



Business model

SHARING PLATFORMS

You don't need to own everything! Sharing platforms are digital services, through which seldom used items can be rented and borrowed to others. This way the existing products are used more efficiently: they are in use a better part of the time and serve a larger amount of people.

Many consumers and companies possess items which are used rarely. For instance, a cordless drill is used in a household on average only eight minutes throughout its lifecycle – as in ever! A car is used altogether 15 days a year, otherwise it is parked. Could the money – and resources! – invested in these items be used in a better way?

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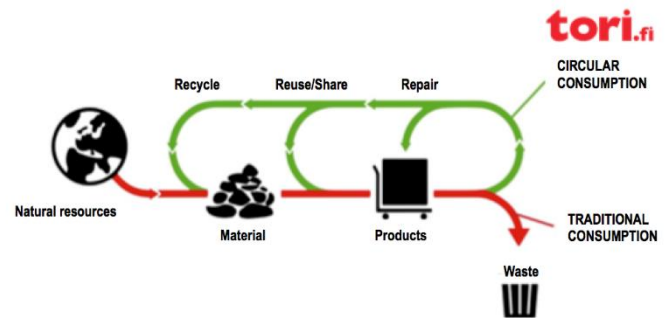
Source: Sitra





TORI.FI

Online flea markets extend the life cycle of used products. This is a way to reduce the need to produce goods and a way to conserve pristine natural resources. Tori.fi is a major player in this market in Finland.



Problem

Goods ending up at landfills before the end of their useful lives is putting a strain on the environment. However, the sale of unwanted but still usable products can be cumbersome without a functioning aftermarket. Without one, companies are not able to effectively evaluate the pricing of their products. Consumers, in turn, are directed to buy less sustainable products if there is not a marketplace available for buying and selling recycled products.

Solution: an online marketplace covering all of Finland

Tori.fi offers buyers and sellers an online platform where they can sell goods that they no longer need or buy used goods at more affordable prices than new ones. For companies, the service offers the ability to monitor the pricing of their products on the aftermarket and advertise their products and services in suitable contexts.

Revenue logic and benefits to Tori.fi

Tori.fi's revenue logic is based on services offered to three customer groups. For consumers, the service uses what is known as a freemium model, which allows the service to be used free of charge. If the consumer wants to, they can buy additional services that make trading easier. For small companies and communities, Tori.fi offers different types of online store concepts, which can serve as the company's website or as a gateway to a broader media audience. The third customer group is large companies to which Tori.fi sells advertising space.

Benefits to customers and end users

To consumers, the service offers the ability to buy and sell used or new products. Sellers are able to make a profit and recycle their products using the service. Buyers save money and effort, as they are able to buy used goods through a simple channel. Small companies are able to increase their online presence, while large companies are able to advertise to those Tori.fi users already intending to make a purchase.

Source: Sitra (2019): *The most interesting companies in the circular economy in Finland*. www.sitra.fi





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LUNCHIE MARKET

Restaurants produce a lot of waste, since it can be difficult to predict sales from one day to the next. The mobile technology employed by Lunchie offers a convenient way to sell surplus food and reduce waste.



Problem

Catering service providers such as restaurants, lunch canteens and local authorities' catering services produce around 75 to 85 million kg of food waste each year.

It is difficult to predict the number of portions needed each day. Lunch caterers have to prepare a certain amount of food in advance and cost-effectively. If there are fewer customers than the number of prepared portions, the surplus means wastage. The environmental impacts of the catering industry are significant.

Solution: a catering service using mobile technology

Lunchie provides a marketplace for surplus food. Restaurants and cafés use the user interface to list leftover products. Consumers can buy portions from restaurants and collect them inside the time window specified by the restaurant. The user interface displays available portions, which can be sorted by location and dietary preferences.

Revenue logic and benefits to Lunchie Market

Lunchie takes a commission for each portion sold and passes on the remaining value of the transaction to the restaurant. The business model means that participating restaurants and Lunchie have a shared interest in reducing food waste and thus conserving the environment. The model is transparent and clear to all participants.

