



## STAKEHOLDERS' PERCEPTION OF COLLABORATIVE STORES IN THE CITY OF SÃO PAULO

PERCEPÇÃO DAS PARTES INTERESSADAS SOBRE AS LOJAS COLABORATIVAS NA CIDADE DE SÃO PAULO

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**Nicole Aline Okamoto Gonçalves**

[nica\\_22\\_8@hotmail.com](mailto:nica_22_8@hotmail.com)

Fatec Zona Leste

ORCID: 0000-0002-3617-1376

**Caio Flavio Stettiner**

[cstettiner@gmail.com](mailto:cstettiner@gmail.com)

Fatec Sebrae

ORCID: 0000-0002-4479-7416

**Alexandre Formigoni**

[a\\_formigoni@yahoo.com.br](mailto:a_formigoni@yahoo.com.br)

Centro Estadual de Educação Tecnológica Paula Souza

ORCID: 0000-0001-7487-0541

**Marcelo Tsuguio Okano**

[marcelo.okano@fatec.sp.gov.br](mailto:marcelo.okano@fatec.sp.gov.br)

PPGEP UNIP / Fatec Barueri

ORCID: 0000-0003-1680-7821

### Abstract

The sharing economy is a recent phenomenon that has emerged due to its growing expansion in the market and in the media. The objective is to present the perception of stakeholders about collaborative stores in the city of São Paulo. Collaborative stores are retail structures engaged in the shared economy. The research is exploratory, qualitative, and multiple case study. Eight interviews were conducted with semi-structured questions with stakeholders. It was concluded that collaborative stores are structures that foster entrepreneurship, especially for managers of small businesses or individual entrepreneurs, serving as a laboratory for the development of small brands and products.

**Keywords:** Collaborative consumption. Sharing economy. Entrepreneurship. Collaborative stores.

### Resumo

A economia compartilhada é um fenômeno recente que surgiu devido à sua crescente expansão no mercado e na mídia. O objetivo é apresentar a percepção dos stakeholders sobre as lojas colaborativas do estado de São Paulo. As lojas colaborativas são estruturas de varejo engajadas na economia compartilhada. A pesquisa é exploratória, qualitativa e de estudo de caso múltiplo. Oito entrevistas foram realizadas com perguntas semiestruturadas com as partes interessadas. Concluiu-se que as lojas colaborativas são estruturas que fomentam o empreendedorismo, principalmente para os gestores de pequenos negócios ou empreendedores individuais, servindo como um laboratório para o desenvolvimento de pequenas marcas e produtos.

**Palavras-chave:** Consumo colaborativo. Economia de compartilhamento. Empreendedorismo. Lojas colaborativas.

## Introduction

The sharing economy is a recent topic that has been brought to light due to its increasing expansion in the market. The economic potential of sharing economy is made evident by a number of companies from this segment consolidating in this business model as sustainable and profitable companies. (Silveira, Petrini, & Santo, 2016; Oliveira, Freitas Filho, & Lanzer, 2016)

It is the first new economic model appearing since the coming of Capitalism and Socialism in the beginning of the 19<sup>th</sup> century. And it comes as a response to the overconsumption of the modern economic system. Nowadays, one may see how this model has been changing, even if slowly, how we organize economically. (Rifkin, 2016; Silveira et al, 2016)

Every day, people are engaging in sharing economy and realizing the benefits of accessing and sharing products and services compared to holding ownership of them. Some of the benefits include saving money, time, and space, in addition to the interaction and exchange of information with other individuals. It is a system that not only changes what we consume, but how we consume. (Rifkin, 2016)

When it comes to sharing economy or collaborative consumption, in addition to encouraging exchanges, consumption is focused on people who work together, sharing their knowledge and improving the promotion and sale of products in a cooperative fashion. This movement, in parallel with technology and cultural development, ensures greater longevity to this economic awareness, leading to the creation of new business models based on sharing human resources, goods, and services. It is an economic system that supports marketing, loans, leasing, exchanges, donations, and shared consumption. (Botsman & Rogers, 2011; Gansky, 2010; Schor, 2014)

