

Assessing the size and presence of the collaborative economy in Europe

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Executive Summary

We have been asked by DG GROW to assess the size and presence of the collaborative economy in Europe. For the purposes of this exercise we assessed five key sectors of the collaborative economy that facilitate transactions through an online platform¹:

- **Peer-to-peer accommodation:** households sharing access to unused space in their home or renting out a holiday home to travellers
- **Peer-to-peer transportation:** individuals sharing a ride, car or parking space with others
- **On-demand household services:** freelancer marketplaces enabling households to access on-demand support with household tasks such as food delivery and DIY
- **On demand professional services:** freelancer marketplaces enabling businesses to access on-demand support with skills such as administration, consultancy and accountancy
- **Collaborative finance:** individuals and businesses who invest, lend and borrow directly between each other, such as crowd-funding and peer-to-peer lending

We estimate these five key sectors of the collaborative economy generated revenues of nearly €4bn and facilitated €28bn of transactions within Europe in 2015. Our findings show that growth in both revenues and transaction values has accelerated since 2013 – at a pace which has significantly exceeded our expectations from our 2014 global study². We estimate that last year, these platforms doubled their revenues in Europe.

We find a thriving collaborative economy start-up scene across Europe – and estimate that at least **275 collaborative economy platforms have been founded** in the region to date³. We also find evidence for a relatively small – but quickly growing – participation in the collaborative economy across European consumers, as both users and providers. Finally, we describe some of the key movements in the **policy and regulatory landscape affecting the collaborative economy** across member states. Our high-level review highlights how significant differences have opened up in the regulatory framework applied to collaborative economy enterprises across Europe. A wide spectrum of regulatory and tax policies has emerged, accompanied by varying levels of application and enforcement.

Overall, our findings strengthen our point of view that the collaborative economy has now become a deep socio-economic trend that is fundamentally changing the way we live our lives. From freelancing platforms changing the way we work to food-sharing platforms changing the way we share and connect in local communities, collaborative economy businesses are leading to new economic and social interactions within member states and across Europe as a whole. While the rapid development of these platforms should be considered as an economic opportunity for European economies to foster sustainable and more widely-spread growth, it poses significant challenges for policy makers and regulators to keep up.

In developing this report, we hope to inform the development of a policy, regulatory and legislative environment for the collaborative economy across Europe that **balances the needs of consumers with regional priorities for competitiveness, innovation and growth.** However, developing such a framework will require a much deeper understanding of national regulatory frameworks, measuring and monitoring the impact of the different approaches that are employed and enhanced coordination and knowledge sharing at a regional level. It will also require much greater collaboration – both between member states – and between policy makers and collaborative economy platforms.

¹ We set out a full definition of the five collaborative economy sectors we assessed in Appendix A.

² PwC UK, (2014). *The sharing economy - Sizing the revenue opportunity*. [online] pwc.co.uk. Available at: <http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-the-revenue-opportunity.html>

³ Our assessment of European start-ups covered nine member states: France, Belgium, Germany, UK, Poland, Spain, Italy, Sweden, and the Netherlands.

Introduction

The scope of our work

We have been engaged by the European Commission (DG GROW), pursuant to the purchase order dated 19/02/2016, to develop an *Impulse Paper* to assess the size and presence of the collaborative economy in the European Union.

The scope of this assessment includes:

- An estimation of the size of five key collaborative economy sectors within the European Union;
- A summary of the market sizing methodology adopted;
- A qualitative indication across major member states of:
 - The presence of the collaborative economy organisations;
 - The relative adoption of the collaborative economy services; and
 - The openness of the regulatory and policy environment.
- Case studies highlighting examples of collaborative economy enterprises within each of the five sectors and their experiences of operating in Europe;
- A short conclusion summarizing the key findings and suggested next steps; and
- A supporting appendix that includes reference information pertinent to the understanding of our study.

PwC's background work in the collaborative economy

We believe the collaborative economy is much more than just a passing fad. We see its growth across the globe as the result of several 'megatrends', powered by rapidly evolving digital technologies, that are colliding to fundamentally disrupt the value creation process. The platforms that are emerging have allowed consumers to become producers and to connect together, disintermediating many traditional organisations in the process. Many collaborative models have now become established in the marketplace – becoming the 'default' mode of choice for some cohorts in society.

In developing this report, we hope to inform the development of a policy, regulatory and legislative environment for the collaborative economy across Europe that balances the needs of consumers with regional priorities for competitiveness, innovation and growth.

This work builds on the extensive research we have conducted in the area of the collaborative economy across our global network, including:

- **Sizing the revenue opportunity:** PwC research shows that by 2025, five prominent collaborative economy sectors could generate global revenues of \$335bn.⁴
- **Obstacles and policy recommendations:** As part of the Business Innovation Observatory programme, the European Commission appointed PwC to research the obstacles to growth in the collaborative economy in Europe. We found that regulations that are suitable to facilitate B2B or B2C transactions are not always applicable to the P2P market and there is the need to better tailor policy frameworks for each sector.⁵
- **Consumer intelligence:** PwC conducted an in-depth survey of US consumers to assess their awareness, perspectives and pre-conceptions of the collaborative economy. We found that over half of US consumers were aware of the trend and one in five have engaged in a collaborative economy transaction.⁶

⁴ PwC UK, (2014). *The sharing economy - Sizing the revenue opportunity*. [online] pwc.co.uk. Available at:

<http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-the-revenue-opportunity.html>

⁵ PwC Netherlands & PwC Luxembourg, (2013). *Accessibility Based Business Models for Peer-to-Peer Markets*. [online] ec.europa.eu. Available at http://ec.europa.eu/growth/industry/innovation/business-innovation-observatory/files/case-studies/12-she-accessibility-based-business-models-for-peer-to-peer-markets_en.pdf

⁶ PwC US, (2015). *Consumer Intelligence Series – the Sharing Economy*. [online] pwc.com. Available at:

<https://www.pwc.com/us/en/technology/publications/assets/pwc-consumer-intelligence-series-the-sharing-economy.pdf>

Market sizing assessment

Methodology

We undertook a quantitative research exercise to assess the market size of the collaborative economy in five key sectors: peer-to-peer accommodation, peer-to-peer transportation, on-demand household services, on-demand professional services and collaborative finance. We set out the steps in the methodology that we employed below:

Defining the sectors and objectives:

- We identified a set of five of the largest collaborative economy sectors and agreed the coverage of each sector with DG GROW.
- Within each of the five sectors, we split the market into various sub-sectors. For example, for the collaborative finance sector, we identified four sub-sectors: rewards-based crowdfunding, equity crowdfunding, peer-to-peer lending and investor-to-SME lending.⁷
- We identified two key output variables from our market sizing exercise; (1) the revenues generated by platforms offering collaborative economy services and (2) the total value of transactions that flow through these platforms.

Collecting the historic data:

- For each sector and sub-sector, we conducted a desk-based review of existing market, sector and company data at a national, regional and global level over the period 2013-2015.
- We systematically scanned a wide range of secondary data sources, including: investor reports, statistical databases, publically-available company financial information, newspaper articles, reported statements from collaborative economy companies, perspectives of industry experts, broker reports, industry association reports as well as data provided by PwC subject matter experts in areas such as hospitality and financial services.
- The data we collected pertained to a wide range of performance and commercial metrics, including; platform and user revenues, transaction volumes, user base figures, growth rates, market shares, market penetration and pricing structures.

Triangulating and translating the data:

- For each sub-sector, we conducted a data translation and triangulation exercise to form an estimate of the two key output variables for the European market in 2013-2015.
- Our approach was defined by the three analytical steps sets out below:

Translating the data to reflect our definition of the collaborative economy sub-sector

- The analytical techniques we employed depended on the nature and granularity of the data we had available to us.
- For example, where we found sub-sector level revenue data that included categories we did not incorporate in our collaborative economy definition, we excluded these elements from our estimate.
- Most often, however, data was not available at a sub-sector level and we were only able to access enterprise-level data for a major player (or players).
- We were sometimes able to collect enterprise-level revenue data directly. However, in many instances we developed a “bottom-up” revenue estimate. We developed these estimates by combining pricing information with estimates for the number of providers and users, both of which we evidenced and benchmarked through our market research findings.
- Once we arrived at a robust enterprise-level revenue estimate for the selected enterprise(s), we translated these into the sub-sector level estimations by applying market share assumptions derived from market research findings.

Translating the sub-sector sizing estimate to the European market

- The above step was conducted at different geographic definitions dependent on the data we had available. We translated this to the European market by “scaling up” or “scaling down” the estimates

⁷ A full definition of each of the sectors we assessed and the sub-sectors we identified can be found in Appendix A.

based on assumptions on regional penetration of major market players and collaborative economy services in general, that were informed and evidenced in our market research findings.

- Any currency conversions that were required were conducted based on average exchange rates observed over the annual period.

Translating between revenue and transaction value estimates

- Where we were unable to collect transaction value estimates directly, we estimated these by applying known pricing and commission information for major players to the revenue estimates we developed.

Validating the data

- During the steps outlined above for each sub-sector, we used qualitative and quantitative sense-checks throughout to validate our approach. These included:
 - Testing our findings with PwC subject matter experts in the applicable industry sectors
 - Assessing our enterprise-level revenue estimations against reported company valuations by applying enterprise value to revenue multiples that we benchmarked from the public equity markets.
- We then aggregated each sub-sector estimate to arrive at a central estimate for each collaborative economy sector.
- At this point, we employed two more sense checks:
 - We assessed our findings against the outcomes of our 2014 global study, alongside other collaborative economy-related work PwC conducted in the interim.
 - We assessed our findings against revenue and economic statistics reported for the respective overarching sector that the collaborative economy sector operates in and/or competes with (for example, hotel accommodation revenues for the peer-to-peer accommodation sector). We validated the relative proportions with PwC subject matter experts.

