the UK’s first National Sharing Day in July 2012. Opinium Research, a London-based consumer research and insight generation agency, and Marke2ing, a marketing support consultancy with focus on entrepreneurial P2P and clean web businesses, sustainability and green issues, have partnered to investigate the marketplace and surrounding trends – with a particular focus on peer-to-peer lending. Peer-to-peer lending organisations facilitate lending by individuals onwards to other individuals who were previously unrelated to one another. The emergence of online peer-to-peer lending is hailed as one of the few real innovations of recent times in the financial services arena.

To further investigate the financial services element of the Sharing Economy, Opinium conducted research amongst nationally representative samples of consumers in three countries; the UK, Germany and the US.

As for any new product, awareness as well as actual uptake is very different across geographies. As might be expected, the US comes out top in terms of awareness, and our research reveals higher awareness levels in Germany than in the UK – with almost double the share of 18-34 year olds having heard of peer-to-peer lending in Germany. The higher awareness in Germany is suggested to be mainly down to increased TV advertising.

The uptake potential of it is similarly distributed: Those who have used or would be open to using peer-to-peer lending in the future totals 49 per cent in the UK, 56 per cent in Germany and 67 per cent in the US. Opinium’s survey further revealed that growth in peer-to-peer lending is not necessarily associated with dissatisfaction with high street banking but more driven by positive perceptions of it as an alternative way to save and invest.
Across all the markets surveyed, a physical high street presence was considered to be relatively unimportant. Those factors considered as most important were, not surprisingly, the security of one’s investment, full transparency of costs and benefits as well as simple to understand terms. Clearly out of all three markets, the UK lags behind in terms of product and brand awareness so there is an opportunity to fill the gap.

To sum up:
- Collaborative consumption is already a major force in many countries and has created ‘The sharing economy’
- Social media and the net (enablers) combined with the recession and the financial crisis (changing consumer attitudes) are considered the major driving forces
- Opinium’s research into the Peer-2-peer lending market revealed:
  - The UK falls behind Germany and the US in terms of awareness
  - The uptake potential of it is similarly distributed: Those who have used or would be open to using peer-to-peer lending in the future totals 49% in the UK, 56% in Germany and 67% in the US
  - Growth in peer-to-peer lending is not necessarily associated with dissatisfaction with high street banking but more driven by positive perceptions of it as an alternative way to save and invest
  - Across all the markets surveyed, a physical high street presence was considered to be relatively unimportant; factors considered as most important were, not surprisingly, the security of one’s investment, full transparency of costs and benefits as well as simple to understand terms
  - Clearly out of all three markets, the UK lags behind in terms of product and brand awareness so there is an opportunity to fill the gap

Opinium and Marke2ing’s recommendation to businesses and brands is to see the Sharing Economy as an opportunity and not necessarily as a threat to their business.
Otherwise known as collaborative consumption or peer-to-peer marketplaces, the ‘sharing economy’ is all about getting the maximum use from an asset or skill and thereby allowing participants to make or save money.

Every year hundreds and thousands of people sleep in other people’s homes while the owner is away – using the site Airbnb. Airbnb hosts in New York City make $21,000 a year on average, and some even up to $100,000 a year according to the firm, while the guests are saving money on accommodation. The enabler of this new way of collaboration in an otherwise highly individualised and relatively fragmented modern Western society is technology, and social media. The rise of social media and online networking in an age of financial crises and austerity has given birth to the sharing economy, which is rapidly spreading across various consumption areas.
In many ways, this resonates with the Big Society idea pushed by the UK coalition government. Leaving aside ‘earning or saving money’ as one driver of the ‘sharing economy’ phenomenon, a renewed belief in the importance of community, as well as the global recession which has fundamentally shocked consumer behaviours, are among the key drivers. While the Big Society idea has been put on the back burner due to more pressing political challenges, the sharing-economy seems to have nevertheless left its infancy status and several players have gained momentum. The aforementioned accommodation sharing firm, one of the strongest growing shared-economy players, commissioned a study this past summer which outlines the growth of the sharing market place in Europe’s strongest economy, Germany. Shared consumption over the internet, the study found, is being enjoyed by an estimated 10 million people in Germany (or 12 per cent). However, one of the key findings from the research is that sharing resources, as a new and popular trend is so far, and very clearly, a middle-class phenomenon.