In the face of this new economic model, as well as of the business opportunities resulting of it and our poor economic scenario, there is a wave of entrepreneurship coming in response. The essence of entrepreneurship consists of identifying and taking new market opportunities in order to relocate or generate additional financial resources through new businesses or different organizational combinations. The innovation enabled by the entrepreneurial process is a driving force in capitalist society, and together with the new sharing economy model can bring benefits to individuals, communities, and companies. (Schumpeter, 1997; Botsman & Rogers, 2011; Rifkin, 2016)

In turbulent economic scenarios, there is a greater trend to engage in entrepreneurial activities, whether to increase income or as a formal job alternative. Entrepreneurship is seemed as one of the most important phenomena for the growth of a country and is expected to play a significant role in social and economic development for many decades. In underdeveloped regions, such as Brazil, where economic and social issues are more prominent, entrepreneurship is associated especially with job and income generation. (GEM 2014; Hall et al 2012; Valent & Crane, 2010)

It can also be noted that sharing economy, while a lot more evident in online platforms on websites such as Airbnb and Uber, is transferred to physical market more specifically for the object of this research: collaborative stores. (Allen & Berg, 2014) Collaborative stores are retail stores that share their physical space and human resources with entrepreneurs or people that wish to be entrepreneurs. They split costs, share knowledge and experiences, and foster the local economy.

This work, through an exploratory multi-case study, gives voice to the main stakeholders of collaborative stores, owners, lessors, employees and final consumers. Based on the interviewees' experiences in different positions of concern, it provides parameters and empirical definitions, until the publication of this study still nonexistent regarding this business model, in addition to clarifying the primary benefits and issues faced by those engaging in collaborative stores, which is something that has existed for only one decade in Brazil. The stakeholders of an organization are, by definition, any group or individual that can affect or be affected by the organization's decisions. (Freeman, 1984)

## Sharing Economy

The sharing economy (Rifkin, 2016), also known as collaborative consumption (Botsman & Rogers, 2011) or mesh (Gansky, 2010), is a phenomenon, with no clear definition, related to the sharing of human or physical resources and shared consumption of goods and services by people or organizations. (Gansky, 2010)

The term sharing economy is used in a broad sense to refer to an up-and-coming set of business models, technology platforms, and exchanges that allows one to have the right of using a product or service on a temporary basis, as opposed to traditional economy, where one has ownership of this product or service. While in sharing economy people trade much like they do in traditional economy, there is greater flexibility and autonomy in transactions. (Alen & Berg, 2014)

Collaborative economy-based business models have been expanding on a large scale, driven by consumption and business needs that include social responsibility, sustainability, and economic growth. (Silveira et al, 2016) This economic model allows for greater interaction in the form of exchange of information, ideas, and experiences, which results in product offers based on a cooperative approach. This economic model implements a format where people split resources without losing autonomy and giving up their lifestyle. It is not about compelled, educated sharing. (Botsman & Rogers, 2011)

There are some reasons to engage in sharing economy, including cost saving, group work, convenience, and the fact that it is socially sustainable. Not only these transactions attract new consumers, driven by their own interests (including money, value, and time), but they also cause positive social impacts. (Botsman & Rogers, 2011)

## Entrepreneurship

Global Entrepreneurship Monitor (GEM) defines entrepreneurship as: “Any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business.” (GEM, 2014)

Entrepreneurs, by means of innovative actions, create resources, generate jobs, and support economic growth. Their actions build a mechanism that distributes wealth, relying on hard work, innovation, and risk taking. (Schumpeter, 1997)

Research conducted by GEM in 2016 show that the total rate of entrepreneurs in Brazil is 36% of the adult population, aged from 18 to 64. In other words, for every three Brazilian adults, more than one already have their own business or have taken an action in the last twelve months with the aim of having their own business in the future.