Key Findings

The key findings from our market sizing assessment are described below:

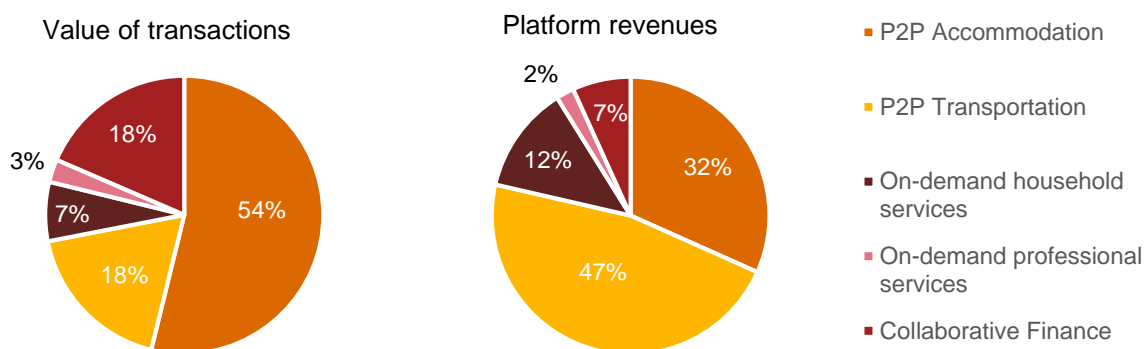
- Overall, we estimate that platforms in five key sectors of the collaborative economy generated revenues of nearly €4bn in Europe in 2015 and facilitated around €28bn of transactions.
- Figures 1 and 2 highlight the breakdown between the five collaborative sectors we have assessed. We find that the largest collaborative economy sector by revenue is the peer-to-peer transportation sector, which includes ride-sharing, car sharing networks and driveway sharing models. However, we find that the largest sector by total transaction value is the peer-to-peer accommodation sector, which includes peer-to-peer rental platforms and vacation rental platforms, as well as home swapping platforms.
- Figure 3 highlights the rate of growth of the collaborative economy over the last few years. We estimate that growth in both revenues and transaction values has been very strong since 2013, and accelerated in 2015, as large platforms invested significantly in expanding their European operations. We estimate that European revenues generated by these platforms almost doubled last year.
- We estimate that peer-to-peer transportation, collaborative finance and on-demand household services expanded revenues by several multiples in 2015. The fastest growing sector was on-demand household services, particularly driven by the growing popularity of freelancer platforms and crowdsourced networks offering services such as ready-made food delivery or DIY tasks.
- On average, over 85% of the value of transactions facilitated by collaborative economy platforms is received by the provider rather than the platform. The revenue models that platforms deploy vary significantly between and even within sectors. Most adopt a fixed or variable commission-based approach, with commissions charged ranging from 1-2% within peer-to-peer lending, to up to 20% for ride-sharing services.
- We are not able to make direct comparisons to our 2014 global study. This study focused on a different timescale, drew on a different set of sectoral definitions and involved different levels of data availability. However, we view the overall size of the collaborative economy indicated here as consistent with the order of magnitude identified in our previous assessment. In addition, the growth of the collaborative economy has significantly exceeded our expectations since 2013.

Figure 1: Revenues and transaction values facilitated by collaborative economy platforms in Europe (€m, 2015)

Sector	Revenue 2015 (m)		Value 2015 (m)	
P2P Accommodation	€	1,150	€	15,100
P2P Transportation	€	1,650	€	5,100
On-demand household services	€	450	€	1,950
On-demand professional services	€	100	€	750
Collaborative Finance	€	250	€	5,200
Total	€	3,600	€	28,100

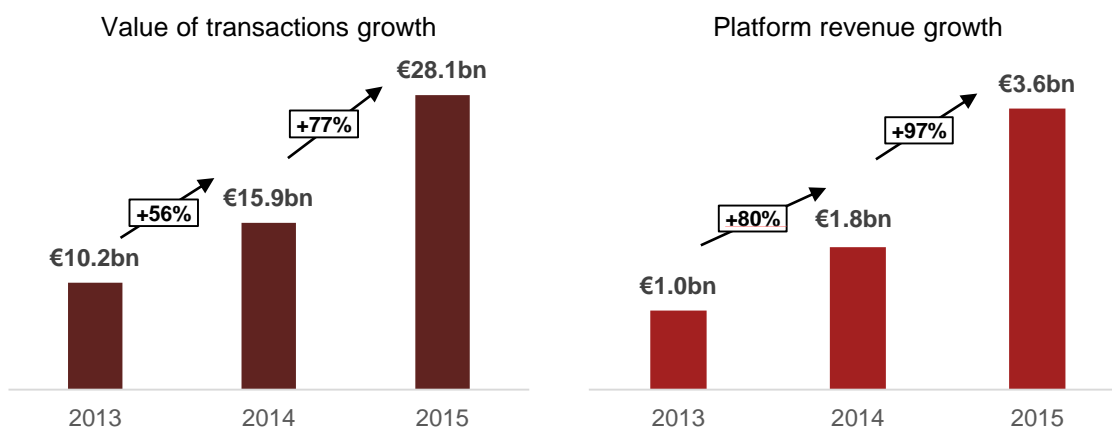
Source: PwC analysis. Note: Figures may not sum due to rounding.

Figure 2: Revenues and transaction values facilitated by collaborative economy platforms in Europe (% of total, 2015)



Source: PwC analysis

Figure 3: Revenues and transaction values facilitated by collaborative economy platforms in Europe (Growth, 2013-2015)



Source: PwC analysis

Country-level analysis

Overview

We have assessed three dimensions that define the relative presence of collaborative economy platforms across major European member states:

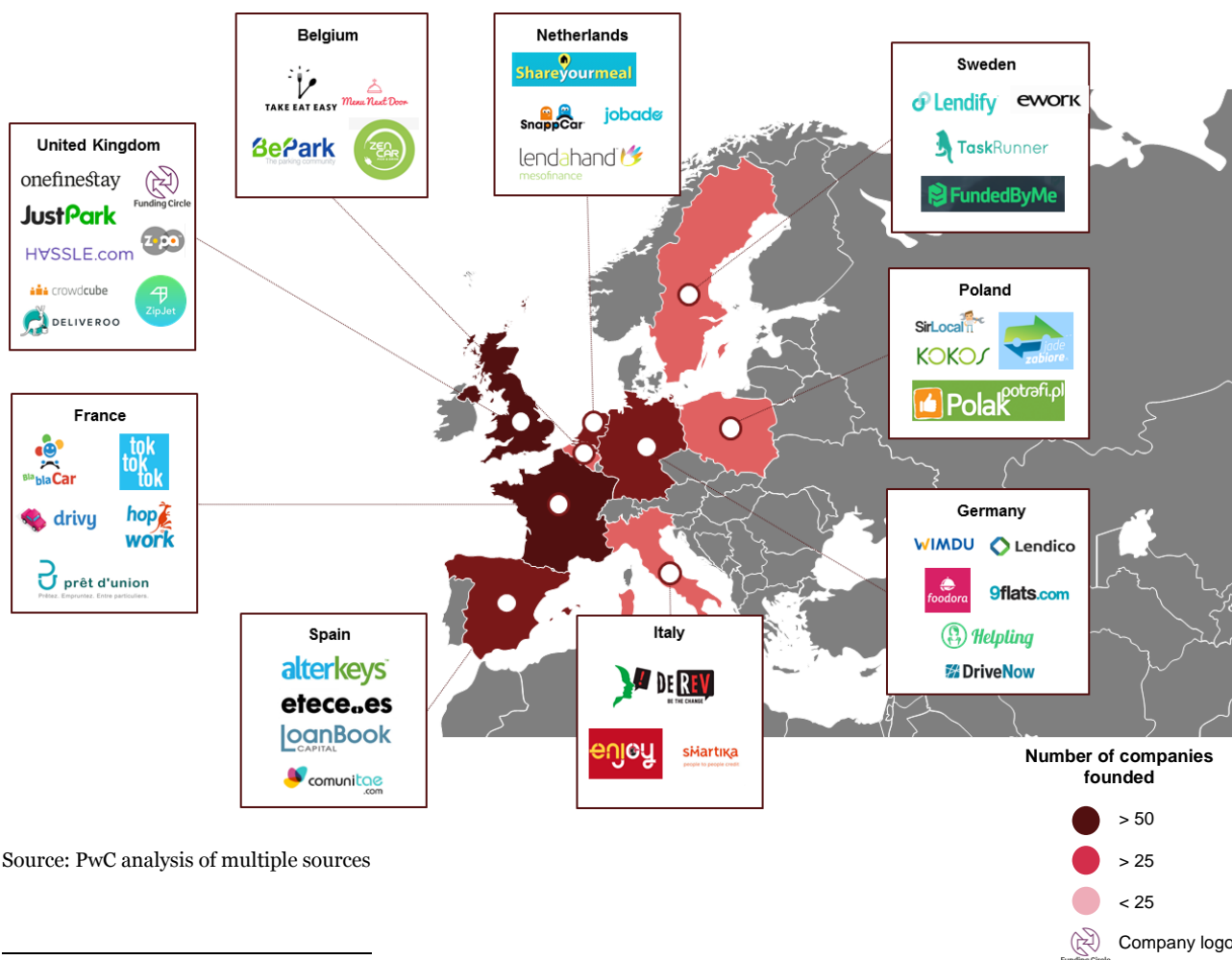
- The country of origin of collaborative economy platforms;
- The relative level of participation of the domestic population in the collaborative economy; and
- The openness of the regulatory and policy environment towards collaborative economy organisations.

Origin of collaborative economy organisations

We estimate that over 275 collaborative economy organisations have now been founded across nine major European member states.⁸ Our findings show that the UK and France have led the way with over 50 collaborative economy organisations founded. Germany, Spain and the Netherlands each contributed over 25 collaborative economy organisations, while less than 25 collaborative economy organisations were established in Sweden, Italy, Poland and Belgium.

Figure 4, below, highlights examples of collaborative economy platforms that were founded in the nine member states we assessed.

