

# On Demand Economy

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GIG ECONOMY. SHARING ECONOMY. ON-  
DEMAND ECONOMY. COLLABORATIVE  
ECONOMY.



# Definition

- The On-Demand Economy is defined as the economic activity created by digital marketplaces that fulfill consumer demand via immediate access to and convenient provisioning of goods and services.

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# Companies



## US-Based On-Demand Mobile Services

### Transportation

A collection of logos for transportation services including Uber, Silvercar, Zipcar, Sidecar, Lyft, Taxi Magic, Whisk, Hail, GroundLink, Parking Panda, Leap, Taxi, SpotHero, Flywheel, Scoot, and RidePal.

### Travel / Hospitality

Logos for Hotel Tonight, Airbnb, and Breather.

### Delivery & Logistics

Logos for Zipments, WunWun, Doorman, Postmates, and Luna.

### Food & Beverage

Logos for DoorDash, Munchery, Drizly, Sprig, Zesty, SpoonRocket, Instacart, FreshDirect, Seamless, and Minibar.

### Dining + Drinks

Logos for Cover, TabbedOut, Dash, Reserve, Grooper, OpenTable, and Groupon.

### Home Services

Logos for Swifto, BarkCare, Handybook, GetMaid, KeyMe, DogVacay, Moveline, Washio, HomeJoy, Housecall, TaskRabbit, Urbansitter, iCracked, Bloom That, and Chublocal.

### Health & Beauty

Logos for Zeel, Beautified, Omindbody, Vensette, StyleSeat, StyleBee, and Glamsquad.

### Entertainment

Logos for Jukely and WillCall.

# Our Industry

Partner - Competition - Tool Set?



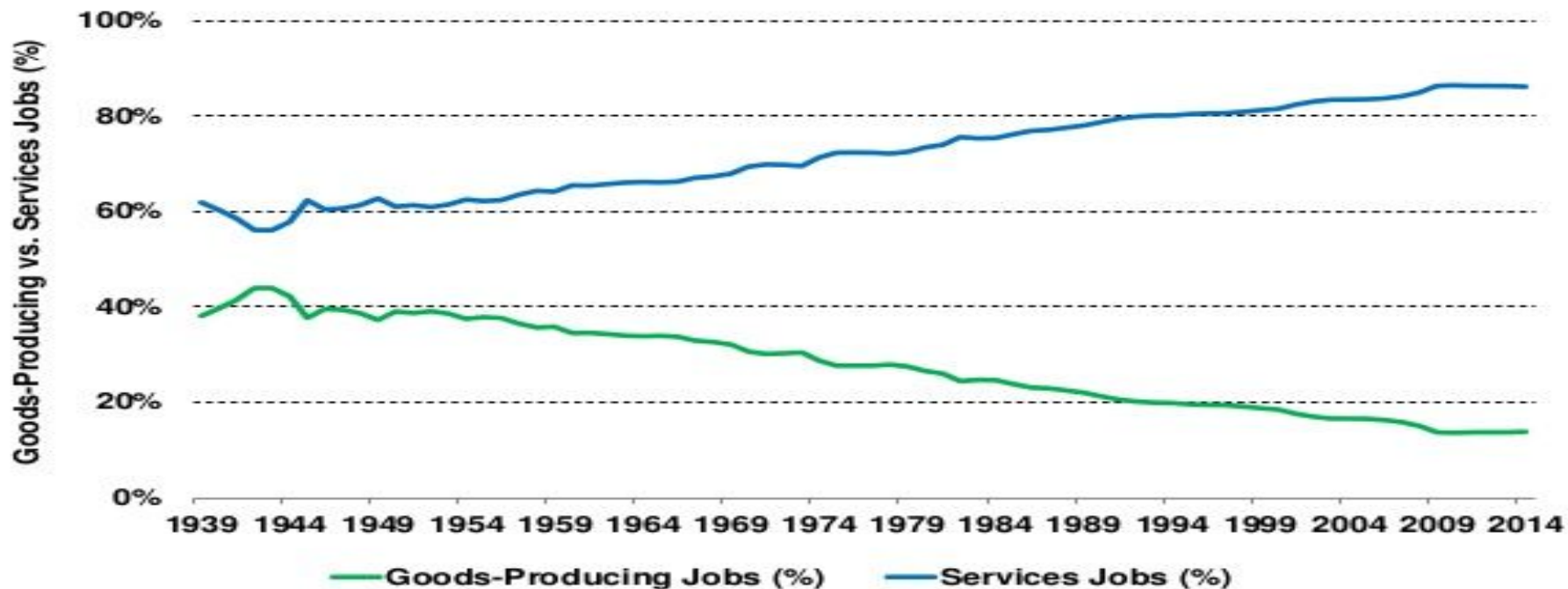
# What/Why:

- In the on-demand economy, "we arrange it when you need it". Careers have been transformed into jobs and jobs transformed into tasks. Will we all be freelancers or independent contractors, working on zero-hour contracts?
- What will happen to wages, salaries, benefits and training?

# Production vs Service Jobs

'Goods Producing' Jobs Falling, Though Stable Recently =  
@ 14% of Jobs vs. 44% Peak in 1943...Services Jobs @ 86% vs. 56%

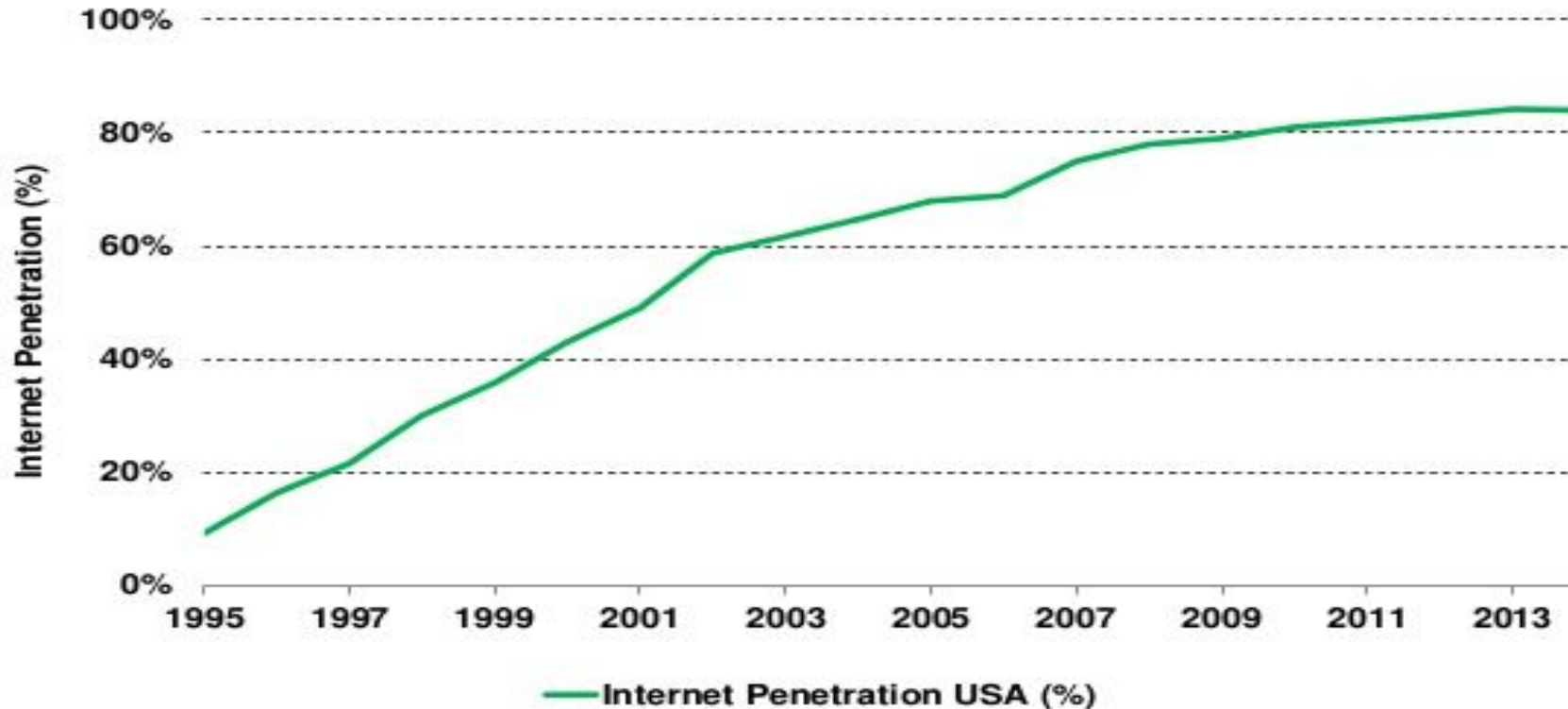
**Goods-Producing vs. Services Jobs as % of Total, USA, 1939 – 2014**