The high level of entrepreneurship in Brazil is due to the fact that working for great companies is not as attractive as before in terms of good salaries, training, stability, etc. Subsequently, entrepreneurship serves as an alternative to formal job and becomes increasingly important to maintain the economic activity levels. (Andreas & Tasic, 2009; GEM, 2014)

Collaborative stores can be seen as a business that supports and encourages entrepreneurship, since the business relationship based on sharing economy implemented by owners and lessees provides low costs to start business ideas, flexibility, and visibility to new entrants in the market.

## Methodological Focus

For this work, we used the exploratory, qualitative research method based on a multi-case study, as well as direct observation, since the main objective was giving voice to stakeholders engaged in collaborative stores of the city of São Paulo and acquiring a broad and deep knowledge of this business model, still

little known in the academic environment. (Gill, 2008; Goldenberg, 2004; Lacey, 1999; Vieira & Zouain, 2004)

In addition to our neutrality when selecting and classifying interviewees, we took much care when conducting in loco research, which were recorded and transcribed. Semi-structured interviews with questionnaires were conducted in October/November 2017 inside collaborative stores located in São Paulo and have provided us with multidisciplinary information with respect to the researched model.

To guarantee reliability of the results of this research results, sources of different positions and different interests were defined. We interviewed owners, lessors, employees, and final consumers engaged in the collaborative model, so that all main stakeholders could express their thoughts for the purpose of impartiality. Additionally, along with the author, we used other researchers in the analysis and decryption of interviews transcribed and data collected. (Merriam, 1998; Denzin, 1978; Creswell, 2010)

To understand the profile of collaborative model consumers, we used, as an extra tool, direct observation from inside the points-of-purchase, which allowed us to have a perception of the audience diversity. Direct observation is deemed important in qualitative case studies, as it allows one to identify looks and behaviors. (Godoy, Melo & Silva, 2007)

The sample of interviewees was made from eight people, two interviewees from each category which number was defined through saturation, i.e., the information collected and presented by interviewees was enough and demonstrated the density of the data collected, since new interviews made no significant contributions to the analysis and conclusion of the work. (Minayo, 2010)

### Case Study

The initial research procedure comprised the analysis of collaborative stores located in the city of São Paulo. As one may note, all points-of-purchase are in areas of great commercial value. The city of São Paulo was chosen because it was a pioneer to receive the model of collaborative stores in Brazil. From the stores examined, two were used as study sample for purposes of convenience, availability, and interviewees' response time. The first contact was made by email or business telephone with the owners of collaborative stores, then with employees, lessees, and consumers, respectively.

After the initial contact, we conducted face-to-face or phone interviews, which allowed us to record and transcribe the data collected. From now onward, we will give interviewees fictitious names to preserve their identities.

### Owner's Profile

The first company examined, a.k.a. "Company A," has been operating since 2008 and presents itself as an early adopter of the collaborative model. The owners are three, and they have met in college. Inspired by the lack of opportunities for small entrepreneurs and wish to run their own business, they decided to invest in the collaborative store model.

With only one store near Rua Augusta when business started, the company now has eight units and is continually expanding as a franchise store, format based on which it was established. "Company A," only in its flagship store, has room for 200 entrepreneurs, most of them small, but some of which are very well established economically in the market and have their own physical stores in some cases.

"Company B," second one examined, has been operating since 2015 and has a single owner, who holds a postgraduate diploma in marketing. The company has six employees and over 101 small entrepreneurs, who lease spaces of the store. Contrary to "Company A," "Company B" did not start as a collaborative store, but instead as a regular retailer. When faced with the lack of resources to go one with its business, it saw collaborative model as a hope to succeed.

In the face of low sales, stock-out, and lack of resources to keep the business running, the owner used the valuable retail location they already had and the need of their suppliers to keep doing business to rework their business model. In fifteen days, their retail location went through a physical transformation, and they managed to lease enough spaces to afford monthly fixed costs and keep their company alive.

Table 1 shows the main characteristics examined of the companies identified above. One can see that the lease fees vary significantly. This is due to the fact that the lease price depends on the leased space size. One should also consider that “Company B” leases spaces for service provision, which explains the increased lease cap. The percentage on sales varies based on the tax system and rate of maintenance of card machines and packages.