Figure 4: Number of collaborative economy companies by country of origin



Source: PwC analysis of multiple sources

⁸ Appendix B sets out each European-born collaborative economy company we identified in our review

Participation in the collaborative economy

Participation within Europe

The evidence points to a relatively small – but growing – participation in the collaborative economy in Europe. ING's July 2015 study⁹ is potentially the most comprehensive investigation to date of European consumer's participation in the collaborative economy. The findings from the study were:

- Around one third of European consumers have heard of the collaborative economy;
- Around 5% of European consumers have declared having participated in the collaborative economy in the past year;
- Participation is highest amongst younger generations (under 35) and well-educated;
- On average, a third of European consumers think their participation in the collaborative economy will increase over the next 12 months;
- Cars were the most shared item, but holiday accommodation should overtake cars over the next year;
- The majority of sharers in Europe made €1,000 or less (the median of earnings for sharers in Europe was found to be around €300);

Figure 5 highlights the rates of participation in the collaborative economy across European member states. ING found the strongest awareness and adoption in Southern European member states of Spain and Italy, at roughly three times the participation rate seen in some of the Northern European member states such as Germany and Austria.

Figure 6 highlights that cost saving considerations are the main factor influencing participation in the collaborative economy across member states – nearly 6 in 10 European consumers who have participated in the collaborative economy did so to save money, compared to around 4 in 10 who did so for community purposes. Cost saving motivations were particularly important to consumers in Southern European countries such as Spain and Italy, who have both seen high unemployment levels and weak economic performance since the global financial crisis.

Participation relative to other regions

In general, the evidence also points to weaker participation in the collaborative economy in Europe compared to other regions. ING's study found that over 9% of US consumers have already participated in the collaborative economy – a participation rate nearly double Europe's. Furthermore, a Nielsen report finds that willingness to share assets with others is significantly higher in developing regions (Asia-Pacific: 78%; Latin America: 70%) than developed regions (Europe: 54%; North America: 53%)¹⁰.

We note that the survey findings described here are sensitive to the definitions of the sharing/collaborative economy employed, and to the cultural differences in the interpretation of these terms. For example, PwC's own research points to wider participation in the collaborative economy than indicated by the ING analysis. In a December 2014 study, PwC US found that 44% of the US adult population were familiar with the sharing economy, with 19% having engaged in a sharing economy transaction³. In addition, separate ING studies conducted at a national level in both Belgium and the Netherlands report, in which surveyors gave examples of collaborative economy businesses to interviewees, point to stronger participation rates for consumers in both countries. The percentage of people declaring they have participated in the sharing economy in the past year increased from 2% to 8.5% in Belgium¹¹ and from 5% to 8% in the Netherlands¹².

⁹ ING International (2015). *The European sharing economy set to grow by a third in the next 12 months*. [online] ING.com. Available at: <http://www.ing.com/Newsroom/All-news/European-sharing-economy-to-grow-by-a-third-in-the-next-12-months.htm>.

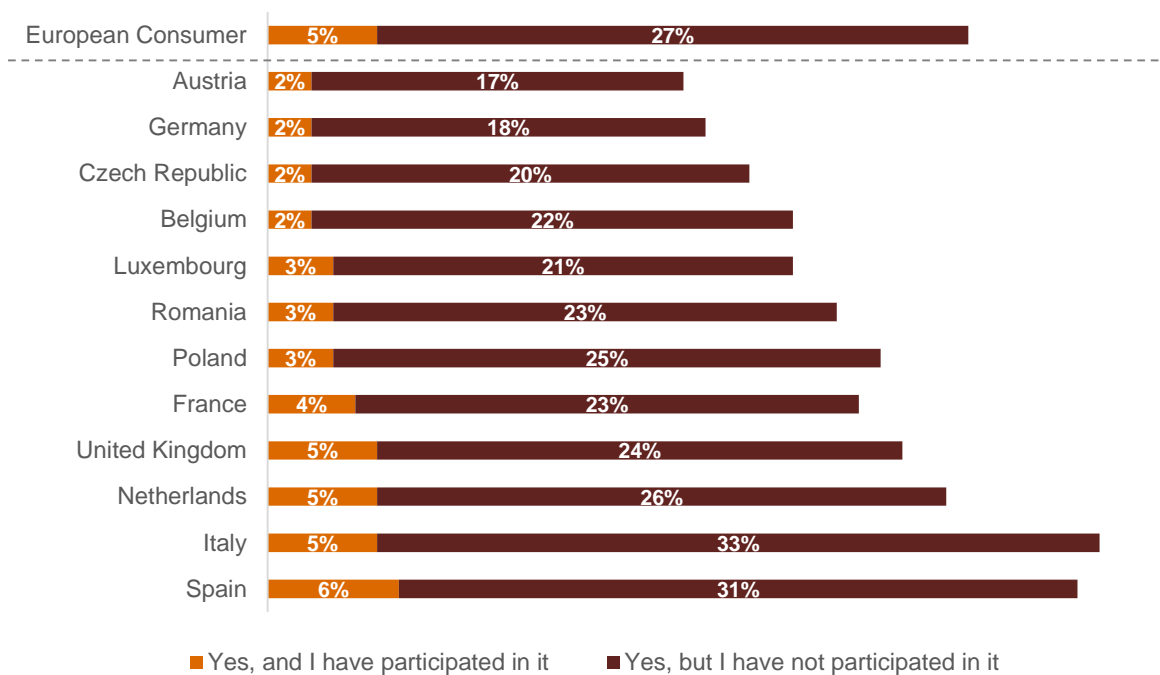
¹⁰ Nielsen (2014). *Global share community report: Is sharing the new buying?*. [online] Nielsen.com. Available at: <http://www.nielsen.com/content/dam/niensglobal/apac/docs/reports/2014/Nielsen-Global-Share-Community-Report.pdf>

¹¹ ING International (2015). *Deeconomie kent groot groeipotentieel in België* [online] ing.be. Available at: <https://about.ing.be/Over-ING/Press-room/Press-article/Deeconomie-kent-groot-groeipotentieel-in-Belgie-2.htm>

¹² ING International (2015) *Ruim half miljoen huishoudens doen mee aan de deeconomie*. [online] ing.nl. Available at: https://www.ing.nl/media/Deeconomie%20in%20kaart_tcm162-87219.pdf

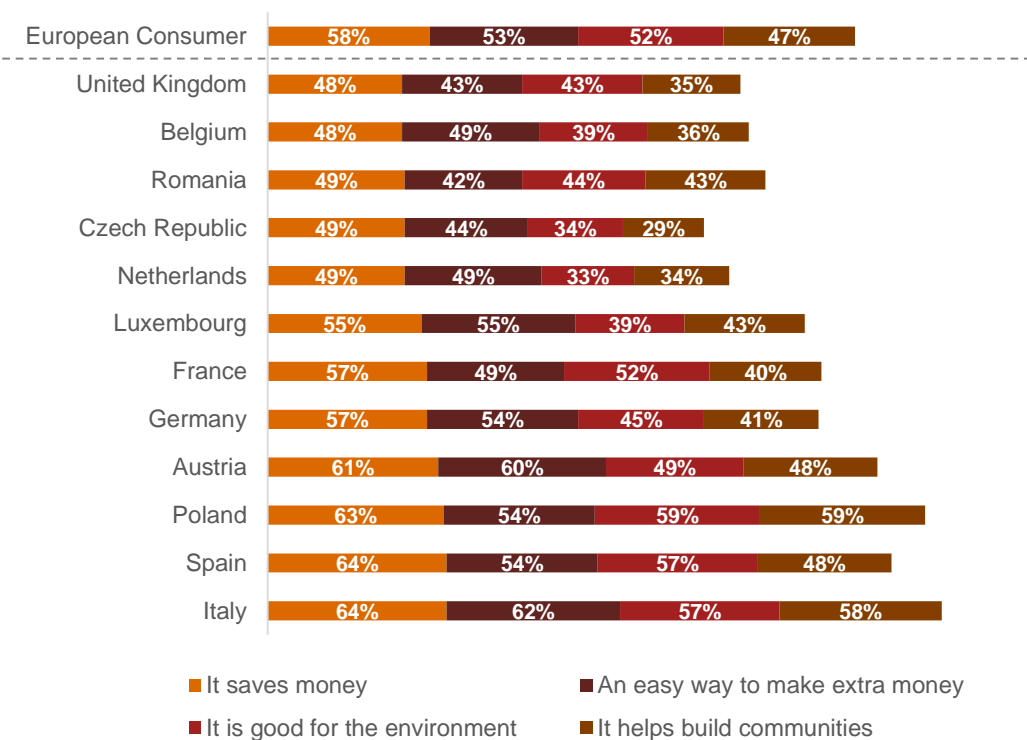
Figure 7 highlights further evidence of the presence of different collaborative economy models across a selection of member states, based on our review of a range of secondary information sources.

Figure 5: Participation in the collaborative economy in Europe in 2015



Source: ING International Survey “The Sharing Economy 2015” (July 2015)

Figure 6: Factors influencing participation in the collaborative economy in Europe in 2015



Source: ING International Survey “The Sharing Economy 2015” (July 2015).

Figure 7: Adoption of the collaborative economy across member states

Belgium



- Overall, in 2015, 8.5% of Belgians declared having exchanged or shared a service or an asset in exchange for money. The level of participation in the collaborative economy rises to as high as 16% in Brussels.¹³
- ING estimated that the most popular sector is the peer-to-peer accommodation sector, with over 4,900 listings in Brussels alone.
- Alternative finance is still underdeveloped compared to other member states: Belgium ranked 13th out of 16 in alternative finance volume per capita in 2014, roughly the same adoption as the Czech Republic and Slovakia.

France



- OpinionWay & Axis Consultants estimated that 22% of French people reported participating in the collaborative economy¹³.
- Paris is Airbnb's top city by revenue despite the platform only entering the city in 2012. Globally, France is Airbnb's second biggest market³. Paris is Uber's second city by revenue in Europe.
- France is the European leader in peer-to-peer carsharing, with an estimated 800,000 members⁴. Car schemes such as Autolib are world-leading examples of the B2C model and P2P platforms such as Drivy claim 500,000 users in France alone¹⁵.
- French consumers report high awareness of collaborative economy businesses: 41% of them report knowing Blablacar and 20% report knowing Airbnb¹⁶.
- The volume of collaborative finance transactions is growing at an average growth rate of 167% and reached €154m in 2014, ranking France as second place in Europe in 2014⁶.

