

MODERN SHARING ECONOMY: BEHAVIOR FEATURES OF SUBJECTS ON CONSUMER-TO-CONSUMER INTERNET MARKET

Sergey Kulpin

Abstract

The relevance of this study is due to the fact that the development of the Internet market has changed the relationship of people for a couple of decades. The communication system, the transaction system have changed, the economic thinking of a consumer is transformed.

In addition to traditional online stores social media have a significant influence on economic processes. Social media first appeared in the informal life of society and, over time, moved into the sphere of business relations. The network organization of the information space has accelerated the communication business process dozens of times compared with the end of the last century.

The purpose of study is to assess the market C2C structure, characteristics and behaviour of Internet C2C sellers in a specific Russian region (Sverdlovsk region).

The author explores features of sellers on Internet platforms of different formats: traditional social media, online bulletin board, messengers. The author answers such questions as what is the socio-demographic profile of the provincial C2C sellers, what they sell, on what technology platforms. Answers to these questions is an attempt to determine the new rules and norms of economic exchange which stand out in the new economic institute of the Internet market.

Key words: sharing economy, Internet market, social media, digital economy

JEL Code: L86, O35, Z13

Introduction

Sharing economy is a dynamically developing socio-economic model which already today makes a serious contribution to the development of the national and regional economies. Now the consumer-to-consumer sector accounts for about a third of online trading in Russia. Sharing economy which is a product of social, economic, societal, and technological changes recently

emerging and shaping up in the human society is marked by a high penetration into all sectors of the "traditional" economy (Popov, 2018). According to the Russian Association of Electronic Communications, the total volume of the main sectors of joint consumption in Russia in 2018 is close to 511 billion rubles (7 billion euros). The main contribution to this volume is made by consumer-to-consumer (C2C) sales (about 370 billion), online freelancer exchanges (about 98 billion), joint travel services (carpooling) and carsharing (cumulatively about 27 billion), as well as short-term rental housing (about 10 billion rubles). The market grew by 30% compared with 2017.

The study identifies joint-use companies in the economic sphere as online platforms that allow people and companies to unite in order to share their resources.

The purpose of this study is to identify the general patterns of behavior of subjects of the consumer-to-consumer Internet market which operate through modern social media and modern Internet platforms.

1 Research Background

Every year the topic of sharing economy is becoming increasingly popular. The paper (Chasin, 2017) presents the results of a comprehensive study of the development of more than 500 digital P2P and SCC platforms, identifies patterns and describes their evolution. The authors identify different approaches to the analysis of digital platforms, depending on the resources used, activities and other factors. The development of Web 2.0 and the availability of digital technologies has led to the emergence of new business models, generally referred to as "sharing economies" (Altrock, 2017).

A number of problems caused by the development of a sharing economy are discussed elsewhere (Selloni, 2017). Such features as tax evasion and deregulation of the labor market are vivid examples of the development of new forms of economic relations. In addition, the authors note the vagueness of the very concept of "sharing economy" at the present stage of the study of this phenomenon. As arguments, there are many concepts used to describe similar economic processes of decentralization, such as "exchange economy", "economy of collaborate consumption", "access economy". The authors consider the social side of the sharing economy, which plays a central role in more effectively creating a variety of services of public interest.

Many studies are devoted directly to individual segments of the sharing economy: carsharing or carpooling (Cohen, 2014), short-term accommodations (Zervas, 2017; Ert, 2016; Wittel, 2011), C2C e-commerce (Lu, 2010; Chen, 2014)

In this study, the author focuses also on the motives for the participation of agents in the shared economy. The study (Hamari, 2016) shows that participation in co-consumption is motivated by many factors, such as its sustainability, enjoyment of activities, and economic benefits.

In another paper, analyzing a model of a sharing economy, the authors compare the motivation of agents to participate in a sharing economy (Altrock, 2017). The authors introduce a theoretical structure that illustrates the concept of a sharing economy based on social interactions between agents.

