



Collaborative consumption as C2C trading: Analyzing the effects of materialism and price consciousness

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ARTICLE INFO

Keywords:

Collaborative consumption
Materialism
Price consciousness

ABSTRACT

Our study aims to bring new critical knowledge on the two kinds of antecedents of collaborative consumption, namely materialism and price consciousness. We are especially interested in studying how materialism and price consciousness are related first, to consumers' attitudes towards collaborative consumption, and second, to their intentions to engage in such behavior. Furthermore, we approach collaborative consumption as a mode of exchange that includes transfer of ownership, i.e. C2C trading. Five hypotheses were developed to be tested using structural equation modelling (SEM). Our sample consists of 752 Finnish consumers. Overall, our hypotheses are globally supported apart from the unexpected relationship between materialism and consumers' intentions to engage in collaborative consumption. Based on our findings, it seems that although collaborative consumption is perceived as unfavorable behavior among materialistic consumers it is something that they are still ready to try in the future. Our study contributes the consumer research in general, and sharing economy and collaborative consumption literature in particular.

1. Introduction and purpose

The emergence of the sharing economy has had a major impact on many industries and businesses worldwide (Cheng, 2016; Sundararajan, 2016; Narasimhan et al., 2018). According to a report conducted by PricewaterhouseCoopers (2015), five key sectors are particularly affected by this “sharing movement”. These sectors are travel, car-sharing, finance, staffing, and music/video streaming. PricewaterhouseCoopers predicts that revenue in these five sectors of the sharing economy could reach \$335 billion by 2025. Furthermore, what is even more interesting is how the sharing economy has changed people's perceptions of ownership and consumption practices (see e.g. Belk, 2014; Matzler et al., 2015; Cheng, 2016). Nowadays, there is a growing number of consumers who are more interested in to share rather than to own the products and services.

Perhaps the best-known form of sharing is collaborative consumption (see e.g. McArthur, 2015; Möhlmann, 2015). Botsman (2013) defines collaborative consumption as “an economic model that is based on sharing, swapping, trading, or renting products and services” (see also Botsman and Rogers, 2010). Belk (2014) argues that collaborative consumption refers to the acquisition and distribution of resources that occurs for a fee or other (non-monetary) compensation. As Belk (2014)

argues, collaborative consumption occupies a middle ground between sharing and marketplace exchange, with elements of both. Hamari et al. (2016), in turn, state that collaborative consumption can be separated into two main categories of exchange: (i) access over ownership and (ii) transfer of ownership. This study, as developed in the empirical part, perceives the collaborative consumption as a mode of exchange that includes the transfer of ownership, i.e. consumer-to-consumer (C2C) trading. However, in its theoretical part the present study explores collaborative consumption more broadly in order to create a more comprehensive understanding of this emerging phenomena.

As a form of C2C trading, collaborative consumption is often facilitated by an external provider like an online platform (e.g. Möhlmann, 2015; Narasimhan et al., 2018). In fact, nowadays, there are several business ventures and startups that have boosted collaborative consumption to a meteoric growth by creating online-based platforms or marketplaces (Martin, 2016; Hamari et al., 2016). For example, Airbnb, a marketplace of travel accommodation and a pioneer of the collaborative consumption, has served 60 million guests since it was founded in 2008 (see e.g. Matzler et al., 2015).

During the last few years a growing body of research has extended our knowledge of the popular movement of collaborative consumption. Within this evolving research area, there is a set of studies that have

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tried to specify the reasons for participation in collaborative consumption (see e.g. Hwang & Griffiths, 2016; McArthur, 2015; Möhlmann, 2015; Böcker and Meelen, 2017). Although there is an increasing number of studies that have focused on the antecedents of collaborative consumption, there still appears the need for further research. In particular, one very fundamental question is unclear at the moment. That is: can materialistic people also be inclined to engage in collaborative consumption? Belk (2010, 2007) has tackled this question theoretically, and argued that possessiveness and non-generosity as key components of materialism may inhibit sharing. However, at least to our knowledge, there is only one empirical study that has approached this question explicitly. In their study, Akbar et al. (2016) found evidence that materialism is a dominant inhibitor of consumers' willingness to take part in commercial sharing systems. Also, Ozanne and Ballantine (2010) came quite close to this question by studying whether a group of individuals who engage in sharing hold anti-consumption attitudes. Their study revealed four different groups that all had relatively low scores on the materialism scale. Durgee and O'Connor (1995), in turn, studied rental consumption, and found that rental consumption is driven by instrumental materialism instead of terminal materialism. Although there already are some studies that tackle materialism in the collaborative consumption context, it can be argued that there is a lack of empirical evidence of the actual effects of materialism on collaborative consumption. Thus, further research is needed.

In this study we aim to explore how materialism is linked to C2C trading, i.e. collaborative consumption that includes transfer of ownership (named hereafter collaborative consumption). We are especially interested in to investigate the following two questions: do materialistic people perceive collaborative consumption as favorable or unfavorable behavior, and furthermore, to what extent materialistic people are willing to engage in such behavior in the future.