Germany



- The strongest motivations for Germans participating in the collaborative economy are savings, convenience as well as enjoyment and environmental consciousness⁷.
- Germany is the #2 European country for peer-to-peer carsharing, with an estimated 140,000+ members⁴.
- Participation in alternative finance has grown by 113% in 2014 to reach €140m (in terms of volume of transactions), ranking Germany as the third highest European country in 2014¹⁸.

Italy



- Carsharing schemes are popular in Italy: networks such as car2go (Rome), Enjoy (Milan, Turin, Rome, Florence) accounted for an estimated 130,000 members in 2013¹⁹.
- IPSE estimated that the number of 'iPros' (freelancers only active online) only increased by 12% between 2004 and 2013 –less than for the European average of 45% and significantly less than the Netherlands' 93% increase²⁰.
- Alternative finance is not very widespread in Italy, with a total volume of 8.2m euros in 2014, falling behind other smaller member states such as Estonia and Finland.

Netherlands



- Overall, in 2014, ING estimated that 550,000 Dutch households (c.8% of the total) participated in the collaborative economy as either a provider and/or customer. Interestingly, more Dutch households would be ready to participate as providers rather than users (1/3 vs. 1/4).
- ING findings show that users are generally young, educated and are motivated by financial considerations while service providers have more idealistic, environmental considerations. ING also estimates that home sharing & P2P accommodation rentals account for roughly half of total collaborative economy revenues in the country.

¹³ Opinion Way (2015). *Eco-scope July 2015 survey for Axys Consultants*. [online] opinion-way.com. Available at: http://www.opinion-way.com/pdf/sondage_opinionway_pour_axys_consultants_-_le_figaro_-_bfm_business_-_ecoscope_-_vague_9_-_juillet_2015.pdf

¹⁴ Frost & Sullivan (2015). *Global Overview of North American and P2P carsharing market*. Frost & Sullivan reports.

¹⁵ Index Ventures (2015) *Drivy acquires Buzzcar and raises €8M*. [online] indexventures.com. Available at: <https://indexventures.com/news-room/news/europe%E2%80%99s-largest-peer-to-peer-car-rental-service-drivy-acquires-buzzcar-and-raises->

¹⁶ Dagnaud, Monique (2015). *L'économie collaborative, la confiance a tous les étages*. [online] telos-eu.com. Available at: <http://www.telos-eu.com/fr/societe/entreprise/leconomie-collaborative-ou-la-confiance-a-tous-les.html>

¹⁷ Schiel, Fanny (2015). *The Phenomenon of the Sharing Economy in Germany: Consumer Motivations for Participating in Collaborative Consumption Schemes*. Available at http://essay.utwente.nl/68106/1/Schiel_MA_MB.pdf

¹⁸ Wardrop Robert, Zhang Bryan, Rau Raghavendra and Gray, Mia. (2015) *Moving Mainstream, The European Alternative Finance Benchmarking Report*. [online] ec.europa.eu. Available at: http://ec.europa.eu/finance/general-policy/docs/crowdfunding/150304-presentations-ecsf_en.pdf

¹⁹ Frost & Sullivan (2014) *Strategic insight in global carsharing market*. Frost & Sullivan Reports.

²⁰ Leighton, Patricia (2014) *Future Working: The Rise of Europe's Independent Professionals (iPros)*. EFIP.

- Carsharing is a relatively nascent market in the Netherlands, but shows great promise, with around 100,000 members in peer-to-peer carsharing schemes⁵.
- Collaborative finance is increasingly popular in the Netherlands. It is the fourth largest European market in terms of alternative finance transaction volumes per capita. In 2014, transactions grew by 59% to 78m euros⁹.

Poland



- Overall, a survey by PwC Poland showed that 40% of the population have heard about the collaborative economy, while 26% have used collaborative economy services.
- 54% of sharing economy service users in Poland claim that the main advantage of using collaborative economy services is price considerations.
- PwC Poland estimates that the total supply of peer-to-peer accommodation accounted for around 10% of the total accommodation capacity in Poland.

Spain



- P2P accommodation rentals are extremely popular and make up an estimated 25% of the total supply of rooms in Spain, and almost 50% of the capacity in urban tourist centres. In four major cities, P2P rental platforms offer greater capacity than 'traditional' accommodation providers²¹.
- The top 3 peer-to-peer accommodation market players account for 65% of the market: Airbnb with 27%, followed by HomeAway with 24% and Numba with 14%⁹.
- Alternative finance platforms are increasingly perceived as an alternative to banks. This has driven growth in transaction volumes on these platforms (+152% in 2014 to €62m). This makes Spain the 6th largest alternative finance market in Europe.⁸

Sweden



- Swedish research revealed that 12% of the working-age population (around 737,000 people) were already working in the "gig" economy and 24% were trying to find work this way. The largest online-only freelance platform, eWork, claims over 5,000 freelancers.
- Joseph Michael, Business Development Manager for the Stockholm Region, says that the main drivers of the collaborative economy in Sweden are its world-leading broadband infrastructure which has led to widespread tech and mobile adoption, as well as the environmental consciousness of Swedes.
- While all major international players have not expanded to Sweden yet, many players have grown locally. For instance, ridesharing companies have been developing since 2007, when Bilplats.se and Skjutsgruppen.nu launched²².
- Furthermore, there are several examples of very successful non-profit collaborative economy initiatives in Sweden. For instance the non-profit ridesharing website Skjutsgruppen.nu used crowdfunding to grow to over 40,000 users.
- Collaborative finance is very popular in Sweden: it is the third largest European market in terms of volume of transactions per capita.

UK



- Elance (now UpWork) found that freelancing or gigging is now seen as a highly attractive and lucrative career option by 87% of students with first or second class degrees. This compares to 77% of those with lower class degrees²³.
- The UK is the uncontested European leader in alternative finance. It makes up approximately 75% of the European alternative finance market, with over £3.3bn transaction volume in 2015²⁴.
- PwC's analysis of the London hospitality market shows that there were 31,000 listings in the city in July 2015, with the platform expanding room supply by several multiples in non-central boroughs. Overall in the UK, our research shows that one in ten hoteliers have reported experiencing negative demand as a result of the platform's rise.²⁵
- London is now Taskrabbit's 3rd market in the world and its fastest growing city

Sources: PwC analysis of various sources

²¹ The Ostelea Business School of Tourism & Hospitality (2015) *Collaborative tourism 2015*. OBSTH.

²² Fellander, Ingram, Teigland (2015). *Sharing Economy – Embracing Change with Caution*. [online] entreprenorskapsforum.se. Available at: http://entreprenorskapsforum.se/wp-content/uploads/2015/06/Sharing-Economy_webb.pdf

²³ Elance (2014). *Gen Y and the gigging economy - The transformation of UK graduate career aspirations and what this means for businesses*. [online] [csd.org.uk](https://www.csd.org.uk). Available at: <https://www.csd.org.uk/content/uploads/2015/07/gen-y-and-the-gigging-economy.pdf>

²⁴ Nesta, Ernst&Young, the University of Cambridge (2016) *Pushing Boundaries: the 2015 UK alternative finance industry report*. [online] [Nesta.org.uk](https://www.nesta.org.uk). Available at: https://www.nesta.org.uk/sites/default/files/pushing_boundaries_o.pdf

²⁵ PwC (2015) *Growth is in the air – UK hotels forecast 2016*. [online] [pwc.co.uk](https://www.pwc.co.uk). Available at: <https://www.pwc.co.uk/assets/pdf/uk-hotels-forecast-2016.pdf>

The regulatory and policy environment

While conducting a comprehensive assessment is outside the scope of this report, we have conducted initial research to provide some commentary on the recent movements in the regulatory and policy environment affecting the collaborative economy in a selection of major European member states. We complemented our review with informal discussions with collaborative economy organisations and contributions from PwC subject matter experts²⁶.

Our high-level review highlights how significant differences have opened up in the regulatory framework applied to collaborative economy enterprises across Europe. A wide spectrum of regulatory and tax policies has emerged, accompanied by varying levels of application and enforcement.

The full findings are set out in Figure 8, below.

²⁶ We note that the policy and regulatory landscape is defined by a complex combination of federal, state and city-level jurisdictions, which are frequently being updated and applied in different ways, meaning it is not possible to formulate a comprehensive view without significant further research. In addition, the regulatory environment must balance competing interests and outcomes and our qualitative assessment below does not indicate that we view a very open environment towards collaborative economy platforms as the optimum regulatory and policy mix on all occasions.

Figure 8: Recent changes in the regulatory and policy environment affecting collaborative economy organisations in member states

Belgium



- As of January 2016, hosts renting their accommodation on P2P platforms in Brussels have to ask permission from local authorities and co-owners of their building.
- Some collaborative economy businesses point out that the absence of a ‘micro-entrepreneur’ status in Belgium would encourage more online freelance platforms to emerge.
- In the food sharing space, the public sector can have a rigid application of existing regulation. Nicolas Van Rymenant, CEO of MenuNextDoor, stated that current tax regulations are not adapted to the collaborative economy in Belgium. Other services such as ShareYourMeal point out the stringency of the food hygiene standards that have been applied to home cooks.
- UberPOP has been banned in Brussels. UberX has not been banned but regulations require drivers to be professionally licensed.

France



- Public agencies are adopting a proactive regulatory approach to regulate peer-to-peer rental platforms. In October 2015, Airbnb started collecting ‘tourist tax’²⁷ of €0.83 per room night.
- The creation of the ‘auto-entrepreneur’ status has encouraged freelance work in France. Furthermore, the labour laws currently reviewed by legislative chambers would simplify the process of going from salaried employment to freelance work.
- Reports have been published suggesting the creation of an automated tax system to calculate required income tax payments over a certain threshold (cf. ‘Terrasse’ report, Report from Senate Commission)
- Ride-sharing platforms have been the subject of intense scrutiny from regulators in France. Drivers are now obligated by law to return to their ‘garages’ after each journey. Consequently, Uber was recently (Jan 2016) ordered to pay a €1.2m fine after a court upheld a complaint that Uber drivers were acting as taxis by waiting for customers in the street. Uber executives were recently arrested over charges of ‘illicit activities’.
- The restaurateur’s union in France has urged the government to ban ‘meal-sharing’ websites, pointing out potential hygiene and health issues as well as the absence of licenses to serve alcohol for such platforms.