Joint consumption can not be considered as a simple form of economic exchange or as the primary regulatory form of resource allocation. Instead, joint consumption is determined by economic / egoistic (for example, savings) and regulatory (for example, altruistic and ecological value orientations) motives (Jiroudková, 2015).

2 Consume-to-Consume Internet Market: Methods and Results

In this study, the author relies on the methodology of the all-Russian study of C2C e-commerce, conducted by Yandex.Kassa and DataInsight (2018). According this study the main channels of economic exchange on the C2C Internet market in Russia are:

1. Social Media (VKontakte, Facebook, etc.);
2. Messengers (WhatsApp, Viber, Telegram, etc);
3. Bulletin boards (Avito.ru, Youla.io, etc.);
4. Sharing services (AirBnB.ru, BlaBlaCar.ru, YouDo.ru, etc.).

The purpose of our study was to collect data on the market size, characteristics and behavior of Internet C2C sellers in a specific Russian region (Sverdlovsk region).

This study was conducted by online survey of C2C sellers. The survey was conducted from February to April 2019. A total of 303 respondents were interviewed. Quoting was made by gender, age. All respondents are from Sverdlovsk region of Russia. We were looking for users of the popular social media VKontakte who was living in the Sverdlovsk region and having at least 1 advertisement for sale on their own page for 1 month. Thus, all respondents use social media for C2C selling. Some of them use also messengers, and bulletin boards.

The socio-demographic profile of C2C sellers from our survey is shown in Figures 1-3.

Fig. 1: Gender ratio of C2C sellers (N=303)

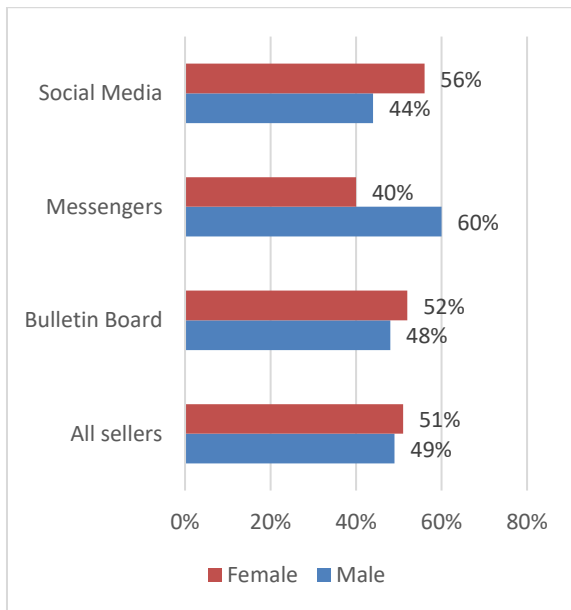


Fig. 2: Age of C2C sellers (N=303)

