Sharing economy: comparing users’ and non-users’ perceptions

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Abstract

With the support of new online platforms such as Airbnb, 9flats, Uber and Liftshare, the so-called sharing economy or collaborative consumption has rapidly gained popularity among consumers. Millions of people have changed the way they purchase and consume, with deep consequences on both the demand side and the supply side.

Different reasons encourage people to participate in collaborative consumption. In particular, available literature has identified both extrinsic motivations (such as securing economic benefits) and intrinsic motivations (such as contributing to environmental sustainability). Despite the growing relevance and popularity of this phenomenon, knowledge on this issue is still in its embryonic stage.

The aim of this study is to advance such knowledge by studying the perceptions of both people that participate in collaborative consumption (“users”) and people who do not (“non-users”), with the intent of identifying the motivations which predict the usage of sharing economy platforms. For this purpose, a questionnaire-based survey was conducted among a sample of 378 Italian consumers. The findings highlight the importance of both extrinsic and intrinsic motivations but also disconfirm the significance of some drivers suggested by previous studies. Relevant managerial implications for firms affected by this phenomenon are derived from these results.

Keywords
sharing economy; collaborative consumption; motivations
1. Introduction

Although the practice of sharing is not a new phenomenon in consumer behavior studies, the advent of the internet era has allowed the explosion of the so-called collaborative consumption or sharing economy (Belk, 2014). Online platforms such as Airbnb, 9flats, Uber, Liftshare, have rapidly gained popularity among consumers. In this perspective, a growing number of consumers have changed the way they purchase and consume, with deep consequences on both the demand side and the supply side. In this perspective, consumers, instead of the ownership of goods, prefer having temporary access to them through the sharing practices (Chen, 2009). In sum, following Belk (2010), there are two elements that characterize collaborative consumption: the non-ownership model and the relevance of the internet.

As Möhlmann (2015) highlighted, collaborative consumption\(^1\) is no more only a niche but a new megatrend, that introduced radical changes to traditional business models. Already in the 2013, the Economist in the article entitled “The rise of the sharing economy” noted that “This emerging model is now big and disruptive enough for regulators and companies to have woken up to it. That is a sign of its immense potential. It is time to start caring about sharing”. More specifically, some estimations indicate the sector’s revenues reaching $335 billion globally by 2025 (Marchi and Parekh, 2015).

Even if hypothetically anything can be shared from clothes (Yerdle) and meal (EatWith) to solar energy (Yeloha), the best-known sharing platforms operate in the transport sector (Uber) and in the hospitality sector (Airbnb) (Marchi and Parekh, 2015).

Despite the growing practical relevance and popularity of this phenomenon, scientific knowledge on this issue is still scarce. Focusing in particular on the consumer perspective, several motivations that encourage the participation in collaborative consumption have been highlighted (Albisson et al., 2010; Sandikci and Ekici, 2009). Hamari et al. (2015), for example, distinguish between extrinsic motivations (economic benefits and reputation) and intrinsic motivations (enjoyment and concern for sustainability). However, as noted by Tussyadiah and Pesonen (2016), knowledge on this topic is limited to “anecdotal evidence”. Through the support of an empirical analysis among Italian consumers, this paper therefore intends to fill this significant gap in available literature.

In detail, based on data collected from 378 respondents, the purpose of this study is to understand whether four motivations (economic benefit, individual reputation, community belonging, environment concern) can statistically predict the decision whether to take part or not to collaborative consumption. Conceptually the study draws on the framework suggested by Hamari et al. (2015): in fact, the first two motivations (economic benefit, individual reputation) can be classified as extrinsic while the other two (community belonging, environment concern) as intrinsic.

The remaining of the article is articulated as follows: in the next paragraph the relevant literature is reviewed; after that the method is explained and the results are presented and discussed; conclusions and limitations complete the paper.

2. Literature review and hypotheses

Although Felson and Speath started debating about collaborative consumption in 1978, the advent and diffusion of the internet and of the web 2.0 has made it possible for sharing economy platforms such as Airbnb and Uber to diffuse virally (Möhlmann, 2015). According

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\(^1\) For a comprehensive overview of the debate about the definition of sharing economy readers can refer to Möhlmann (2015), Belk (2014), Albisson and Perera (2012).
to Hamari et al. (2015), these platforms operate as coordinators in an economical-technological context. These platforms can be non-profit or for profit, and even change their status over the time (as Couchsurfing, a platform for international travelers, which became commercial in 2008) (Molz, 2012).

With the support of these platforms, consumers have become active actors: they can produce, create, collaborate, etc. (Botsman, 2014). In sum, differently from the past, these platforms are allowing world-wide sharing and enable customers to act as collective co-producers (Zervas et al., 2016; Peters et al., 2012). Hence, sharing economy platforms are changing consumer behaviors (Heo, 2016) and are leading to the emergence of new business models, which is not only a fashion trend (Möhlmann, 2015).