The sharing economy is far from being mainstream and more of an occurrence amongst middle-class, well-educated urbanites. Tobias Stapf, former manager at the Young Foundation’s Citizen University in London and now social entrepreneur based in Berlin, concludes:

“Sharing is based on trust, and trust especially across social boundaries does not happen by itself but needs positive relationships – loose tie networks – and needs to have a practical benefit, too. Building these positive relationships could be supported by ‘sharing’ sessions, working as a ‘trust accelerator’. Targeted sessions such as “How to furnish your flat for less than £1,000” would allow individuals to warm up to the fact there is so much stuff out there not worth throwing away but instead...worth sharing!”

1 Source Airbnb, here: https://www.airbnb.co.uk/10-million (Retrieved October 2012)
## Products, services, systems and collaborative lifestyles

Despite the still relatively niche phenomenon and our observation of the industry being far from mainstream, the following list of a selected number of players in the marketplace underlines its considerable size.\(^2\)

<table>
<thead>
<tr>
<th>Car sharing:</th>
<th>Art Rental:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zipcar, GoGet, WhizzCar, Autoshare, Stattauto, Autolibre, Danzeldrive, Cambiocar, Zazcar, City Car Club</td>
<td>Art.sy, Artsicle, TurningArt</td>
</tr>
<tr>
<td>Car sharing (from big automobile brands):</td>
<td>Fashion Rental:</td>
</tr>
<tr>
<td>BMW DriveNow, Volkswagen Quicar, Peugeot Mu, Daimler Car2Go</td>
<td>Bag Borrow &amp; Steal, Fashionhire, Dress Vault, Love Me and Leave Me, Rent The Runway</td>
</tr>
<tr>
<td>Peer-to-Peer Car Sharing:</td>
<td>Movies:</td>
</tr>
<tr>
<td>Whipcar, RelayRides, DriveMyCar Rentals, Getaround, Tamyca, Buzzcar, Nachbarschaftsauto, autonetzer, SnappCar</td>
<td>Netflix, Quickflix, LoveFilm</td>
</tr>
<tr>
<td>Bike sharing:</td>
<td>General Online Rental:</td>
</tr>
<tr>
<td>Velib, Bixi, Barclays Cycle Hire, B-Cycle, Call-A-Bike, CycloCity, Niceride, HZ Bike, Social Bicycles, Cycle Chalao, Spinlister</td>
<td>Getable, AnyHire</td>
</tr>
<tr>
<td>Ride sharing:</td>
<td>Peer-to-Peer Rental:</td>
</tr>
<tr>
<td>Zimride, Nuride, Liftshare, Jayride, goCarShare, Carpooling, Caronetas, DuckSeat, RewardRide, Avego, Amovens, Tickengo</td>
<td>Zilok, Rentoid, Ecomodo, HireThings, Rentalic, RentStuff, Open Shed</td>
</tr>
<tr>
<td>Solar Power:</td>
<td>Neighborhood Rental:</td>
</tr>
<tr>
<td>Toy Rental:</td>
<td>Social Lending:</td>
</tr>
<tr>
<td>Dim Dom, BabyPlays, Rent-a-Toy, ToyLib, Speelotheken, Brinquedoteca</td>
<td>Zopa, Prosper, The Lending Club, Boober, Maneo, Qifang</td>
</tr>
<tr>
<td>Textbook Rental:</td>
<td>CrowdFunding:</td>
</tr>
<tr>
<td>Chegg, CampusBookRentals, Zookal, BookRenter</td>
<td>IndieGoGo, Kickstarter, StartSomeGood, Pozible, Crowdcube, Move. me, Catarse</td>
</tr>
</tbody>
</table>

Global Sharing Day 2012

The emerging Sharing Economy is now reported to be worth over £310 billion globally but it obviously also has huge ‘social value’ as it is sustainable to an extent (re-use), thereby efficient as well as having aspects of a more people-centred economy.