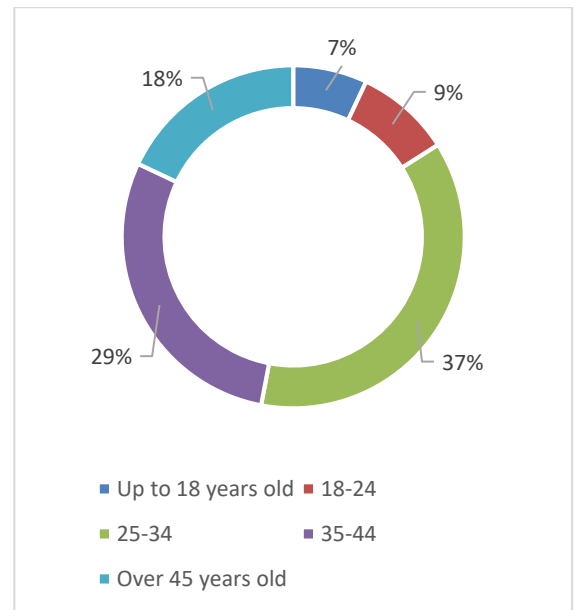
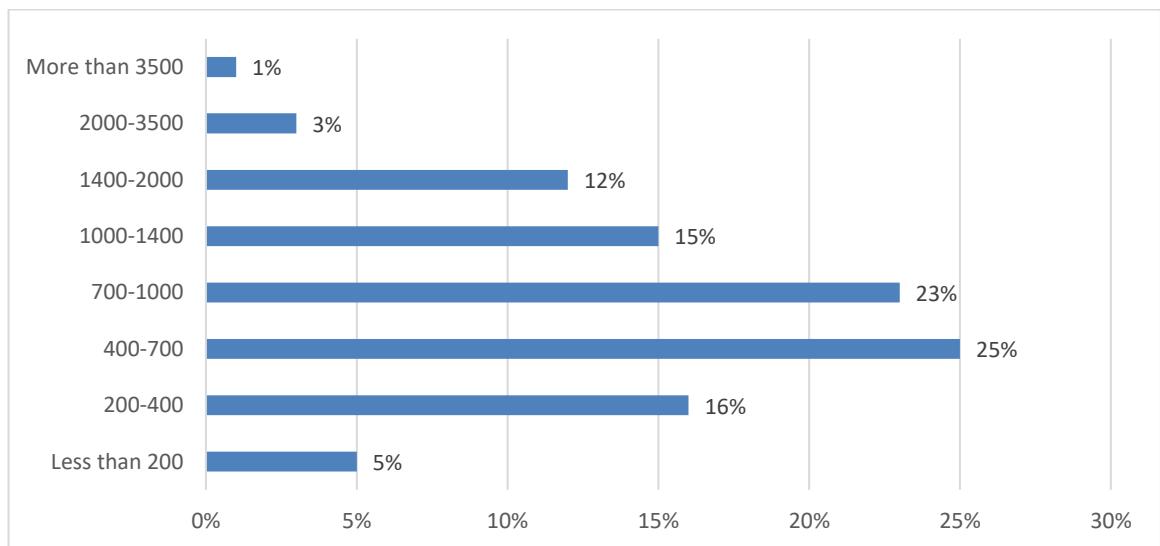


Fig. 3: Family income per month, euro (N=303)