In addition to materialism, we also analyze how price consciousness is related to collaborative consumption. Whereas materialism can be seen as a factor that might lead to unfavorable perceptions of collaborative consumption and/or inhibit consumers' willingness to engage in such behavior (see e.g. Belk, 2007, 2010; Akbar et al., 2016), price consciousness, i.e. the degree to which the consumer focuses exclusively on paying low prices (Lichtenstein et al., 1988, 1993), can be seen as the one of the potential drivers of collaborative consumption (see e.g. Möhlmann, 2015; Hamari et al., 2016). However, at least to our knowledge, price consciousness has not been studied explicitly in previous studies in the context of collaborative consumption. Therefore, our study aims to bring new critical knowledge on the two kinds of antecedents of collaborative consumption, namely materialism and price consciousness.

To be more specific, we focus on the following research questions:

1. How materialism is related to consumers' (a) attitudes towards collaborative consumption, and their (b) intentions to engage in collaborative consumption?
2. How price consciousness is related to consumers' (a) attitudes towards collaborative consumption, and their (b) intentions to engage in collaborative consumption?
3. How consumers' attitudes towards collaborative consumption are related to their intentions to engage in collaborative consumption?

The key constructs and their potential relationships are presented in our conceptual model (Fig. 1). By studying these constructs and their potential relationships we aim to contribute the consumer research in general, and sharing economy and collaborative consumption literature in particular. Especially, our study aims to contribute to the stream of research on the antecedents of collaborative consumption that includes transfer of ownership.

Rest of the article is organized as follows: First, we review previous research related to sharing economy and collaborative consumption.

We then develop hypotheses about the effects of materialism and price consciousness on collaborative consumption attitudes and intentions (see Fig. 1). Following this, we provide the details of our sample, measures and analysis. Using structural equation modelling (SEM), we test our hypotheses using a sample of 752 Finnish consumers. We conclude by discussing the implications for researchers and managers. We also discuss study limitations and opportunities for future research.

1.1. Theoretical background

Ownership and possession practices have traditionally dominated the debate on consumer behavior and consumption (Arsel, 2010; Bardhi and Eckhardt, 2012; Watkins et al., 2016; Lindblom and Lindblom, 2017). In fact, in many modern societies the concept of ownership is still very well rooted in consumers' minds, and for many ownership is something that they aim and work for. Ownership entitles consumers to use, control and convey what they have (see e.g. Gaus, 2012; Bardhi and Eckhardt, 2012; Moeller and Wittkowski, 2010). However, it has been argued that in today's postmodern society owning things has become outmoded idea. In fact, according to a report by PricewaterhouseCoopers (2015, p. 14), today, only one in two consumers agree with the statement "owning things is a good way to show my status in society."

Thus, it is not surprising that the movement of sharing is growing rapidly around the world, and nearly in every sector and industry (Cheng, 2016; Sundararajan, 2016; Narasimhan et al., 2018). Furthermore, this "movement" has had fundamental change in people's ways of thinking about ownership and consuming (Belk, 2014; Narasimhan et al., 2018). Matzler et al. (2015, p. 71) highlight this change in people's minds and behavior, stating that "While individuals have traditionally often seen ownership as the most desirable way to have access to products, increasing numbers of consumers are paying to temporarily access or share products and services rather than buy or own them." In a similar vein, Bardhi and Eckhardt (2012) argue that consumers now want the access to products, and they prefer to pay for the experience of using the object rather than buy and own it (see also Watkins et al., 2016; Lindblom and Lindblom, 2017).

Belk (2007, p. 126) has defined sharing "as the act and process of distributing what is ours to others for their use and/or the act or process of receiving or taking something from others for our use". According to Bardhi and Eckhardt (2012) sharing is a mode of behavior that does not involve a transfer of ownership. Basically, anyone can share almost anything from material goods to time, ideas, skills and competencies. In practice, sharing can include, for instance, car-pooling, space-sharing, couch surfing, or voluntary borrowing.

Collaborative consumption is often defined as the most typical form of sharing. Collaborative consumption refers to sharing, swapping, trading, or renting products and services (Botsman, 2013; see also Hamari et al., 2016). Belk (2014), in turn, defines collaborative consumption as a behavior where people coordinate the acquisition and distribution of resources for a fee or other compensation. A key point in this Belk's (2014) definition is that collaborative consumption involves compensation. This feature distinguishes collaborative consumption for example from the gift giving. As Belk (2014) points out, collaborative consumption is located in a middle ground between sharing and marketplace exchange, with having elements of both.

In their study Hamari et al. (2016) emphasize that collaborative consumption can be separated into two main categories of exchange:

- (i) access over ownership
- (ii) transfer of ownership.

According to Hamari et al. (2016), access over ownership is the most common mode of exchange in the context of collaborative consumption. One practical example of this kind of exchange is peer-to-peer renting (Hamari et al., 2016). Philip et al. (2015) define peer-to-

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