On June 20th 2012, the UK had its first National Sharing Day engaging over 1 million people and trending at #2 on Twitter globally by lunchtime. Building on this success, the organisers – ThePeopleWhoShare – are now running Global Sharing Day on November 14th together with the US, Australia, Chile and 15 other European countries. ThePeopleWhoShare has over 100 partners signed up in 50 countries and a predicted reach of 10 million people.
The Co-Commerce Revolution

The London-based trend analysts and brand consultants The Future Laboratory have named this trend of collaborative consumption, when it comes to business, the Co-Commerce Revolution\(^3\) – in the sense of “more and more brands and retailers sharing space, co-collaborating and squatting in competitor spaces to drive experience, share facilities and maximise profits.” Really? During revolutionary times some people usually get beheaded, and at least some ‘entities’ simply stop existing. In case The Future Labs folks are right (and they have been in the past, predicting correctly the impact austerity had on consumers), who will fall victim to this change?

Generally, business processes (purchasing, manufacturing, marketing and sales) have become more fluid, flexible and to some extent even more democratic, if that is a term at all appropriate for the business world. Looking at marketing and sales only, ‘more democratic’ in a sense that giving feedback is much easier, and much more immediate and with much more potential impact; ‘more fluid’ in a sense that individuals have - through social media, new technology and new business models – the opportunity to move from being a consumer of a product to becoming a trader (“I have 100,000 followers on twitter; let me mention/ promote your product; that’ll be £X, please”); ‘more flexible’ in the sense that response needs to be immediate, and brands as well as whole companies need to adapt quicker to challenges, changes and – if going global – different business environments.

\(^3\) Source: https://www.lsnglobal.com/seed/view/6127; Retrieved: October 2012
Big corporations have started to actually listen to their customers, whether it is social media monitoring or localised campaigns. Bad press can be prevented, and there is a considerable amount of money being poured into that at the moment, even during austerity times. The website forum and digital insight platform Econsultancy reports that digital marketing expenditure on search engine optimisation and social media marketing are continuing to rise despite challenging economic conditions.

The UK Search Engine Benchmark Report, published in association with NetBooster in 2012, has for the past five years shown that companies have continuously invested into the opportunities present in SEO, paid search and social media marketing. According to the research, based on a survey of over 300 UK in-house marketers and over 200 agency employees, nearly two-thirds of companies (62%) plan to increase their social media spending within the next 12 months, with 57% increasing spending on SEO and almost half (49%) increasing spending on paid search.

The website Emarketer reports that a survey amongst 658 US marketers by AdAge & Citigroup found that 72.9% of respondents said they expected their overall social media budget to increase over the next year. The Emarketer article further outlines that this is “in line with data from ‘Useful Social Media’, which, in April 2012, found that 54% of US companies planned to increase their social media budgets by up to 25% in 2012”.

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Figure 2: Spent on digital marketing

Source: Emarketer


Business as usual or sharing the bandwagon?

So what does the Sharing Economy mean for businesses operating on the traditional, production & consumption-based business model? They obviously still represent the vast majority of the current economy. However, the Sharing Economy – with a positive growth trend backing it and the economic outlook not suggesting any significant improvement to consumer incomes anytime soon – could well be one of the next disruptive innovations challenging or even displacing current ways of doing business. Massive changes in consumer behaviour have surprised established players before, and the sharing economy is clearly driven by consumers and the technologies that facilitate such change. Incumbents, especially big corporates, tend to find it difficult to respond to such changes quickly and effectively. Their sheer size keeps them from moving fast enough, especially when they have to rethink the fundamental basis of their business model.