Germany



- In 2014, Berlin banned regular short-term accommodation rentals in the most popular parts of the city without prior permission from the authorities. The city has banned unregistered vacation rentals in the city, citing a shortage of residential housing.
- Uber has stopped operations in three German cities citing a ‘difficult regulatory environment’. Drivers were required to register as private rental car enterprise, which made the registration process too costly and lengthy for many.
- In 2014, 58% of alternative finance platforms think the proposed regulations affecting their sector are excessive and too strict, with only 13% thinking they are adequate. Lending platforms see the cap of €100,000 per loan that is applied to equity crowdfunding and P2P lending as holding back their business model.

Italy



- In May 2015, UberPop was banned for unfair competition practices following a ruling by the court of Milan. Uber has appealed the case.
- CoContest, a crowdsourcing platform giving anyone the opportunity to crowdsource ideas from architects & designers to refurbish an existing space, was recently criticized by 8 Italian MPs who asked the government to shut down the platform.
- However, Italy has recently proposed a ‘sharing economy act’. This bill includes a clear definition of the sharing economy and sharing economy platforms, requires all platforms to sign up to a sharing economy registry and provide documents for the AGCM’s (competition authority) approval. Another key tenet is the introduction of ‘fairer’ tax rates. Personal income from sharing economy platforms below €3k wouldn’t be taxed, income under €10k will be taxed at a 10% rate, while revenues over €10k would be subject to the users marginal tax rate. It is estimated that taxes paid would be reduced by 56.5% for people earning less than €10k.

Netherlands



- The government has recently reviewed its regulations and prioritising support for the collaborative economy to grow. For instance, Minister Henk Kamp promised the emergence of technology-neutral regulations that would ensure that no workers are disadvantaged because of their technological choice (e.g. taxi drivers could replace their meters with applications like Uber’s).
- The city of Amsterdam signed an agreement with Airbnb which explicitly permits renting accommodation via an online platform. In return, Airbnb has been collecting the applicable tourist tax since February 2015.
- Food-sharing companies such as ShareYourMeal can operate in the Netherlands as it is one of the only member states to differentiate between commercial and non-commercial food activities.

²⁷ ‘Taxe de séjour’ in French

- In December 2014, UberPop was banned because of ‘drivers transporting people for payment without a license’. However, UberPOP has continued to operate despite the potential €100,000 fine for drivers who do not comply.

Poland



- The Polish Ministry of Development has announced it will be opposing any regulation that attempts to hamper the development of the collaborative economy. It recently launched informal consultation with Polish collaborative economy platforms to collect information on red-tape barriers hindering their development.
- Collaborative economy businesses active in Poland are creating an association for the sector.
- Some crowdfunding platforms point out at the need to regulate their business. The lack of clear guidelines on how to apply tax law to crowdfunding and alternative finance in general is cited as a key issue for the users of these platforms.

Spain



- Peer-to-peer transportation platforms have been subject to regulatory pressure from local Spanish authorities. Uber has been banned nationally in December 2014 and is now trying to re-enter the Spanish market by only working with drivers who carry a valid professional VTC license (as required by all professional drivers). In 2015, Blablacar was sued by bus companies that claimed that its drivers should be considered as commercial enterprises (the case was defeated in the Spanish commercial court).
- P2P rental platforms are being regulated at a regional level – Catalonia was the first region to regulate short term lets by setting a cap on maximum availability of apartments per year, requiring owners to register for VAT with the city authority and providing evidence that nobody lives within the apartment.
- Alternative finance platforms are highly regulated. For instance, regulations limit the use of equity and debt crowdfunding to a maximum of €2m per project when non-accredited investors are involved and €5m per project when accredited investors are involved. In 2014, 74% of Alternative Finance platforms thought the proposed or existing regulations in Spain were too excessive.
- In March 2016, the Spanish regulator (CNMC) published preliminary results from a study on the collaborative economy that will recommend lifting all ‘unjustified barriers’ limiting the development of the collaborative economy.

Sweden



- In Alternative Finance, the regulatory environment is generally viewed as very positive and has stimulated the creation of local Swedish firms. However, the policy environment is more positive towards rewards-based crowdfunding, while the emerging regulations for P2P lending and equity crowdfunding were considered ‘too strict’ by 38% of alternative finance platforms in 2014.
- Sweden’s ‘sole trader’ (‘Enskild firma’) status has proven to be a productive way for freelancers to initiate their businesses with very little amount of paperwork. It acts as a stepping stone towards other forms of enterprises.
- In the ridesharing sector, there are some cases of resistance to collaborative economy businesses. Despite not being banned in Sweden, UberPOP has seen a driver convicted for ‘driving taxi goes without permission and without taxi legitimation’ in September 2015.

UK



- The UK government has made the collaborative economy ‘a priority’ (Ed Vaizey) and aims to ‘make the UK a global centre for the sharing economy’ (Matthew Hancock).
- In October 2015, after Transport for London brought a case to court to determine whether the fare calculation system on Uber’s app should be considered as a taximeter, the app was ruled as legal in London.
- After introduction of P2P lending and crowdfunding regulations by the FCA, 91% of Alternative Finance platforms in the UK regard the existing regulation as ‘adequate and appropriate’.
- In 2015, the ‘Deregulation act’ relaxed planning permission rules in London for short-term lets. Previously, owners were required to apply to the Local Planning Authority for planning permission.
- The March 2016 Budget introduced two £1,000 tax-free allowances for property and trading income for any sole trader. This measure is billed as the “world’s first sharing economy tax break” by the sharing economy sector and the Treasury estimates this could benefit more than 700,000 taxpayers. This move came in addition to the extension of the “Rent a Room” tax allowance on the first £7,500 of rental income from a room in a primary residence in 2015.
- In 2014, Eric Pickles (Communities Secretary) backed new government guidelines aimed at tackling parking congestion in busy areas, encouraging driveway sharing businesses such as Justpark.
- UK sharing economy platforms established a new industry association (SEUK) in 2015 that aims to promote and represent Sharing Economy businesses and facilitate trust between providers and customers.
- Innovate UK’s IC Tomorrow programme has launched a competition that will see six sharing economy businesses awarded up to £30,000 each in categories such as ‘trust in the sharing economy’ and ‘new sectors for the sharing economy’.

Source: PwC analysis of multiple sources

Case Studies

Overview

To highlight the practical experiences of collaborative economy business in Europe we present a case study for each of the five collaborative economy sectors we assessed. These case studies describe the presence and growth of the platform across Europe, the key drivers behind its adoption and its experience with the policy and regulatory landscape that it has encountered. We validated our findings with informal discussions with representatives of each platform.

1. Airbnb (Peer-to-peer accommodation)

Company logo



Country of origin



Background:

Airbnb is an online peer-to-peer accommodation platform founded in 2008 in the US. It allows individuals to rent their spare room or entire home to travellers looking for accommodation.

At present, Airbnb lists nearly 2 million properties in 191 countries worldwide. 60% of these are in Europe and six of the platform's top 10 global cities by revenue are European. Paris is Airbnb's most popular city, with over 54,000 listings.

The motivation of Airbnb hosts is generally to generate extra income from their space (to allow them to support themselves, their family, etc.) Guests using Airbnb are generally looking for an authentic travel experience, the opportunity to live like a local and to save some extra money. Airbnb's analysis suggests that guests tend to stay longer in the country they are visiting and spend more than visitors staying at hotels.

Airbnb's revenue model works by charging a flat commission from hosts and a small transaction fee to travellers.

Key drivers of growth:

The key drivers explaining the growth of the Airbnb platform across the European market include:

- The supply and price of traditional accommodation providers (e.g. listings are highest in non-central areas of cities that are typically under-served by hoteliers, B&Bs and hostels);
- The prevalence of urban conurbations popular with international tourists;
- The cultural fit and openness of the population to extend their spare space to a guest;
- Digital infrastructure and literacy of the population (particularly level of trust attached to the peer review mechanism);
- Positive word of mouth; and
- A conducive regulatory environment at a local, regional and national level, and extent of vocal support from the government.

Experiences with the regulatory and policy framework:

Several member states have recently updated their legislative frameworks to incorporate the peer-to-peer accommodation rental sector. As part of this process, some states have introduced restrictions to limit the total amount of time the accommodation is available and/or prevent commercial enterprises from being active on the platform (e.g. limiting multiple rentals etc.) France has recently updated its housing law to make it clear that primary residences can be shared without authorization (larger cities can apply a permission system for secondary properties). France has also amended legislation to allow online marketplaces to collect any applicable 'tourist taxes' on behalf of their users. Other countries have taken action to update or introduce regulations appropriate for peer-to-peer accommodation – these include; the Netherlands, the UK, Portugal, Germany, Italy and Belgium.

Some governments have applied regulations for commercial enterprises to peer-to-peer accommodation platforms. These have created additional barriers to entry for hosts in some markets. For example, in Catalonia, new regulations require users to apply for licence, provide a VAT number and evidence that nobody lives in the apartment (amongst other requirements). Furthermore, the fragmentation of rules (local, regional and national) has the potential to create confusion for hosts as to the legal status of their rentals.

2. Blablacar (Peer to peer transportation)

Company logo



Country of origin



Background:

Blablacar is a long distance ridesharing platform, founded in 2006 in France. The platform connects drivers travelling between cities with empty seats to individuals looking to travel the same way.

The company has grown from 1 million members in 2011 to 25 million in 2015 and now allows over 10 million people to travel together each quarter, three times more travellers than on the Eurostar. Blablacar has expanded from its home market to over 22 countries, including 15 in the European Union. Most recently, the platform launched in Eastern European countries, including Czech Republic and Slovakia.

Blablacar drivers typically use the platform to share costs of making long journeys, but also to meet new people and to have some company. The platform estimates that its drivers have saved £216m every year, which has also had a positive carbon emissions impact (saving an estimated 1 million tonnes of CO₂ over the past year).