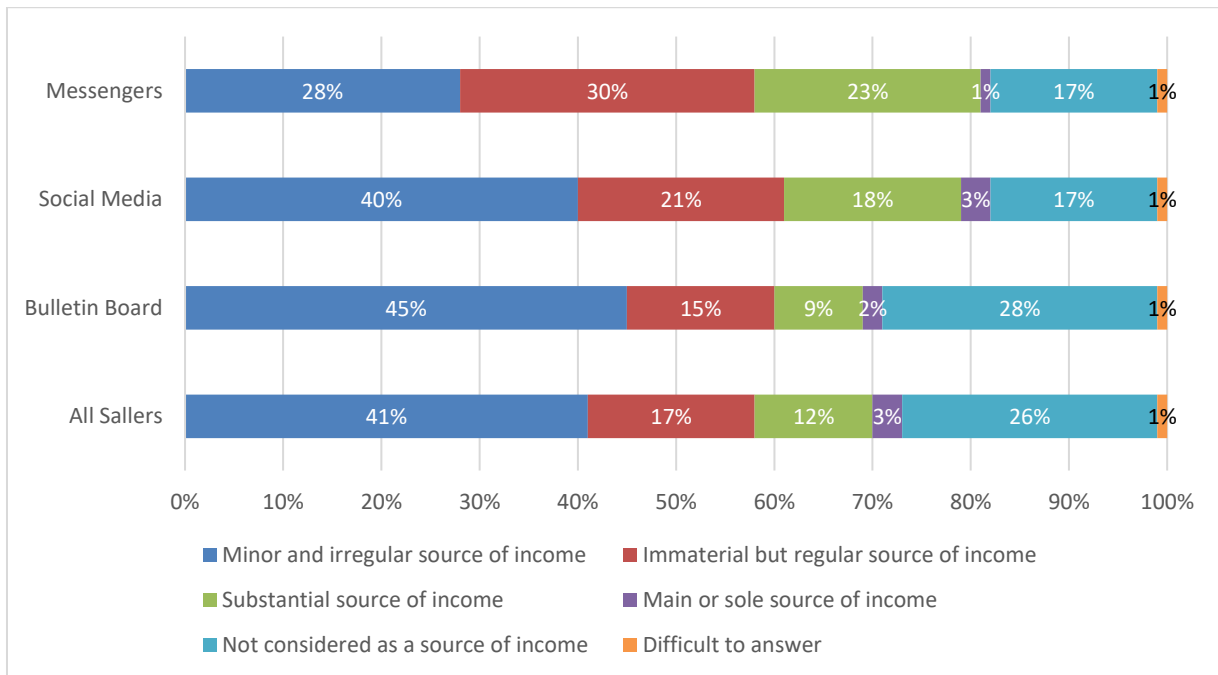


Source: research results, income is given at the rate of 1 euro = 72 rubles

In Figure 1, the messengers are highlighted in terms of gender. They are mainly used by C2C male sellers. Social media and message boards are more popular with women.

As can be seen from Figure 2, most C2C sellers are between 25 and 34 years old. These are mainly members of young families who do not have a very high income (Fig. 3). Most likely, e-commerce for this category of sellers is an additional source of income. How sales through social channels affect the revenue of C2C sellers is shown in Figure 4.

Fig. 4: Place of income from C2C commerce in the total family budget (N=303)

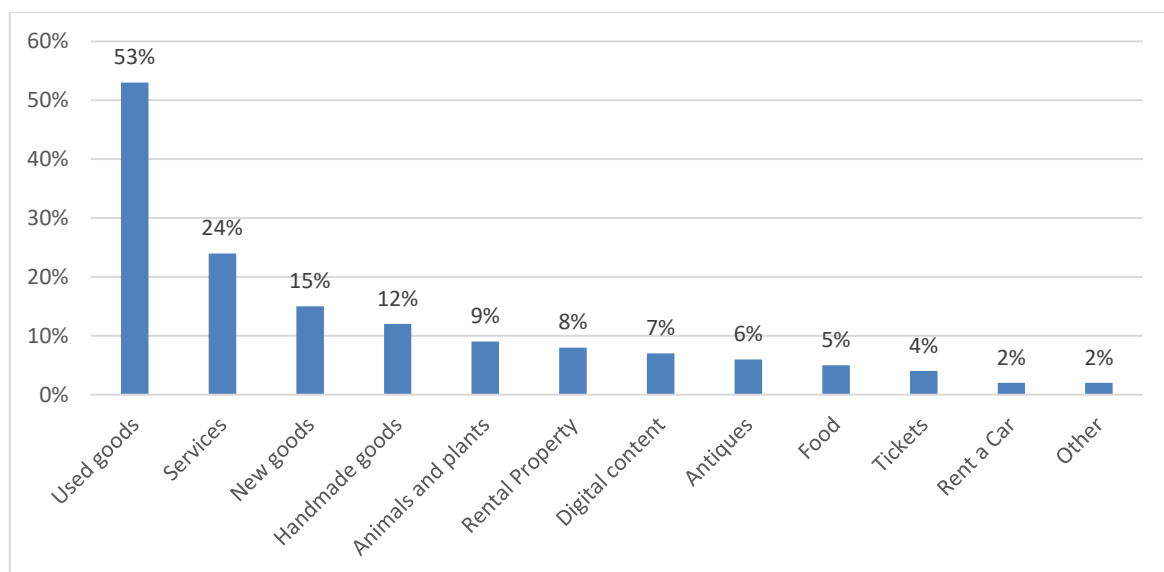


Source: research results, datainsight.ru

According to Figure 4, we can say that the income from social commerce is primary or substantial for 15% of C2C sellers, that is, more than 3 million Russian people live on income from social sales (about 4.5% of Russian Internet users).