# Consumer Connectivity

Connectivity (Via Internet) Up Dramatically =  
@ 84% of Population vs. 9% in 1995...

**Percent of Population with Internet Access, USA, 1995 – 2014**



# Millennial's Expectations

## Millennials Expect Flexibility & Like Technology @ Work

### ***Millennials = Expect Flexible Work Hours***

- **Many = expect to be mobile** & work from home / office / cafes at will.
- **~20% = identify as 'night owls'** (often work outside normal business hours).
- **38% = freelancing** vs. 32% among those over 35 years old.
- **32% = believe they will be working 'mainly flexible hours'** in future.

### ***Millennials = Tech Savvy***

- **34% = prefer to collaborate online** at work as opposed to in-person or via phone (vs. 19% for older generations).
- **45% = use personal smartphones for work purposes** (vs. 18% for older generations).
- **41% = likely to download applications to use for work purposes in next 12 months & use their own money to pay for them** (vs. 24% for older generations).

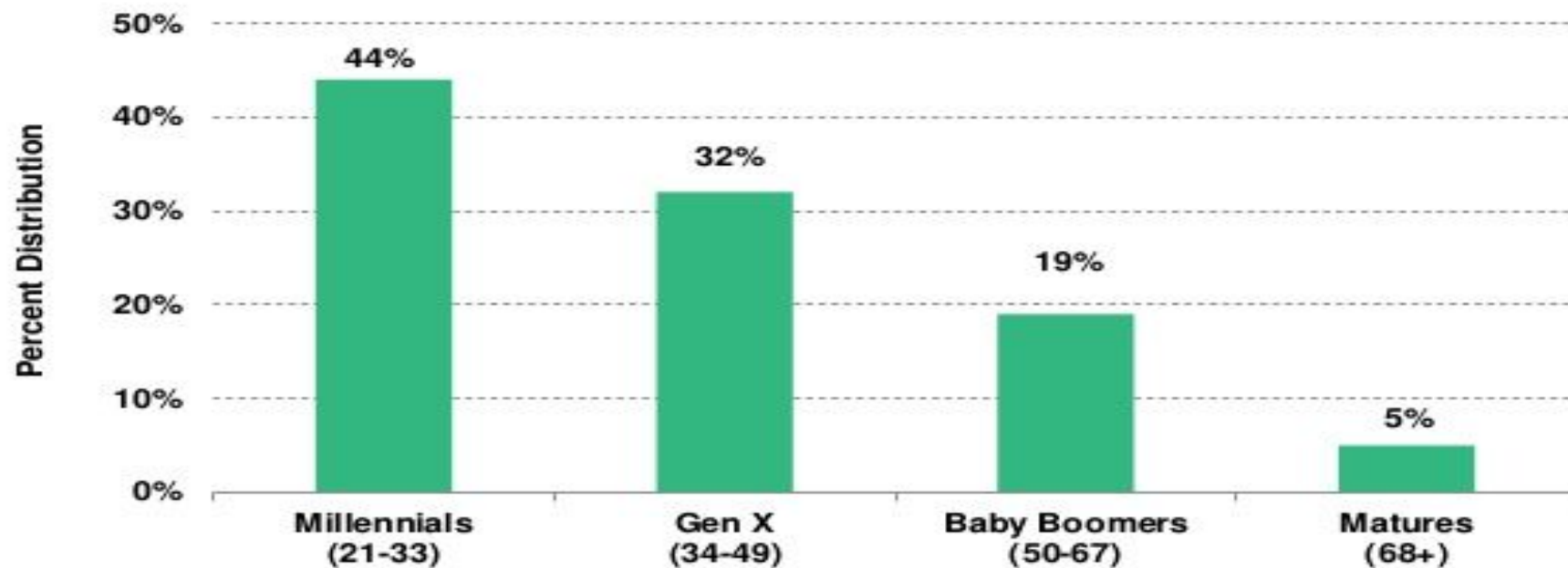


# Millennials in On Demand Economy

Millennials = Largest Cohort of 'On-Demand' Workers...  
@ 1.2MM or 44% of Total

## On-Demand Worker Age Distribution, USA, 2014\*

*2.7MM Workers, Up >2x Y/Y*



Source: MBO Partners and Emergent Research, "Independent Workers and the On-Demand Economy", 4/15, USA.

MBO Partners defines workers in the "On-Demand Economy," as those who generate economic activity through the use of online platforms and marketplaces that help customers quickly connect and transact with suppliers of goods and services. These include services like Airbnb, Uber, Lyft, Handy, Etsy, TaskRabbit, and many others.

\*NOTE: 2.7MM figure only includes on-demand workers who devote at least one hour per week to an on-demand platform. Those who use these platforms less frequently are not counted. Figure has been de-duplicated.

# Freelancers

Freelancers = Significant & Growing Portion of Workers  
@ 53MM People, 34% of USA Workforce

## Freelancer Categories\*

<b>Independent Contractors</b>	<ul style="list-style-type: none"><li>• <b>21MM People</b></li><li>• <i>40% of Freelancers</i></li></ul>	<ul style="list-style-type: none"><li>• Don't have employer...do freelance, temporary, or supplemental work on a project-by-project basis</li></ul>