However, despite the relevance of this phenomenon which is also projected to continue to grow in the future (Sigala, 2014), empirical studies on this issue are very limited (Tussyadiah, and Pesonen, 2016; Guttentag, 2015).

More specifically, the motivations that encourage people to participate in these platforms are still not clear. Edbring et al. (2016) suggest that such motivations vary according to the kind of platform used for the exchange (commercial or non-commercial) and, therefore, depending on whether the exchanges involve monetary compensation or not. In non-profit platforms participants are driven by factors such as the desire to belong to a community, the need for reciprocity and other ideological reasons (e.g. political and environmental reasons). In for-profit platforms, economic and convenience-related reasons together with the search for novelty and the desire for variation prevail over motivations related to reciprocity and sustainability.

Following a different reasoning unrelated to the type of platforms, Hamari et al. (2015) distinguish between extrinsic motivations and intrinsic motivations. The first group of motivations are related to external pressures such as individual reputation and economic benefits. While the second group is related to intrinsic aspects such as enjoyment and environment concern. Drawing on this framework, hereafter we suggest our research hypotheses.

In general, available literature has identified both altruistic and economic motivations. The intentions to help others and/or protect the environment are classified as altruistic. Economic motivations are related to saving money and facilitating efficient access to goods and services (Heo, 2016; Tussyadiah and Pesonen, 2016).

A general increasing in environmental consciousness has contributed to the diffusion of the sharing economy (Albisson and Perera, 2012). As a matter of fact, sharing economy is considered the answer to the environmental pressures and a way to reduce the environmental impact of consumption (Luchs et al, 2011). It is able to reduce waste, use of raw materials and emissions thus balancing the needs of current and future generations (Luchs et al., 2011; Botsman and Rogers, 2010). Therefore, we state that:

H1: Consumers’ environmental concerns are positively related to the use of sharing economy platforms

The global crisis has contributed to make people rethink the way they consume, independently of their income (Tussyadiah and Pesonen, 2016). Sacks (2011) notes that sharing systems can allow consumers to gain a less expensive access to the desired product. Thus, economic benefits are an important reason that leads consumers to participate in collaborative consumption, which offers more value at lower costs (Lamberton and Rose, 2012; Botsman and Rogers, 2010). Lamberton and Rose (2012) highlight that sharing becomes attractive when the associated utility (e.g. flexibility and need for less storage space) outweighs the associated costs (e.g. fees, search costs and time to learn how to use unfamiliar products). Following this reasoning we hypothesize that:
H2: The search for economic benefits is positively related to the use of sharing economy platforms

Community belonging is considered another driver of collaborative consumption (Möhlmann, 2015), which provides the opportunity of developing new relationships, making new friends and interacting with each other (Botsman and Rogers, 2010; Albinsson and Perera, 2012). In this perspective, the sharing economy platforms are considered the natural evolution of social media platforms such as Facebook or TripAdvisor (Cusumano, 2015). Therefore, participating in sharing practices creates a sense of community. Following this reasoning we posit that:

H3: The search for community belonging is positively related to the use of sharing economy platforms

Finally, available studies suggest that the activity of self-marketing and of building individual reputation within a community is another motivation for using sharing platforms (Lin and Lu, 2011). In particular, reputation is considered as an antecedent of the participation in online community and of sharing information (Wasko and Faraj, 2005). In this perspective active participation in collaborative consumption can be conceived as a means to build reputation (Hamari et al., 2015). Therefore, we state that:

H4: The intention to build individual reputation is positively related to the use of sharing economy platforms

The research model is summarized in figure 1.

**Fig. 1 The suggested Model**

| Environmental Concern | Economic Benefits | Community Belonging | Individual Reputation | Actual Use of Sharing Economy Platforms |

Source: our analysis

### 3. Method

In order to achieve our research goals, an online survey was conducted in May 2016. The questionnaire was distributed through social networks. When this paper was written, 398 answers had been received. However, 20 of them had been excluded due to incomplete answers. Therefore, we got 378 usable answers. In detail, 102 respondents had participated in collaborative consumption while 276 had not.

The questionnaire was articulated into two parts. The first one was to be filled by respondents that had already taken part to the sharing economy, the second one targeted people who had not. Most of the items used to measure the main constructs were taken from previous studies (Tussyadiah and Pesonen, 2016; Hamari et al., 2015; Lamberton and Rose, 2012). Four sets of questions were kept identical for the two groups of respondents to facilitate comparisons. These questions measured the motivations that can explain the
decision whether to take part or not in collaborative consumption. All the independent variables were rated on five-point agreement-disagreement Likert-type scales. In addition, we set the use of sharing economy platforms as the dichotomous dependent variable. Data collected were then analysed through the SPSS software. In particular, logistic regression was performed.