Benefits to customers and end users

Companies can offer consumers an affordable way to buy restaurant-quality food which would otherwise be wasted. Consumers can save time by not having to cook at home. For restaurants, the app offers a convenient way to gain additional revenue from surplus food, reduce their waste charges and protect the environment. In addition, companies can market their services via the app and get additional publicity for their restaurants.

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SHAREIT BLOX CAR

The Shareit Blox Car service enables people to rent out their cars for extra cash in the name of more efficient use of resources. The service includes peer-to-peer rental car insurance, which makes it particularly appealing.



Problem

Many sparsely populated areas and smaller localities offer limited or infrequent public transport. Shopping trips and weekends away can be impossible without a private car. On the other hand, cars come with high ownership costs, and they can end up being parked up to 92% of the time. Occasional car users have had limited affordable options until now.

Solution: Shareit Blox Car service promotes peer-to-peer car rental

The online service enables people to rent their car out on an hourly, daily or weekly basis. In order to ensure trustworthiness and safety, all users must register for the service so that their identity and ability to pay can be verified. The cars are covered by the Shareit insurance of If Insurance, the first peer-to-peer car rental insurance available in the Nordic countries. As it becomes more widespread, this model is likely to reduce the number of cars and have a positive impact on living environments. The rates of public transport usage and purposeful exercise will increase, as car ownership becomes less popular.

Revenue logic and benefits to Shareit Blox Car

The Shareit service charges a fee of 30% of the rental price. Car owners receive the remaining 70% minus the insurance fee of a few euros. This is likely to become a growing market: according to surveys, Finland alone has hundreds of thousands of car owners who could potentially get involved in peer-to-peer rental.

Benefits to customers and end users

Users have flexible access to rental cars and cost savings compared with owning a car. Renting is easy and safe. Car owners get extra cash when not using their cars; the rental price and period are decided by the owner. Introduction of the service as a part of regional mobility services does not require any additional acquisitions by local authorities.

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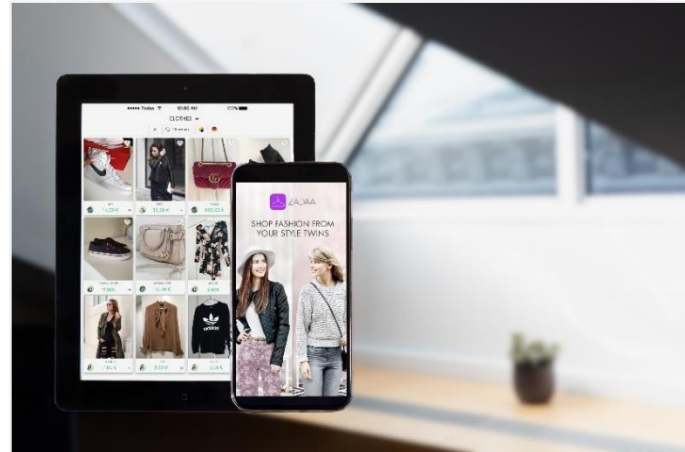
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ZADAA

Zadaa's application encourages people to sell those unused clothes that gather dust at the back of wardrobes. Reusing the clothes extends their life cycle, and in a mobile marketplace distance is no obstacle to finding the right size and style of clothing.



Problem

A significant amount of our clothing is laying around in closets, virtually unused. The unnecessary purchase of clothing uses up natural resources and overloads the environment. A huge amount of clean water is used in the production of one kilo of fabric. Litres and litres of various chemicals are used in the production process. However, the recycling of used clothing can be difficult as it may be difficult to find anything to one's liking or in the correct size from a traditional flea market. It is also difficult to determine the fit of clothing purchased from online shops.

Solution: application to help in the sale and search of clothing

Zadaa's mobile app searches for suitable clothing for the buyer according to his or her measurements and information, or searches for suitable buyers for clothing a user is selling. The buyer can see clothing sold by people of the same size. The products can be purchased directly through the app. The person selling clothing receives a notification of the purchase and a code with which he/she can send the product easily via Matkahuolto, DHL or PostNord (Finnish delivery services). The money is transferred to the seller once the buyer has received the clothing.