How then can businesses that aren’t participating in the sharing economy prepare themselves for the changes that peer-to-peer and collaborative models are bringing about?
There is a fourth way for the truly innovative, and may we say daring companies: opening their business model to the collaborative nature of the sharing economy. In this scenario corporates do what they do best – provide economies of scale, investment power and an optimised framework – while individuals add localisation, specialisation and customisation. Robin Chase, founder and CEO of Buzzcar and former CEO of Zipcar, calls this collaborative model “Peers Incorporated”. She suggests that “Once the right platform is in place, the Peers Incorporated model delivers the speed of collective action, with the benefits and beauty of individual creativity, ingenuity, and innovation.”

Source: http://ubpost.mongolnews.mn/?p=1311
Leasing versus selling

Indeed, the fact that the global resources our current economic model so heavily relies upon are finite, may well become the main motivation for traditional companies to participate in the sharing economy. The authors of the Cradle-to-Cradle concept, William McDonough & Michael Braungart, recommend – as part of their call to transform human industry through ecologically intelligent design – that traditional manufacturers move away from selling products that go on to landfill and instead change their business model to one based on leasing their products to customers and take them back to re-enter them entirely into the production of new products.\(^7\)

Similarly, the Ellen MacArthur Foundation campaigns for a circular economy: “Rethinking our economic model does not only involve a re-organisation of manufacturing processes, the change goes as far as redefining the relationship between objects and consumers.” They encourage companies to look at new models of ownership to make better use of resources. McKinsey & Company, in a report commissioned by the Ellen MacArthur Foundation, estimates the potential cost savings in a circular economy scenario to amount to between USD 340 and USD 630 billion, depending on adoption levels.\(^8\)

In the end participating in the sharing economy may simply make business sense. As always in fundamental shifts in our economic environment we expect that there will be some dinosaurs that will eventually become extinct. The question is who will they be?

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7 Source: http://www.mcdonough.com/cradle_to_cradle.htm

8 Source: http://www.ellenmacarthurfoundation.org/circular-economy/circular-economy
What is Driving Growth in the Sharing Economy?

Austerity
Stagnant or falling wages and rising prices make people increasingly keen to save money and unlock hidden value in their assets and skills. The global recession has fundamentally shocked consumer behaviours.

Pressing unresolved environmental concerns

A renewed belief in the importance of community

Technology
A torrent of peer-to-peer social networks and real-time technologies facilitates sharing resources outside conventional social networks and minimises transactions costs in both time and money.

Figure 3: The four drivers of the Sharing Economy

Source: TED/Opinium
The Anatomy of the Sharing Economy

To understand the described overarching trend of austerity + technology = new network thinking (see figure 3, page 11) and its impact on the structure of the economy, it is helpful to segment the market phenomena into three broader groups:

**Product Service Systems** which enables the consumer access to a product that comes without the actual burden of owning but renting instead. Internet technology means that this kind of service can increasingly be offered on a peer-to-peer basis.

**Redistribution Markets** aim to bring together unwanted or underused items with those who have a need for them by a variety of models. Items might be given away for free, swapped for other items or sold for hard cash. The internet is reducing transaction costs of arranging beneficial trades.

**Collaborative Lifestyles** link groups with similar needs or objectives to share assets like time, space and skills. This requires a high level of trust between participants which is facilitated by star ratings and reviews of participants.

Within ‘Collaborative lifestyles’ as per above list sits Peer-to-Peer finance which we will be examining in much more detail over the following pages.

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Peer-to-Peer Lending

Peer-to-peer finance can be split up into two broad types:

**Crowdfunding** is a means to build financial support for a project from a diverse pool of backers. Backers pool their resources, each pledging to contribute a sum of money to the project. The pledge will usually only be fulfilled if the project meets its funding goals. Backers contribute a small sum relative to conventional funding routes and do not necessarily expect a financial return. In *reward based crowdfunding* the incentive to contribute is a promise of some sort of gift such as getting your hands on the product first or being named as the sponsor of a movie. In *equity based crowdfunding* the backer receives shares in the business. In either case, a desire for the project to succeed is usually part of the motivation to contribute.