<b>Moonlighters</b>	<ul style="list-style-type: none"><li>• <b>14MM People</b></li><li>• <i>27% of Freelancers</i></li></ul>	<ul style="list-style-type: none"><li>• Professionals with a primary, traditional job who also moonlight doing freelance work</li></ul>
<b>Diversified Workers</b>	<ul style="list-style-type: none"><li>• <b>9MM People</b></li><li>• <i>18% of Freelancers</i></li></ul>	<ul style="list-style-type: none"><li>• Multiple sources of income; mix of traditional and freelance work</li></ul>
<b>Temporary Workers</b>	<ul style="list-style-type: none"><li>• <b>6MM People</b></li><li>• <i>10% of Freelancers</i></li></ul>	<ul style="list-style-type: none"><li>• Single employer, client, job, or contract project where employment is temporary</li></ul>
<b>Business Owners who Consider Themselves Freelancers</b>	<ul style="list-style-type: none"><li>• <b>3MM People</b></li><li>• <i>5% of Freelancers</i></li></ul>	<ul style="list-style-type: none"><li>• Business owners with 1-5 employees</li></ul>

# Regulatory Environment

## Uber, Lyft... = Facing Confusion in Regulatory Environment Related to Worker Classification System

*California law defines whether workers are employees or independent contractors, and there's a test, but **the test and classification system are woefully outdated...***

*...It seems to me, as a matter of common sense, that Lyft **drivers don't fall into the traditional understanding of [the two classifications]. They seem to fall into a third category....***

*The jury in this case will be handed a square peg and asked to choose between two round holes. **The test the California courts have developed over the 20th Century for classifying workers isn't very helpful in addressing this 21st Century problem...***

- Judge Vince Chhabria, U.S. District Judge Presiding Over Cotter vs. Lyft Inc., et al

*\*Note that Lyft was eventually denied motion for summary judgement & case will need to be decided by a jury.*

# Summary

## High-Level Summary...

- **Job Market** – Has been more difficult & work has been harder to find for many
- **Benefits** – Traditional employer-provided benefits like health insurance & retirement plans falling...Recipients of government benefits rising
- **Millennials** – Have different expectations for work than previous generations, for now...Shaped, in part, by Great Recession
- **Connectivity** – Has created efficiencies & changed work for many
- **Work** – Alternative work arrangements (including freelancing) increasing...Competition for workers may rise with demand