Revenue logic and benefits for Zadaa

Zadaa charges a fee for payment transactions. This means the company does not need to purchase clothing for itself and thus tie down its capital in a warehouse. Additionally, the commission-based revenue model lowers the risk and cost for both sellers and buyers because a commission is only charged for sold clothing. A larger number of users will, in turn, increase the appeal of the app.

Benefits to customers and end users

The buyer can trust that the clothing purchased through Zadaa will fit, as the buyer knows that the person selling the clothing is the same size. The person selling their clothing benefits financially from selling their clothing. The mobile app means that the range of clothing on offer is not limited by the buyer's location. If a product does not meet with the given information, the buyer can get their money back via the company.

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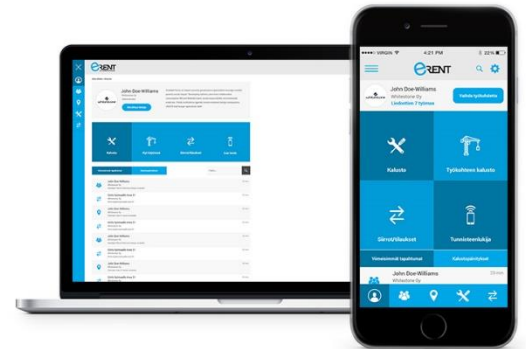
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eRENT

Different companies own plenty of similar equipment whose rates of usage are often low. Now eRENT offers a platform for the digital sharing and tracking of machines, devices and other goods. In the long term, a culture of industrial sharing can reduce the need to manufacture new devices.



Problem

Many companies own a large fleet of equipment of a variety of machines. But their usage rate is often very low. Equipment such as cleaning machines are typically only used 10-20% of the time. At the same time, the costs of purchasing and servicing the equipment are high. Due to a lack of data, there is a lot of overlapping in the equipment owned by companies within the companies themselves and between companies. Good solutions for more efficient management and follow-up of equipment have not been available.

Solution: a platform for companies to share fixed assets

Through the eRENT service platform, the customer can follow up and manage its fleet of equipment efficiently, flexibly rent out its own machines and rent machines from others. Follow-up is based on NFC/QR identifiers and GPS trackers that can be used, for example, to update the location and status of the fleet on the service platform with the help of a mobile phone. Customers can also attach their followed-up equipment to eRENT's rental service, bringing them all to the same platform. Improving the usage rate of the equipment on a large scale may in the long run reduce the need to manufacture and acquire new equipment.

Revenue logic and benefits to eRENT

The company receives commission on the rental transactions carried out through the portal and monthly service charges from the equipment follow-up service. Cost-efficient follow-up of the equipment is a prerequisite for flexible rental which can speed up the culture of the industrial sharing economy.

Benefits to customers and end users

eRENT's clients include equipment rental agencies, construction firms and companies from different sectors. The service enables rental agencies to have "real-time inventories" and to receive higher return for the capital tied to the equipment. The service will also include an electronic maintenance book. With the new rental channel, equipment can also be shared between competitors. The service reduces the workload of construction firms when the platform can be used to request tenders from several operators at the same time.

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VENUU

There is a lot of office and event space, that stands largely empty, and information about the availability of these venues is scattered. Venuu's service helps customers source available premises by compiling and publicising details on the various types of space available. In the long run, efficient marketplaces such as this can reduce the need to build new premises.



Problem

Globally, there is an abundance of venues that have low usage rates. These include cafes, restaurants and conference facilities that are only open during the day. For example, the usage rate of conference rooms at hotels is typically around 30%. Event organisers may find it difficult to find appropriate and interesting venues since many venue owners who rent out facilities do not necessarily invest in making venues easy to find. The underuse of venues can lead to a wasteful use of resources and a rise in rents.

Solution: a marketplace for venues

Venuu lists venues offered for booking by various venue providers on its website. Venues can be booked for parties, conferences, weddings and other events. Potential bookers can search for facilities on the company's website on the basis of the type of event they are arranging, the location of the venue and the number of people who will attend the event. Venuu also offers personalised customer service for corporate clients to help them find suitable facilities. The efficient marketplace cuts down on the need for building new facilities, increases the use of existing venues and thus decreases the venues' environmental load over their life cycles.