Blablacar's revenue model works by taking a small slice of the cost contributions paid by passengers to drivers through the platform. When first entering a country, Blablacar may initially offer a "facilitation only" service to generate adoption of the platform. In practice, this means the platform only connects drivers and passengers but does not facilitate electronic payment through the platform.

Key drivers of growth across Europe:

The key drivers explaining the growth of the Blablacar platform across the European market include:

- The high cost of owning and maintaining cars (particularly for the Millennial generation who tend to be less motivated by car ownership);
- The price of existing transport alternatives or their lack of convenience on underserved routes;
- The cultural fit and degree of openness of the population to sharing car journeys together
- The affordability and convenience of the service as well as its presence on multiple platforms (e.g. mobile);
- The level of trust built between ride sharers through the platform (declared profiles, online booking, moderation, peer-to-peer ratings, additional insurance, etc.).

Experiences with the regulatory and policy framework:

Self-regulatory mechanisms form a key part of Blablacar's success. Its two-way feedback system fosters trust and good behaviour inside the community, through peer ratings and the ability to leave feedback. In addition, Blablacar prevents drivers from using the platform for profit-making purposes by setting a cap on prices as well as number of seats available. Blablacar recommends a price to drivers and doesn't allow them to adjust it by more than 50%.

Blablacar is experiencing legal challenges in Spain. The platform is being sued by Confefibus, the Spanish confederation of bus transportation services. The challenge centres on whether Blablacar promotes 'unfair competition' as its drivers should be considered as commercial enterprises. BlaBlaCar won the summary proceedings on the basis that the case didn't justify an urgent injunction. The case is still ongoing.

Some of the key policy challenges for Blablacar at present in Europe are the lack of harmonization of VAT rules across EU-28 countries and a lack of clarity around the definition of BlaBlaCar's ridesharing activity (which is sometimes confused with other models) and the fact that cost contributions received by drivers do not constitute taxable revenues.

3. ShareYourMeal (On-demand household services)

Company logo



Country of origin



Background:

ShareYourMeal is a non-profit foodsharing platform founded in 2011 in the Netherlands. The platform enables home chefs to share their cooking with people in their local neighbourhood. ShareYourMeal has grown to 10,000 home cooks and 75,000 users on its platform, and operates predominantly in the Netherlands.

ShareYourMeal aims to have a positive social impact by connecting neighbours and creating stronger local communities through the act of sharing food. For example, it has worked with local communities to develop a special programme that match vulnerable people with home cooks so they can eat healthier food and get to know their neighbours. Since its inception in 2014, the programme has paired over 360 people, generated over 14,800 meetings and shared 19,200 meals. Over 91% of vulnerable people connected feel that the experience helped to improve their quality of life significantly, and 51% of the home cooks help with other household tasks outside of cooking.

Key drivers of growth:

The key drivers explaining the growth of the ShareYourMeal platform across European markets, include:

- The cultural fit and openness of the population to sharing a meal with their neighbours;
- The strength and resilience of local communities; and
- A conducive regulatory environment and vocal support from local public sector bodies.

Experiences with the regulatory and policy framework:

One of the critical regulatory issues for ShareYourMeal is the absence of a differentiation in tax legislation between cost-sharing ventures and commercial enterprises within the EU. The Netherlands has chosen to extend a flexible approach to the enforcement of this legislation, which has encouraged ShareYourMeal's activity. In Belgium, the tax authority proposed that VAT tax should apply to foodsharing meals and home cooks should be subject to income tax. However, the platform demonstrated that its home cooks do not run a commercial activity, but rather use the platform as an opportunity to share grocery costs. ShareYourMeal showed that the average price of a meal on the platform is €4.40 and that home cooks in Belgium had an average annual turnover of €123. The platform states it has obtained a verbal agreement from the Belgian tax authority that its home cooks should not be considered as commercial enterprises. It is however still waiting for an official statement to confirm this position.

The second regulatory issue for ShareYourMeal is the absence of a distinction between food safety & hygiene standards for restaurants and commercial enterprises and those for home cook foodsharing models. For instance, in Belgium, the food hygiene authority conducted visits to some home cooks to verify that they were applying food hygiene standards. This news rapidly spread to other home cooks, deterring them from joining the platform and curtailing their presence in Belgium. ShareYourMeal states that its home cooks cannot comply with the hygiene standards of traditional commercial enterprises in this market without incurring significant costs.

4. Hopwork (On-demand professional services)

Company logo



Country of origin



Background:

Hopwork is an on-demand freelancing platform, founded in 2013 in France. The platform connects companies with local freelancers specialized in various fields such as software development, consultancy, design and marketing. Hopwork has grown to support over 18,500 freelancers and 7,000 companies have now used its service. The platform is currently only active in France but plans to expand to other European countries in the near future.

Hopwork argues that reverse-auction platforms cannot help companies to find high-value, local talent for long-term projects. The platform argues that the reverse-auction model drives down prices, so that they mostly attract lower-wage freelancers based in developing countries against whom European freelancers struggle to compete. On Hopwork, instead of freelancers bidding for work, companies have access to a comprehensive database of profiles ranked by availability, geographical proximity, number and quality of client recommendations. Companies largely select profiles according to their quality, with price becoming a secondary criteria. On HopWork, companies contact freelancers directly and privately. Bids are not made public and the payment is facilitated securely through the platform. Hopwork states that 70% of freelancers on its platform earn as much or more than before they joined and that only 4% of its freelancers would prefer to work as salaried employees.

Key drivers of growth:

The key drivers explaining the growth of the Hopwork platform in France include:

- Levels of entrepreneurship and the traditional presence of self-employment/freelancing working practices;
- Growing need of flexibility and expertise from SMEs as well as large corporations; and
- Presence of supportive regulatory measures to help freelancers start their activity.

Experiences with the regulatory and policy framework:

Hopwork cites that it complies fully with French regulations and that 100% of freelancers using the platform have a verified legal status. This is considered a key differentiator to attract companies that are generally concerned with regulatory issues associated with freelance work (e.g. application of labour laws and improper subcontracting).

Hopwork has also put in place self-regulatory mechanisms to encourage positive behaviours on the platform. The platform's feedback system facilitates two-way peer reviews and allows companies to rate freelancers on key success factors (i.e. rapidity of response, performance etc.) and for freelancers to rate companies (i.e. on ways of working, payment delays etc).

Hopwork believes that European governments are generally supportive of freelance platforms given the importance of flexible working practices and entrepreneurship in reducing unemployment levels. Overall, Hopwork cites the following key characteristics of a supportive regulatory environment:

- The existence of special tax status for 'sole-traders' that acts as a stepping stone for small-scale businesses (for example, this tax status exists in France for those with earnings below €32k),
- The existence of special status for artists/creative workers (who form a large part of the freelance population);
- The simplicity and clarity of the regulatory environment for freelancers to identify the status applicable to them and to complete the necessary paperwork; and
- The ease of transition between salaried and freelance status.

However, Hopwork has observed a policy gap between vocal public support for these platforms and public policy action. For instance, in France, the length of the administrative transition process between the salaried and freelance status is a key issue – particularly with regards to the national insurance status of freelancers.

5. Funding Circle (Collaborative finance)

Company logo



Country of origin



Background:

Funding Circle is a peer-to-peer lending platform founded in 2010 in the UK. Its platform allows investors (retail, institutional and government) to lend money to small and medium-size businesses. Funding Circle has originated over £1 billion loans since its creation and has recently been valued at over \$1billion. Loan volumes are growing strongly – in 2015 alone, the platform originated over £530 million worth of loans, up from £279 million in 2014. The platform has also expanded internationally through acquisition, to the US in 2013 and to Germany, Spain and the Netherlands in 2015.

One-third of businesses raising money through Funding Circle's platform have only limited access to funding through traditional platforms (e.g. banks). These are generally businesses with high profitability but limited assets against which to secure a loan. The main reason businesses cite for using Funding Circle is speed. It takes 10 minutes to apply online, 48 hours for a decision (compared to up to several months at a bank) and full drawn down within a week. 77% of businesses who have borrowed through Funding Circle would always come back to the platform first over a bank. Investors are motivated by attractive returns available (averaging 7% per annum) in the context of the current low interest environment, alongside the social impact they can have on local businesses.

Funding Circle's business model works by charging small loan origination/servicing fees on their primary loan auction system. On their secondary market (where parts of existing loans are traded), Funding Circle charges a 0.25% fee on sales.

Key drivers of growth:

The key drivers explaining the growth of Funding Circle across European markets include:

- Decreased availability and access to credit for SMEs because of high capital requirements and branch network costs for banks;
- Paperwork-heavy processes in banks;
- Low investor returns on traditional financial products (e.g. savings accounts etc.);
- Potential deterioration of consumer trust in banking institutions since the global financial crisis;
- High volume of data available on consumers and accuracy of credit models; and
- A conducive regulatory environment, with explicit support from the public sector (see below).

Experiences with the regulatory and policy framework:

Funding Circle's growth in the UK has been supported by the government's proactive moves to formalise the regulatory environment for alternative finance models. The regulatory framework has stimulated growth in peer-to-peer lending through measures such as; including P2P products within the ISA wrapper so tax incentives can be provided and establishing mandatory referrals of failed loan applications from banks. However, it balances these measures with strengthened consumer protection – for example, by limiting the extent of marketing allowed by P2P lending platforms on online/social media. The British Business Bank has also supported Funding Circle more explicitly by lending £60m to businesses through their platform in 2014. The investment is ring-fenced to support social ventures who have high potential but struggle to access finance.

In most European countries, P2P investors and borrowers must reside within the country the platform operates in to be able to complete a transaction. Therefore, differences in regulatory environment between countries are a key consideration when Funding Circle is looking to expand its operations. For instance, in Germany, peer-to-peer lending is subject to equity crowdfunding regulations: loans are capped to a maximum of 100,000 euros. Although it is working with the regulator to clarify the difference between its debt-based model and equity crowdfunding models, such regulation currently hinders Funding Circle's growth in Germany.