When it comes to formalization, during the interviews we could notice a greater concern about the formalization of small brands by “Company B.” This is explained by the company’s interest not only in leasing spaces, but also in seeing these brands grow and be financially successful in a structured fashion, so that they can remain in the structure.

Table 1: Characteristics of Stores Interviewed

	COMPANY A (Flagship Store)	COMPANY B
Inspiration for Opening the Business	Business model created by three college students and inspired by microentrepreneurs with no physical store to sell their products.	Financial difficulty of the traditional business model, better use of the structure and retail location previously owned, and incentive from suppliers who were small entrepreneurs and needed to keep doing business.
Number of Owners	Three partners	Single owner
Employees	Eight	Six
Franchise Stores	Flagship store plus seven franchise stores, three of them in Brasília and the others in São Paulo.	Single store
Lessors Engaged Within the Structure	200 lessors	101 lessors
Lease Contract Minimum	2 months	6 months
Lease Average Price	BRL 200.00 to BRL 900.00 + 19%-28% on sales	BRL 400.00 to BRL 1,400.00 + 24% on sales
Lease Requirements	Has CPF or CNPJ [taxpayer’s ID].	Requests formalization from brands.
Product Range Management	First-come-first-served, regardless of the brand’s range of products.	Management conducted based on the range of products already existing in the store in order to provide balance and variety to lessor brands and products sold.
Are there any sellers?	No	Yes
Marketing Restricted Products	Piracy, food, and cosmetics.	No restrictions. Food allowed only in bars/restaurants.
Company’s Monetization	Leasing and franchise stores.	Leasing to brands and services (bars and restaurants, tattoo shops, and barber shops).
Point-of-Purchase Layout	Layout in square niches varying from 0.09 m <sup>2</sup> to 2 m <sup>2</sup> .	Layout in racks, shelves, and square niches varying from 0.25 m <sup>2</sup> to 4 m <sup>2</sup> .

Source: Prepared by the author (2018)

Table 1 shows that “Company A” has no sellers, while “Company B” has. “Company A” chose to have only assistants helping consumers requesting their help. They are also responsible for replacing the lessors’ boxes in case they are out of place since the maintenance of the spaces is under the lessors’ responsibility. “Company B,” on its turn, has commissioned sellers assigned to support final consumers and the lessees, as well as to keep the store well organized.

With respect to the layout of collaborative stores, our direct observation clearly showed that most of the stores have a layout in square niches, paired side-by-side, where each brand has a limited space. Note that the layout of “Company B” includes racks and shelves, in addition to niches, due to its transition from regular store to collaborative store, where it only adapted the layout and furniture it already had.

### Lessee's Profile

Before conducting semi-structured interviews with the lessees, we collected data on the market segments that the brands serve in Companies A and B, which gave us a better view of their segments and the type of products we could find in the collaborative stores.

From the existing segments, the following stand out: women's clothing, men's clothing, accessories, purses, decor, handmade items, and stationery, among others. See Table 2 for a description of segments served by the brands in Companies A and B.

Table 2: Segments of Lessee Brands

Segment	Company A	Company B
Unisex Accessories	X	X
Esoteric Articles	X	X
Pet Supplies	X	X
Toys	X	X
Footwear	X	X
Cell Phone Cases	X	X
Cosmetic Products		X
Decorative Items	X	X
Photograph	X	X
Women's Clothing	X	X
Kids' Clothing	X	X
Men's Clothing	X	X
Sustainable Fashion	X	X
Eyeglasses	X	X
Stationery	X	X
Plants & Terrariums	X	X
Sex Shop & Lingerie	X	X

Source: Prepared by the author (2018)

One can see the great variety of segments served in the collaborative model. Most of the lessees are producers, craftsmen, designers, and new stylish companies run by one or two individuals that perform all activities. It is worth emphasizing that each entrepreneur investing money in their spaces is an investor truly interested in seeing that their products are sold and well received by the audience.