Revenue logic and benefits for Venuu

The use of the service is completely free for parties that book venues. Venuu charges a commission only for realised bookings from the parties who are providing their facilities for booking. This lowers the risks and costs of the facility owner for advertising free facilities which, in turn, can increase the range of venues offered.

Benefits to customers and end users

For customers it is simple to find venues for different types of use and to compare these with others because the prices and availability of venues are clearly listed. The booking process has also been made as simple as possible. The company also indirectly helps prevent rents for venues from rising drastically.

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BARKING

Private car ownership should be overtaken by flexible transportation services and public transport. However, this will not happen instantly, and driving needs to be made more efficient through all available means. As a remedy for this, Barking is offering parking space -sharing platforms. This can reduce unnecessary driving and the needless construction of car parks.



Problem

Parking a car can be time consuming. It is estimated that a third of urban traffic in the Helsinki metropolitan focuses on looking for parking spaces. Yet, most parking spaces remain empty for most of the time. For example, companies may reserve 24-hour parking spaces for their employees and some people reserve a parking space at their housing unit. In Helsinki alone, there are three times as many parking spaces as there are cars.

Solution: pre-reserved resource-wise parking spaces

Barking provides available parking spaces to those in need of one. The owner of a parking space can register their spot with the service, and anyone who needs a space can rent it for the desired duration. The checking of availability, reservation, renting and payment processes are all done using an online service. Barking's management system shows the reservation status and parking situation in real time. A user can use Barking's mobile app to find their destination and open the door of a locked parking hall, as these locks can be connected to the service as well.

Revenue logic and benefits for Barking

The revenue model is based on a commission that is included in the rental cost. The online model makes it easy to register and rent parking spaces.

Benefits to customers and end users

Users do not have to waste time searching for parking spaces since they can reserve one in advance online. This helps to save both time and fuel, reduce emissions, traffic and congestion, as well as increase the habitability of cities. In addition, reserving a spot through a service can be less expensive than paying for a typical parking space. Increased efficiency of parking space use means that fewer new parking spaces need to be built, which releases urban space for other uses.

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SKIPPERI

Boats cost a lot of money and they still are located mostly in the harbour. With Skipper's service anyone can rent a boat. The service makes it easier to try sailing and the boat owners can earn some extra money.



Problem

Boats stand idle for most of the time. According to statistics, Finnish boaters spend only 17 days a year boating, meaning that the boats sit in docks for over 90% of the boating season. In addition, the time spent boating has fallen. Buying, owning and maintaining a boat is expensive and time-consuming and the threshold for starting boating is high. Sitting continuously at the dock is also not good for the boats. Renting boats in Finland has relied largely on rental firms.

Solution: peer-to-peer boat-hire service reduces the need for private ownership

Skipperi gives boat owners the opportunity to rent out their boats to others when they are not using them themselves. The service allows boaters and those interested in boating to start more cost efficiently without having to own a boat. A boat can be rented by logging in to the online service, completing a boating CV and submitting a booking request to the owner of the boat.

Revenue logic and benefits to Skipperi

Skipperi's revenue logic is based on commissions charged from the rental transactions. Placing a boat for hire and registering as a rental user is free of charge. This revenue logic ensures that sufficiently large numbers of both individuals listing their boats and rental users are obtained for the service. In addition, percentage-based commissions for longer rental periods make the operations more transparent and profitable than by assessing service charges, for example. Skipperi is a profitable operational model, as it does not need to own the boats it rents out.

Benefits to customers and end users

Boat owners can cover the costs incurred from the boat by renting it out to others. The rental customer, in turn, can go boating at a lower cost and is able to easily try different types of boats. Skipperi is responsible for handling payment traffic, confirmations, marketing of the service and the boats, and secure identity verification practices, which makes the service easy to use for both the boat owners and the rental customers. 1% of Skipperi's revenue is directed to conservation efforts in the Baltic Sea, in an effort to increase its recreational use.

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