Conclusions and next steps

We have been asked by DG GROW to assess the size and presence of the collaborative economy in Europe. For the purposes of this exercise we assessed five key sectors of the collaborative economy that facilitate transactions through an online platform²⁸:

- **Peer-to-peer accommodation:** households sharing access to unused space in their home or renting out a holiday home to travellers
- **Peer-to-peer transportation:** individuals sharing a ride, car or parking space with others
- **On-demand household services:** freelancer marketplaces enabling households to access on-demand support with household tasks such as food delivery and DIY
- **On demand professional services:** freelancer marketplaces enabling businesses to access on-demand support with skills such as administration, consultancy and accountancy
- **Collaborative finance:** individuals and businesses who invest, lend and borrow directly between each other, such as crowd-funding and peer-to-peer lending

We estimate these five key sectors of the collaborative economy generated revenues of nearly €4bn and facilitated €28bn of transactions within Europe in 2015. Our findings show that growth in both revenues and transaction values has accelerated since 2013 – at a pace which has significantly exceeded our expectations from our 2014 global study²⁹. We estimate that last year, these platforms doubled their revenues in Europe.

We find a thriving collaborative economy start-up scene across Europe – and estimate that at least **275 collaborative economy platforms have been founded** in the region to date³⁰. We also find evidence for a relatively small – but quickly growing – participation in the collaborative economy across European consumers, as both users and providers. Finally, we describe some of the key movements in the **policy and regulatory landscape affecting the collaborative economy** across member states. Our high-level review highlights how significant differences have opened up in the regulatory framework applied to collaborative economy enterprises across Europe. A wide spectrum of regulatory and tax policies has emerged, accompanied by varying levels of application and enforcement.

Overall, our findings strengthen our point of view that the collaborative economy has now become a deep socio-economic trend that is fundamentally changing the way we live our lives. From freelancing platforms changing the way we work to food-sharing platforms changing the way we share and connect in local communities, collaborative economy businesses are leading to new economic and social interactions within member states and across Europe as a whole. While the rapid development of these platforms should be considered as an economic opportunity for European economies to foster sustainable and more widely-spread growth, it poses significant challenges for policy makers and regulators to keep up.

In developing this report, we hope to inform the development of a policy, regulatory and legislative environment for the collaborative economy across Europe that **balances the needs of consumers with regional priorities for competitiveness, innovation and growth.** However, developing such a framework will require a much deeper understanding of national regulatory frameworks, measuring and monitoring the impact of the different approaches that are employed and enhanced coordination and knowledge sharing at a regional level. It will also require much greater collaboration – both between member states – and between policy makers and collaborative economy platforms.

²⁸ We set out a full definition of the five collaborative economy sectors we assessed in Appendix A.

²⁹ PwC UK, (2014). *The sharing economy - Sizing the revenue opportunity*. [online] pwc.co.uk. Available at: <http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-the-revenue-opportunity.html>

³⁰ Our assessment of European start-ups covered nine member states: France, Belgium, Germany, UK, Poland, Spain, Italy, Sweden, and the Netherlands.

Appendix

Appendix A: Defining the five key collaborative economy sectors

Defining the Collaborative Economy

Collaborative Economy organisations use online platforms to connect distributed groups of individuals and enterprises and enable them to share access to their assets, resources, time and skills on a scale that was not possible before.

Sector definitions

1. Peer-to-peer accommodation

Collaborative Economy organisations in the accommodation sector use digital platforms to enable individuals to rent out access to their unused accommodation to travellers. This could include renting access to a portion of their primary residence (e.g. a sofa, a spare room), their whole primary residence (e.g. whilst they are not present) or a secondary residence (e.g. a holiday home).

Within this definition, we would include:

- Peer-to-peer rental platforms (e.g. Airbnb)
- Home-swapping platforms (e.g. LoveHomeSwap)
- Online-only vacation rental platforms (e.g. HomeAway)

2. Peer-to-peer transportation

Collaborative Economy organisations in the transportation sector use digital platforms to connect riders with travelling options over both short and long distances. This could include sharing access to a spare space in a car travelling in the same direction to communal use of a network of cars (e.g. on a subscription basis).

Within this definition, we would include:

- App-based short-distance ride sharing services (e.g. Uber)
- Long-distance ride sharing services (e.g. Blablacar)
- Car sharing networks:
 - a. Peer-to-Peer car sharing networks (e.g. GetAround)
 - b. Business-to-Consumer car sharing networks
 - i. “One-way station” models (e.g. Enjoy)
 - ii. “Round-trip” models (e.g. Zipcar)
 - iii. “Free-floating” models (e.g. Car2Go)
 - c. Driveway / Parking sharing platforms

3. On-demand household services

Collaborative economy organisations in the household services sector are online ‘crowd-based’ marketplaces enabling households to access to on-demand, crowdsourced delivery and household task services.

Within this definition, we would include:

- Crowdsourced delivery networks
 - o Generalised “A-to-B” delivery networks (e.g. UberRUSH)
 - o Specialised, on-demand delivery services

-
- i. Grocery delivery services (e.g. Instacart)
 - ii. Local restaurant delivery services (e.g. Deliveroo)
 - On-demand household chores
 - o Handyman and general DIY services (e.g. TaskRabbit)
 - o Specialized household services (e.g. ZipJet for dry cleaning)

4. On-demand professional services

Collaborative economy organisations in professional services are online platforms that enable individuals and businesses that require office tasks and skills to locate freelancers with spare capacity. These platforms enable businesses to hire individual contractors instead of external service providers (e.g. to build a website, conduct marketing analysis etc) and access time and expertise on-demand. Most often, the freelancers work remotely.

Within this definition, we would include

- Large online-only freelancer marketplaces (e.g. Upwork – typically for more administrative services)
- Specialised on-demand professional service platforms (e.g. HolterWatkin – typically, for more specialised, technical services)

5. Collaborative finance

Collaborative finance platforms enable individuals and businesses to borrow and lend money to and from each other rather than from traditional intermediaries such as banks. In doing so, these platforms tap the ‘crowd’ for capital – rather than one well-defined investor.

Within this definition, we would include

- Crowdfunding platforms:
 - o “Rewards-based” crowdfunding (e.g. Kickstarter)
 - o Equity crowdfunding (e.g. SyndicateRoom)
- Lending platform:
 - o “Peer-to-Peer” consumer lending (e.g. LendingClub)
 - o “Investor-to-SME” lending (e.g. FundingCircle)

Appendix B - Collaborative economy companies founded in Europe

From our research, we compiled a list of collaborative economy companies that were founded in nine member states: Belgium, France, Germany, Italy, Netherlands, Poland, Spain, Sweden and the UK.

The sector classification for each enterprise is only indicative, as some companies may be part of two or more sectors at a time (e.g. many crowdfunding companies also operate in peer-to-peer lending)

Figure 9: List of collaborative economy companies per sector and country of origin

Sector	Company Name	Country of Origin
Car sharing networks	Degage	Belgium
Car sharing networks	Eutodelen	Belgium
Car sharing networks	Zen	Belgium
Crowdsourced delivery networks	TakeEatEasy	Belgium
Lending Platforms	LookandFin	Belgium
On-demand household chores	Listminut'	Belgium
On-demand household chores	MenuNextdoor	Belgium
Other transportation asset sharing (parking, boats, etc.)	BePark	Belgium
Car sharing networks	Drivy	France
Car sharing networks	Ouicar	France
Car sharing networks	Koolicar	France
Car sharing networks	TravelerCar	France
Car sharing networks	Autolib	France
Crowdfunding	Wecan.fund	France
Crowdfunding	Kisskissbankbank	France
Crowdfunding	Afexios	France
Crowdfunding	Bulbintown	France
Crowdfunding	Crowd2Win	France
Crowdfunding	Easiup	France
Crowdfunding	Enerfip	France
Crowdfunding	Mynewstartup	France
Crowdfunding	Ulule	France
Crowdfunding	Lacourteechelle	France
Crowdsourced delivery networks	TokTokTok	France
Crowdsourced delivery networks	Stuart	France
Crowdsourced delivery networks	Resto-in	France
Crowdsourced delivery networks	ColisWeb	France
Crowdsourced delivery networks	Deliverree	France
Crowdsourced delivery networks	Get	France
Crowdsourced delivery networks	Shiply	France
Freelancer marketplaces	HopWork	France
Lending Platforms	Lendix	France
Lending Platforms	Unilend	France
Lending Platforms	Finsquare	France
Lending Platforms	Tributile	France

Lending Platforms	Pret-Dunion	France
Lending Platforms	Prexem	France
Long-distance ride sharing	Blablacar	France
On-demand household chores	Ilokyou	France
On-demand household chores	Stootie	France
On-demand household chores	Cleanio	France
On-demand household chores	Mib Clean	France
On-demand household chores	Vizeat	France
On-demand household chores	Frizbiz	France
On-demand household chores	Helpy	France
On-demand household chores	Foodchéri	France
On-demand household chores	Dweho	France
Other transportation asset sharing (parking, boats, etc.)	Mobypark	France
Other transportation asset sharing (parking, boats, etc.)	MonsieurParking	France
Other transportation asset sharing (parking, boats, etc.)	SharedParking	France
Other transportation asset sharing (parking, boats, etc.)	Qpark-resa	France
Other transportation asset sharing (parking, boats, etc.)	Pmobile (developed y Paris council)	France
Ride sharing services	LeCab	France
Ride sharing services	Chauffeur-Privé	France
Ride sharing services	SnapCar	France
Specialised professional service platforms	Willid	France
Specialised professional service platforms	eYeka	France
Specialised professional service platforms	Creads	France
“Peer-to-peer” rental platforms	Wimdu	Germany
“Peer-to-peer” rental platforms	9Flats	Germany
Car sharing networks	Car2Go	Germany
Car sharing networks	DriveNow	Germany
Car sharing networks	Tamyca	Germany
Car sharing networks	Autonetzer (now Drivy)	Germany
Car sharing networks	Hertz 24/7	Germany
Crowdfunding	Fairplaid	Germany
Crowdfunding	Companisto	Germany
Crowdfunding	Innovestment Gmbh	Germany
Crowdfunding	Aescuvest	Germany
Crowdfunding	Bettervest	Germany
Crowdfunding	Conda	Germany
Crowdfunding	Deutsche Unternehmerborse	Germany
Crowdfunding	Fundernation	Germany
Crowdfunding	GreenXMoney	Germany
Crowdfunding	Seedmatch	Germany
Crowdfunding	Leihdeinerstadtgeld	Germany
Crowdsourced delivery networks	Foodora	Germany