Table 2 above shows that “Company A” sells no cosmetic products. This is due to previous market experiences. The fact is that if the consumer of a cosmetic product has any allergic reaction or health issues from the use of this product, the company selling it, i.e., the collaborative store, is held accountable for the case.

The first lessee presented, referred to as “Lessee A” from now onward, is a non-formalized microenterprise that was established by a single female owner and has been in operation since early 2015. The company came as a clothing and accessories road retailer, but the owner wanted to have a formal job, with a fixed income, to bring stability to her income.

Once in a formal job, she run into the hiccups associated with working away from home, in a big city like São Paulo. Things like lack of flexibility and dedicating all the time she had to a job that would not support her financially encouraged her to re-engage in entrepreneurial activities. As a result, she quit her formal job and used the severance benefits to invest in her small business, now with products created and produced by her.

With some higher education, the owner has the microenterprise as her only source of income, and she says there is no way to combine it with another job, since she performs the brand-related activities all by herself. The range of products of “Lessee A” comprises costume jewelry for women.

The store has been participating in a collaborative store located in the Consolação district since January 2017, and it extends its point-of-purchase with online sales and a retail store shared with a beauty salon. She engaged in the collaborative model by suggestion of a friend who was also adopting the model. The collaborative store she is engaged in accounts for 70% of the company’s sales, which shows how important the model is for this small entrepreneur.

The second lessee company, referred to as “Lessee B,” is also an informal company that is run by two partners. One of the partners has some higher education, while the other has a postgraduate diploma. Both of them have formal jobs in parallel with the management and production of the products they sell, i.e., terrariums and miniature gardens. The owners of “Company B” say that they have turned their microenterprise into an additional source of income and that, while they are part of more than three collaborative points-of-purchase, they cannot make a living of it yet.

“Lessee B” has been operating since June 2015 and was born out of an exchange of gift between the partners: a terrarium that reproduces the ecosystem inside a glass container. This gift sparked their curiosity and interest in the product. After this event, they started producing terrariums and miniature gardens, and realized that the non-existence of this segment in the market was a great opportunity for their business.

## **Employee’s Profile**

Based on the interviews applied to the collaborative stores’ employees, it is clear that there is a lack of perception of what the sharing economy and collaborative model is about. While the employees are part of the model, they have no opinion about it and show no significant interest in it.

“Employee A” is graduated from high school and has been for three years at the same collaborative store, where she works as a brand manager. Her work comprises receiving and monitoring lessees from their entry, as well as daily tasks such as restocking, inventory settlement, and termination of agreements, where applicable.

“Employee B” has some higher education and works in the lessee and final consumer service department. Some of his everyday tasks are selling, receiving products together with lessors, and keeping the store well organized. He has been engaged in the collaborative model since November 2015 and points out the variety of brands in the store as the greatest quality of the model.

## **Final Consumer’s Profile**

The profile of final consumers is obtained by cross-referencing the information provided by the stakeholders referred to above. The profile is diversified and can be confirmed through interviews and direct observations used to check information that has already been collected.

According to “Company B”, the consumers’ main characteristic is “diversity”: “We have a broad range of audience, both in age and social class.” “Company A” confirms it: “There are many people of all ages depending on the day. During the week, we have people who work in the region and go to bars nearby. On the weekends, we have a family-type audience.”

It is also worth mentioning the experience reported by “Lessee B”, whose brand is part of three different collaborative stores: “Each store has its own characteristics, and due to its location, there is great irregularity in the target audience, depending on the region where it operates.” Through structured interviews, we could collect data from two consumers, referred to as “Customer A” and “Customer B” from now onward.

“Customer A” has a bachelor’s degree and has been a consumer of collaborative stores for over seven years. In her opinion, what most attracts her to collaborative stores is: “The exclusive stuff that we usually can’t find in great department stores and shopping malls. Most of this stuff is authentic and exclusive, and this is what makes these collaborative stores interesting.”

“Customer B” has been a customer of “Company A” for more than three years and says that this is the only store she knows of the type. She is a loyal customer and follows the brand in her social networks. “Customer B” has a bachelor’s degree and points out the variety of brands and prices as the main attribute of the collaborative model.