**Peer-to-peer lending** companies facilitate lending by individuals, to other individuals who were previously unrelated to one another. Unlike crowd funding, the intention of Peer-to-Peer lending is typically profit. While a company is required as an intermediary to bring borrowers and lenders together and carry out basic credit checks, Peer-to-Peer lending promises to give a better deal to both lenders and borrowers by cutting out the banking middlemen who would otherwise decide who receives a loan and tend to charge higher commissions, caused by factors such as their higher cost of service.
Peer-to-peer/social lending is a method of debt financing that enables individuals to borrow and lend money without the use of an official financial institution as an intermediary. The advantage to the lender is that the money they lend generates income in the form of interest, which can exceed the amount of interest earned by traditional means (such as from saving accounts). It also gives the borrower access to financing that they may not have otherwise obtained approval for by standard financial intermediaries.  

Source: Mintel, Personal Loans, 2012
The emergence of Online Peer-to-Peer lending is hailed as one of the few real innovations of recent times in the financial services arena of Great Britain and beyond. Jason Scott, Founder and CEO of CivilisedMoney, a people-to-people financial services portal, describes the trends he expects to see in this growing sector as follows:

The consolidation is likely to be led by existing or ‘purpose built’ operators in the P2P lending markets, possibly with backing from banks or other traditional mainstream financial institutions. Their motivation will be to increase market share, ‘acquire best in class’ technology and / or operators and expand their product offering to increase revenues. I expect further product innovation such as P2P funded mortgages and ‘structured products’ offering savers options more closely resembling the type of Self-Invested Personal Pension (SIPP) or similar efficient savings products.”

“We will see a consolidation in the marketplace within the next 2-5 few years. This timeframe depends upon a number of factors: the unknown time to recovery from the ongoing financial crisis, the lack of access to funds via traditional (predominantly bank) sources, a wide acceptance by mainstream media and influencers of P2P as a viable alternative to the traditional financial system and appropriate regulatory supervision being implemented to protect lenders, borrowers and operators.”
Key Players in the Peer-to-Peer Lending Market

Our analysis has identified 7 major players in the UK, US and German Peer-to-Peer lending market. These businesses account for the majority of peer-to-peer lending in each country. Total lending through peer to peer platforms in the USA dwarfs that in the UK and Germany. What is more, US lenders, particularly the 'Lending Club', do well in terms of new loans per month compared to other countries.

Figure 5: Key players in the Peer-to-Peer Lending market

Source: loan provider’s websites; Lending Club and Auxmoney provide full time series data for new loans per month; Other data and estimates from third party sources.
Opinium Research asked a representative sample of adults from the UK, USA and Germany about their attitudes towards Peer-to-Peer lending and Crowdfunding.

Awareness of Peer-to-Peer lending and Crowdfunding

We asked in all three countries: “Which, if any, of the following types of financial savings / investment services are you aware of?”

Jason Scott from CivilisedMoney on the survey results: “The US is by far the biggest P2P lending market with Lending Club having facilitated nearly $1 billion worth of loans now. US-based operators are raising ever larger amounts of investment to fund their operations (Lending Club have raised $100MM in venture financing), so have the ability to finance very effective marketing campaigns to raise awareness.

Germans are habitual savers and more likely to research where their money can best be put to work. The returns on offer to P2P platforms are very attractive when compared to mainstream returns. In addition, German P2P lending platform auxmoney’s significant investment into TV advertising since 2009 has helped reach a wide audience. This hasn’t been the case in the UK. The UK market is growing rapidly and I anticipate we will see a much better awareness of P2P as this growth continues, new products and operators come to market and bigger budgets are applied to raising consumer awareness of P2P.”
Why don’t young Britons have a higher level of awareness? Those aged 18-34 have a higher level of awareness of Crowdfunding than older age groups in all the markets surveyed. This seems to confirm the expectation that young people are more aware of new, technology-enabled trends. This is indeed the case for Peer-to-Peer lending in Germany and the USA. However, one notable exception is that awareness levels of Peer-to-Peer lending in the UK displays very little difference with age.