Lending Platforms	FundingCircle CE (Previously Zencap)	Germany
Lending Platforms	Auxmoney	Germany
Lending Platforms	Lendico	Germany
Lending Platforms	Giromatch	Germany
On-demand household chores	Doido	Germany
On-demand household chores	Mila	Germany
On-demand household chores	Helpling	Germany
On-demand household chores	BookaTiger	Germany
Other transportation asset sharing (parking, boats, etc.)	ParkPocket	Germany
Other transportation asset sharing (parking, boats, etc.)	ParkTag	Germany
Specialised professional service platforms	Twago	Germany
Car sharing networks	Enjoy	Italy
Crowdfunding	Assitecacrowd	Italy
Crowdfunding	Ecomill	Italy
Crowdfunding	DeRev	Italy
Freelancer marketplaces	CoContest	Italy
Lending Platforms	Smartika (Zopa Italy)	Italy
Lending Platforms	Prestiamoci	Italy
On-demand household chores	SupperShare	Italy
Car sharing networks	Snappcar	Netherlands
Car sharing networks	WeGo	Netherlands
Car sharing networks	MyWheels	Netherlands
Car sharing networks	Deelauto	Netherlands
Car sharing networks	Greenwheels	Netherlands
Crowdfunding	4Just1	Netherlands
Crowdfunding	Geefrom	Netherlands
Crowdfunding	Gambitious	Netherlands
Crowdfunding	TenPages.com	Netherlands
Crowdfunding	Symbid (The Funding Network)	Netherlands
Crowdfunding	Doorgan	Netherlands
Crowdfunding	Greencrowd	Netherlands
Crowdfunding	Wesharesolar	Netherlands
Crowdfunding	Zorgfunders	Netherlands
Crowdfunding	Crowdfunding voorNatuur	Netherlands
Crowdfunding	Oneplanetcrowd	Netherlands
Crowdsourced delivery networks	Pickthisup	Netherlands
Freelancer marketplaces	Viedit	Netherlands
Freelancer marketplaces	Whoopaa (shut down)	Netherlands
Lending Platforms	Geldvoorelkaar	Netherlands
Lending Platforms	Lendahand	Netherlands
Lending Platforms	Collin Crowdfund	Netherlands
Lending Platforms	KapitalOopmat	Netherlands
Lending Platforms	SamenIngeld	Netherlands

Lending Platforms	Samenwekende Kredietunie	Netherlands
On-demand household chores	Jobado	Netherlands
On-demand household chores	ShareYourMeal	Netherlands
On-demand household chores	Merkatus	Netherlands
On-demand household chores	Mrfix	Netherlands
On-demand household chores	Klusup	Netherlands
Ride sharing services	togethr	Netherlands
On-demand household chores	Peerby	Netherlands
Crowdfunding	Wspieram	Poland
Crowdfunding	Crowdfunding.pl	Poland
Crowdfunding	eventudu	Poland
Crowdfunding	Wspolnyprojekt	Poland
Crowdfunding	Polakpotrafi	Poland
Crowdsourced delivery networks	Jadezabiore	Poland
Lending Platforms	Wspolnicy	Poland
Lending Platforms	GiveTake	Poland
Lending Platforms	Finansowo	Poland
Lending Platforms	Kokos	Poland
On-demand household chores	Pobli	Poland
On-demand household chores	Sirlocal	Poland
“Peer-to-peer” rental platforms	Alterkeys	Spain
Car sharing networks	SocialCar	Spain
Car sharing networks	Avancar	Spain
Crowdfunding	RealFunding	Spain
Crowdfunding	Creoentuproyecto	Spain
Crowdfunding	MocroInversores	Spain
Crowdfunding	MyNbest	Spain
Crowdfunding	Crowdfunding safari	Spain
Crowdfunding	Igamudi	Spain
Crowdfunding	SocioInversores	Spain
Crowdfunding	WorldCoo	Spain
Crowdfunding	Verkami	Spain
Crowdsourced delivery networks	Glovo	Spain
Crowdsourced delivery networks	Shipeer	Spain
Freelancer marketplaces	Nubelo	Spain
Lending Platforms	Arboritus	Spain
Lending Platforms	Growly	Spain
Lending Platforms	Loanbook Capital	Spain
Lending Platforms	Finanzarel	Spain
Lending Platforms	Communitae	Spain
On-demand household chores	ETECE	Spain
On-demand household chores	HogarSoluciones	Spain
On-demand household chores	FamilicaFacil	Spain
On-demand household chores	Tumanitas	Spain
On-demand household chores	Wayook	Spain

Other transportation asset sharing (parking, boats, etc.)	LetMeSpace	Spain
Other transportation asset sharing (parking, boats, etc.)	Aparcandgo	Spain
Specialised professional service platforms	Geniuzz	Spain
Vacation rental platforms	Niumba	Spain
Car sharing networks	Flexidrive (acquired by snappcar)	Sweden
Car sharing networks	Sunfleet	Sweden
Crowdfunding	FundedByMe	Sweden
Crowdfunding	CrowdCulture	Sweden
Crowdsourced delivery networks	Urb-it	Sweden
Lending Platforms	Toborrow AB	Sweden
Lending Platforms	Lendify AB	Sweden
Lending Platforms	TrustBuddy (no longer active)	Sweden
Long-distance ride sharing	BilPlats.se	Sweden
Long-distance ride sharing	Skjutsgruppen	Sweden
Long-distance ride sharing	Mobilsamakning	Sweden
On-demand household chores	Butlr	Sweden
On-demand household chores	Domytask	Sweden
On-demand household chores	HIHD AB	Sweden
On-demand household chores	Taskrunner	Sweden
Specialised professional service platforms	E-Work	Sweden
Vacation rental platforms	Fritiden	Sweden
Car sharing networks	EasyCarClub	UK
Car sharing networks	Rentecarlo	UK
Crowdfunding	Investingzone	UK
Crowdfunding	CrowdPatch	UK
Crowdfunding	Syndicateroom	UK
Crowdfunding	Angels Den	UK
Crowdfunding	Emerging Crowd	UK
Crowdfunding	Trillion Fund	UK
Crowdfunding	Seedrs	UK
Crowdfunding	Seedups	UK
Crowdfunding	Emerging Crowd	UK
Crowdfunding	CrowdCube	UK
Crowdfunding	Unbound	UK
Crowdfunding	Abundance Incestment	UK
Crowdfunding	Bloom	UK
Crowdfunding	BNKTOTHEFUTURE	UK
Crowdfunding	Crowdforangels	UK
Crowdfunding	Crowdfunder	UK
Crowdfunding	Gamcrowd	UK
Crowdfunding	FundingEmpire	UK
Crowdfunding	Microgenius	UK
Crowdfunding	Mayfair&Morgan	UK
Crowdfunding	Venturefounders	UK

Crowdfunding	Money&co	UK
Crowdsourced delivery networks	Nimber	UK
Crowdsourced delivery networks	Shutl	UK
Crowdsourced delivery networks	StreetTeam	UK
Crowdsourced delivery networks	Swishd	UK
Crowdsourced delivery networks	Pedals	UK
Crowdsourced delivery networks	Jinn	UK
Crowdsourced delivery networks	Quiquip	UK
Crowdsourced delivery networks	Henchmanapp	UK
Crowdsourced delivery networks	Deliveroo	UK
Crowdsourced delivery networks	DineIn	UK
Crowdsourced delivery networks	CityPantry	UK
Crowdsourced delivery networks	ValkFleet	UK
Crowdsourced delivery networks	DeliveryCube	UK
Crowdsourced delivery networks	Hubbub	UK
Crowdsourced delivery networks	Beelivery	UK
Crowdsourced delivery networks	Meals	UK
Freelancer marketplaces	Peopleperhour	UK
Freelancer marketplaces	FiveSquid	UK
Freelancer marketplaces	Babelverse	UK
Freelancer marketplaces	Voices	UK
Home-swapping platforms	LoveHomeSwap	UK
Lending Platforms	FundingCircle	UK
Lending Platforms	Thincats	UK
Lending Platforms	Folk2Folk	UK
Lending Platforms	AssetzCapital	UK
Lending Platforms	FundingKnight	UK
Lending Platforms	Rebuilding Society	UK
Lending Platforms	Ablrate	UK
Lending Platforms	Proplend	UK
Lending Platforms	Saving Stream	UK
Lending Platforms	Archover	UK
Lending Platforms	Fireflock	UK
Lending Platforms	lendingcrowd	UK
Lending Platforms	Realfunds	UK
Lending Platforms	Zopa	UK
Lending Platforms	RateSetter	UK
Lending Platforms	Lending Works	UK
Lending Platforms	Unbolted	UK
Lending Platforms	Wellesley & Co.	UK
Lending Platforms	Landbay	UK
Lending Platforms	Lendinvest	UK
Lending Platforms	Cofunder	UK
Long-distance ride sharing	Liftshare	UK
Long-distance ride sharing	GoCarshare	UK
On-demand household chores	TaskPandas	UK

On-demand household chores	Echo	UK
On-demand household chores	Favourful	UK
On-demand household chores	Care.com	UK
On-demand household chores	ZipJet	UK
On-demand household chores	Washbox (now Laundrapp)	UK
On-demand household chores	Laundrapp	UK
On-demand household chores	Spyn	UK
On-demand household chores	Tusted housitters	UK
On-demand household chores	Hassle	UK
On-demand household chores	Urban Massage	UK
On-demand household chores	Housekeep	UK
On-demand household chores	Wahanda	UK
On-demand household chores	Bizzby	UK
On-demand household chores	IHateIroning	UK
On-demand household chores	LaundryRepublic	UK
Other transportation asset sharing (parking, boats, etc.)	JustPark	UK
Other transportation asset sharing (parking, boats, etc.)	Parkonmy drive	UK
Ride sharing services	Haxi	UK
Vacation rental platforms	OneFineStay	UK