### Analysis of Results

For a better analysis of the perceptions collected, we classified the data into the following categories:

- Competitors of Collaborative Stores
- Relationship Between Lessors of Collaborative Stores
- Relationship Between Collaborative Stores and Lessors
- Pros of Engaging in Collaborative Stores
- Pros and Cons for the Owners of Collaborative Stores

The categories of analysis developed, by the authors were done in function of the information obtained in the interviews because these categories were not previously found in the theoretical reference searched

### Competitors of Collaborative Stores

The interviews clearly showed that collaborative stores have two audiences, the lessors of their spaces and their final consumers.

#### Collaborative Stores and Lessors

This relationship is not of significant concern to store owners, since the number of entrepreneurs looking for collaborative spaces compared to the number of current stores is much bigger. According to “Company A,” potential leasers can wait for over six months to get a space in the company’s flagship store. “Lessee B” has been for over a year in this same queue waiting for a space to lease, in spite of being engaged in other stores of the franchise store.

While there are waiting queues to migrate to this model, the competitors brought up by the interviewees were other collaborative stores that can offer prices and benefits that are more appealing to entrepreneurs for investment purposes. “Company B”, for example, provides professional photo studio, living space, and website for e-commerce for no extra costs.



### Collaborative Stores and Final Consumers

With respect to competition, when it comes to final consumers, the main competitors vary according to the point-of-purchase location. Potential competitors that were pointed out included crafts fairs, buildings that rent booths to small entrepreneurs, collaborative stores, and department stores with a great variety of products.

### Relationship Between Lessors of Collaborative Stores

According to collaborative stores and lessors, no interaction between lessors is encouraged by the companies. See perceptions in this regard in Table 3.

Table 3: Collaborative Stores and Encouragement of Interaction Between Lessee Brands

	Do collaborative stores enable the interaction between lessors?
“Company A”	“We do not encourage interaction, but people end up making friends during the incoming of goods.”
“Company B”	“Encouraging the interaction of lessors has always been a challenge. The events I organized to build a network and make them closer to each other, were never successful. Only five companies used to attend. For us, it would be perfect to meet every month to exchange information.”
“Lessor A”	“They do not encourage the interaction between brands.”
“Lessor B”	“I’m not sure if the companies hold interaction activities, as we only restock goods on the weekends. We hardly ever see other people restocking.”

Source: Prepared by the author (2018)

Although the interaction between brands is not encouraged by collaborative stores, when there is interaction, the result is positive. If there was more interaction between brands, more experiences and relevant information could be exchanged and benefit entrepreneurs. See Table 4:

Table 4: Relationship Between Lessee Brands

	What is the relationship between the lessors?
“Company A”	“It is more like a cooperative relationship, although some brands are indeed more competitive.”
“Company B”	“When they relate, they do it in a positive way.”
“Lessor A”	“I have no contact with other brands, except with the brand that introduced me to the collaborative model. There might be some competition when it comes to prices.”
“Lessor B”	“I don’t think there is an actual interaction between brand owners, but we became each other’s customers because I end up buying something when I go to their store.”
“Employee A”	“There is interaction. They communicate with each other, and many of them were already friends before having business here.”
“Employee B”	“It is a relationship of cooperation.”

Source: Prepared by the author (2018)

The statement of “Employee A” in Table 4, aligned with the experience of “Lessor A,” shows that many lessors engaged in the collaborative model first learned about it from referral by friends, which does create a chain of relationships.

### Relationship Between Collaborative Stores and Lessors

From the stakeholders’ statements, one can see that there is a divergence of opinions when it comes to the relationship between stores and brands. As to collaborative stores and their employees, they see the relationship as positive and supportive. However, that is not the way lessees see it. See Table 5:

Table 5: Relationship Between Collaborative Stores and Lessors

	How do collaborative stores relate to lessors?
“Company A”	“The store has employees that support the brands and clarify doubts. It is a relationship of partners.”
“Company B”	“We exchange a lot of information with the brands. Our goal is that the brand comes and stays with us. When a new brand comes, it takes too much bureaucracy, training, and time to adapt, so it is better when the brand remains with us.”
“Lessor A”	“Not all collaborative stores show interest in maintaining lessors, as there’s always lots of people interested in leasing if any of the brand’s leaves.”
“Lessor B”	“I see that bigger stores relate less with lessors and, since they have lots of people waiting in the queue, they do not make it a point to attract brands. Other stores are more committed, showing greater interest in obtaining feedback and improving their structure.”
“Employee A”	“I see a relationship between partners.”
“Employee B”	“It is a relationship of collaboration and interdependence.”