Figure 5 shows the categories of goods and services that are implemented through social channels C2C-sellers.

Fig. 5: What do C2C sellers sell through social channels (N=303)

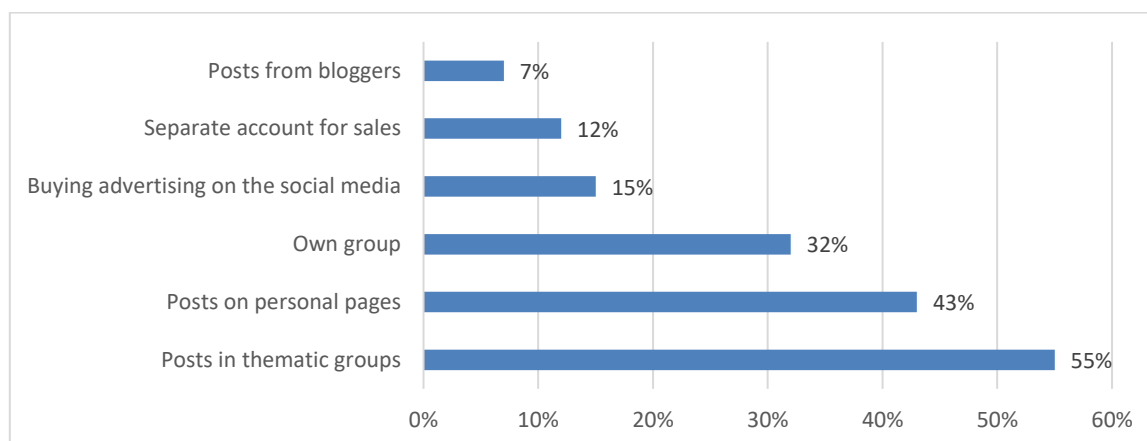


Source: research results

The overwhelming majority of C2C sellers realize second-hand things. This is the anchor of the sharing economy - to transfer ownership to a benefit that is no longer necessary for oneself. Many categories of goods are associated with the uniqueness of their characteristics: handmade goods, antiques, homemade food, etc.

C2C sellers use social media for sales as follows (Fig. 6).

Fig. 6: How C2C sellers use social media for sales (N=303)



Source: research results

As Figure 6 shows, the majority of C2C sellers exhibit products for sale through thematic groups, personal pages or their own communities/groups. A small percentage of the purchase of advertising in social media and sales through bloggers can be explained by the fact that C2C incur additional transaction costs.

Conclusion

Based on this and all the studies cited in the work the following conclusions can be made. C2C e-commerce is a growing segment of the Internet economy. The main sellers in this regional market are men and women, mostly between the ages of 24 and 44 with a small family income. For 15% of these sellers, income from social commerce is substantial. 53% of Internet users trading through social channels offer second-hand goods, 24% offer various services, and 15% offer new products.

Social platforms are the only trading channel for 55% of Internet users. Individuals prefer to sell on specialized online bulletin board (71%), less often - through social media (37%). Most often in social media users offer products and services through thematic groups (55% of respondents), personal pages (43%), own groups (32%), advertising (15%), publications from bloggers (7%).

Limitation of this study is the regional scope. To assess the Russian C2C market, it is necessary to scale this study to other regions. Further development of this study can be directed to a more detailed studying of the behavior of C2C buyers and sellers, their motives for this economic activity. Also interesting is the study of the regulatory framework of this segment of the Internet market.

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Contact

Sergey Kulpin

Ural Federal University

19 Mira Str., Ekaterinburg, 620002, Russia

s.v.kulpin@urfu.ru