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**Figure 6:** Awareness of Peer-to-Peer Lending, by region and age

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>18-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>16%</td>
<td>17%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Germany</td>
<td>22%</td>
<td>30%</td>
<td>21%</td>
<td>13%</td>
</tr>
<tr>
<td>USA</td>
<td>25%</td>
<td>29%</td>
<td>24%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**Figure 7:** Awareness of different types of financial investment products, by country

Why don’t young Britons have a higher level of awareness? Those aged 18-34 have a higher level of awareness of Crowdfunding than older age groups in all the markets surveyed. This seems to confirm the expectation that young people are more aware of new, technology-enabled trends. This is indeed the case for Peer-to-Peer lending in Germany and the USA. However, one notable exception is that awareness levels of Peer-to-Peer lending in the UK displays very little difference with age.

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Peer-to-Peer lending as an alternative investment strategy

Figure 8: Uptake and potential uptake of peer-to-peer lending, by country

49% 56% 67%

Would you consider using Peer-to-Peer lending in the future as an alternative way of saving/investing to traditional banking?

• 49% of UK respondents indicate they have either used Peer-to-Peer lending or would be open to doing so in the future as an alternative to traditional banking (2% have already done so, 11% indicate they would consider doing so in the future and 35% would be open to this if they knew more about it).

• This means that more than 1.2 million people in the UK have already used peer to peer lending to save and invest

• Higher market maturity in the USA is reflected in terms of higher openness to using peer-to-peer lending.

• 18-34 year olds are more open to using P2P lending in all three countries.
Trust in Main Street Banks

We asked: “Considering all existing Main Street banks in general and their way of doing business with you – on a scale of 0 to 10, where 0 is ‘very poor’ and 10 is excellent, how would you rate the your Main Street Banks business behaviour?”

Key finding: Growth in peer-to-peer lending is not especially associated with dissatisfaction with main street banks.

Peer-to-Peer lending is most popular in the USA and amongst the young, but we find that these groups are least likely to be dissatisfied with the behaviour of Main Street Banks. This suggests that growth in peer-to-peer lending is driven by positive perceptions of it as an alternative way to save and invest, rather than by dissatisfaction with existing types of banking.
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Figure 9: General favourability towards banks, by country

Figure 10: General favourability towards banks, by age
Factors that drive usage of P2P Lending

We asked: “Please rate, on a scale of 0 to 10 where 0 is “not at all important” and 10 is “very important” how important each of the factors would be in determining whether or not you actually did decide to use Peer-to-Peer lending in the future as opposed to traditional banking?”

Key finding: Across all the markets surveyed, a physical main street presence was considered to be relatively unimportant

Other factors were considered more important, these were:

- Security of investments
- Full transparency of costs and benefits
- Simple to understand terms
- Higher savings interest returns based on your investment choices and activity
- Lower fees than bank charges (associated to financial services including transactions, interest rates for loans, credit card fees)
- Ability to choose which individuals / businesses you loan your money to
- Ease of finding suitable individuals or businesses to lend to

Jason Scott remarks that “with findings such as this it is clear that full attention needs to be paid to ensuring both lenders (savers) and borrowers understand the risks and how they are mitigated/managed by P2P operators. Currently each operator deals with and communicates these differently. Therefore I think it is crucial that industry standards get developed and appropriate regulation be put in place without choking this still nascent marketplace. This would ensure that all parties involved have full transparency and thus greater piece of mind when engaging in P2P lending.”
About the authors:

About **Opinium Research**

Opinium is a full service research agency offering clients a broad range of solutions tailored to suit their specific needs. Opinium Research works with organisations across multiple geographies, using a wide variety of research methodologies to uncover commercial, social and political insights which deliver robust findings to guide clients towards accurate and strategic business and policy decision making.

About **Marke2ing**

A marketing support consultancy helping peer-to-peer and clean-web entrepreneurs launch their concepts, generate sales leads and build a client base to establish and grow their business in their chosen markets. We act as their insourced marketing directors, addressing their short-term business needs through quick-win marketing direction and doing, with a long-term strategic view.