Source: Prepared by the author (2018)

There might be a legitimate interest in having a positive relationship with lessee brands, but collaborative stores have failed to do so in the opinion of lessees.

### Pros and Cons of Engaging in Collaborative Stores

The owners, the lessors, and the lessee brands of the collaborative model were asked about the pros and cons of engaging in collaborative stores. The answers given by owners and employees showed no divergences. Neither of them pointed out the cons of engaging in the collaborative model. See Table 6 for the pros pointed out by owners and employees:

Table 6: Pros for Lessees from the Owners' and Employees' Perspective

Pros of engaging in collaborative stores from the owners' and employees' perspective
➤ Collaborative stores are located in important business areas.
➤ Fixed costs related to the leasing of a point-of-purchase are shared amongst all lessees.
➤ Property lease agreement times are significantly decreased.
➤ The brand, many times new in the market, is sold in a well-known store with great visibility.
➤ The brand is not held accountable for possible labor issues that the collaborative store may have.
➤ Shared marketing: Over 100 brands advertising a single point-of-purchase.
➤ Brands can rely on business management support.
➤ Lessees, most of them producers, sell directly to consumers, with no intermediaries. This can improve their profit margin.

Source: Prepared by the author (2018)

Table 6 points out the visibility achieved by lessors when engaging in the collaborative model. See two cases presented by “Company B” addressing this subject:

“We had a brand of women’s clothing in Goiânia that used to submit products by postal service, so the owner never came here. Due to our location, producers from the greatest fashion events of Brazil came by our store, recognized the brand, and invited us to participate in a fashion show. The other case is about a producer brand from Ribeirão Preto that couldn’t replenish the brand stocks here in the collaborative store. Near the end of their agreement, we were quite sure they were not going to renew, since sales were not going well. To our surprise, the owner wanted to renew. She said that, in her city, after announcing there was a store located on one of the most important streets of São Paulo, customers began to buy a lot more and see the brand with more prestige.”

Clearly, collaborative stores can work as a marketing tool for brands that already have their own point-of-purchase, as well as for brands that are in the very beginning of operations, lacking the financial resources to invest in their own point-of-purchase.

The statement of “Company A” below is consonant with the data above, in addition to pointing out that collaborative stores can work as alternative points-of-purchase for well-established brands: “There is an

eyeglasses brand that started with us in 2012 and now owns three stores, an online store, and is present in five of our franchise stores, as well as in other collaborative stores in Brasília, Fortaleza, and Jundiaí.” The brand at matter remains in collaborative stores in order to have more distribution points for their final consumers.

Table 7: Perception of Engaging in the Collaborative Model from the Lessees’ Perspective

Pros	Cons
The brand does not engage in the sales process of the collaborative store. It only provides the products, thus having more time to produce, advertise, and manage the brand.	Due to the absence of lessees in points-of-purchase, there is no contact with the final consumer. This makes it difficult to know what customers think of a brand and its products.
Entrepreneurs are not required to have the skills to sell their products or contact their consumers.	Collaborative stores take no responsibility for small thefts of goods that may occur in the establishment.
Collaborative stores have increased working hours, which means more sales opportunities.	Amounts earned from sales are paid only once a month, and not at the moment the sale is made.
There is the possibility of testing brands and products with relatively low investment and less risk.	Not all collaborative stores have systems that send an alert when a product is sold in real time, which makes it difficult for lessees to anticipate what and when to restock.
Collaborative stores can work as alternative points-of-purchase for those who already have physical stores or sell through the internet.	

Source: Prepared by the author (2018)

The fact that the lessees’ marketing process can be fully held by the collaborative store provides a number of benefits, especially for small brands and newcomers. On the one hand, entrepreneurs have the opportunity to dedicate to other management-related activities, while on the other hand, there is no direct contact with customers, which prevents one from understanding their perceptions of the products and the brand.

### Pros and Cons for the Owners of Collaborative Stores

Collaborative store is a business model with strengths and weaknesses, like any other one. Table 8 shows the main pros and cons pointed out by the owners of the companies interviewed.

Table 8: Pros of the Collaborative Business Model

Pros	Cons
Fixed costs are shared amongst lessees.	Possible absence of lessees may cause decreased earnings and make the business unfeasible. The business deals with a number of lease agreements regarding the sharing of the structure. Dealing with hundreds of brands can be challenging. Since it is relatively new, the collaborative store model has no specific regulations.
Owners are not required to have the skills or capital to produce or purchase goods.	
Lessees prepay the lease fees for a minimum number of months to be leased, thus generating capital even before their entry.	
The working capital in the collaborative model is relatively low, since no goods are purchased. Usually, it is used for structure maintenance purposes.	
The company is not responsible for losses resulting of, for example, failures and thefts of products.	

Source: Prepared by the author (2018)

### Pros for Final Consumers of Collaborative Stores

When it comes to the benefits collaborative stores provide to their final consumers, all stakeholders point out the same thing. The words from “Company B” below illustrate well these perceptions:

“The greatest benefit for customers is variety. In the past, as a regular retail store, we had thirty suppliers. Now, as a collaborative store, we have 101 brands, new products every week, and the final cost for the customers is lower, as most of the brands are producers.”

Collaborative stores engaged in sharing economy provide their customers with product diversification, decreased costs, since there are no intermediaries between producer and consumer, and convenience by providing various segments in a single structure.

### Conclusion

The attributes examined in the result analysis support the theoretical construct of sharing economy object of this research. Collaborative stores indeed share human and physical resources by sharing their structure and human capital engaged in sales activities. The collaborative retail model provides flexibility and autonomy for those companies adhering to the business, as well as the possibility of economic growth through the temporary sharing of their structure, causing a positive social impact, especially on small entrepreneurs.

The collaborative store model can really improve the exchange of information, ideas, and experiences of great value for the parties involved, but it is undeniable that it has an unexplored potential with regard to this exchange. Factors such as lack of interest and lack of time are obstacles in the way of this phenomenon.

In the next decades, the consumer preference for handmade or locally produced products will become the norm. (Botsman & Rogers, 2011) Handcrafted and locally produced products are characteristic in the brands they carry out in the collaborative stores, since this business model provides the necessary support for buyers and artisans to develop their brand. The structure will become more and more attractive for consumers, and the expansion of stores following the collaborative model is likely to satisfy both the final consumer and the entrepreneur bringing benefits to individuals, communities, and companies. (Schumpeter, 1997; Botsman & Rogers, 2011; Rifkin, 2016)

Collaborative stores drive entrepreneurship because they entail less costs and bureaucracy than a regular structure, which is a significant factor in the current economic scenario. The many segments and varieties of products sold in this structure illustrate the creativity that is generated by sharing economy, the creativity. It is a process that changes what we consume and how we consume. (Rifkin, 2016)

### Final Considerations

This study presents empirical data of a business model not yet explored in the academic field, creates a base of information not previously presented and based on reference literatures. The collaborative model is a business that drives the local economy and has great potential to explore in terms of income generation and social entrepreneurship development

For a future work we suggest quantitative research with a larger sample of lessors since it is a population of entrepreneurs are marked by diversity and wealth of information. We to carry out an analysis of the profile of these entrepreneurs categorizing their motivations to undertake and the survey of their social and economic needs versus the benefits provided by the collaborative stores and their possibilities of exploration.

Empirical research on physical business models that practice sharing economics are welcome to bridge the gaps in this still incipient theory with focus on virtual business and digital platforms.

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