4. Results

Respondents are mainly female (65.6%), have a medium-to-high education level (86.8% have a bachelor's degree or post-graduate degree) and 83.8% of them have an age lower than 30 years. As regards the occupation, 81.7% of participants are employees, 15.6% are self-employed people. In addition, 33.9% of respondents have an average annual income between 18,000 and 30,000 Euros. As regards the respondents that have experience with sharing platforms, 52.5% of them have used Airbnb and 36.6% BlaBlaCar.

To test convergent and discriminant validity of the scales used to measure the independent variables, confirmatory factor analysis (CFA) with varimax rotation was employed. All items had substantial loadings (above 0.70) on the intended factors (table 1) and all the constructs had a Cronbach’s alpha value equal to or greater than 0.70, thus supporting both convergent and discriminant validity of the scales.

To test the suggested hypotheses, we performed a logistic regression. In general, the model fit was satisfactory as demonstrated by the test of Hosmer-Lemeshow (Chi-square greater than .5) and by the hit ratio which shows that 72% of the outcomes were correctly predicted by our model (table 2) (Dahlstrom et al., 2009).

The results of the analyses are shown in table 3 and highlight that the hypotheses one and two are supported. More specifically, the greater the environmental concern the higher the probability of using sharing economy platforms (hp.1), and the greater the search for economic benefits the higher the probability of using sharing economy platforms (hp.2). At the same time, the hypotheses three and four are not supported. Community belonging and individual reputation are not significant predictors of the use of sharing economy platforms.

Table 1: The measurement model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Mean</th>
<th>S.D.</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Concern</td>
<td>ENVCONC_1 - For me, environmental protection is very important</td>
<td>3.85</td>
<td>1.14</td>
<td>0.85</td>
</tr>
<tr>
<td>(α=0.72)</td>
<td>ENVCONC_2 - In my purchasing decisions, I strongly take into consideration the purchase of environmentally friendly products (eco)</td>
<td>2.99</td>
<td>1.16</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>ENVCONC_3 – I am willing to support sacrifices (e.g. paying higher price) if the goods I buy are environmentally friendly</td>
<td>2.82</td>
<td>1.20</td>
<td>0.91</td>
</tr>
<tr>
<td>Economic Benefit</td>
<td>ECOBEN_1 - In my purchasing decisions, price is a key variable</td>
<td>4.15</td>
<td>0.99</td>
<td>0.88</td>
</tr>
<tr>
<td>(α=0.74)</td>
<td>ECOBEN_2 - In general, I strongly take into consideration price variations</td>
<td>3.84</td>
<td>1.02</td>
<td>0.89</td>
</tr>
<tr>
<td></td>
<td>ECONBEN_3 - In general, I always compare prices</td>
<td>4.16</td>
<td>0.96</td>
<td>0.89</td>
</tr>
<tr>
<td>Community Belonging</td>
<td>COMMBEL_1 - Using sharing services allows (would allow) me to get in touch with people who share my interests</td>
<td>3.23</td>
<td>1.15</td>
<td>0.92</td>
</tr>
<tr>
<td>(α=0.73)</td>
<td>COMMBEL_2 - Using sharing services allows (would allow) me to get in touch with people who think like me</td>
<td>3.03</td>
<td>1.13</td>
<td>0.93</td>
</tr>
<tr>
<td>Individual Reputation</td>
<td>INDRREPUT_1 - My friends approve (would approve) my usage of a sharing service</td>
<td>3.46</td>
<td>0.94</td>
<td>0.86</td>
</tr>
</tbody>
</table>
Table 2: The model fit

<table>
<thead>
<tr>
<th>Hosmer-Lemeshow test:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>3.325</td>
</tr>
<tr>
<td>Df</td>
<td>8</td>
</tr>
<tr>
<td>Sig.</td>
<td>.912</td>
</tr>
<tr>
<td>Overall hit ratio (%)</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: our analysis

5. Discussion and Conclusions

The findings of this research contribute to advance knowledge about the drivers of consumer use of sharing platform. In detail, they shed new light on both intrinsic and extrinsic factors.

As regards intrinsic factors, our study highlights the importance of environmental concern as a predictor of the usage of sharing economy platforms, which is a kind of sustainable behavior because it is able to reduce the negative impacts on the environment (Albisson and Perera, 2012; Luchs et al., 2011). Collected evidence shows that almost all the respondents having experience with sharing platforms use them in the transport sector and in the hospitality sector. In both cases the ecological aspects emerge as important factors. In the first case the attention to the reduction of emissions prevails. In the second case, the focus is on waste reduction and on the importance of respecting the local population. This outcome is consistent with previous studies (Tussyadiah and Pesonen, 2016; Tussyadiah, 2015; Botsman and Rogers, 2010; Sacks, 2011). However, it should be underlined that the role of environmental concern as an antecedent of using sharing economy platforms is not conclusively assessed. In a recent study, published in the Journal of Consumer Behavior, Möhlmann (2015) didn’t find statistical support for this relationship.

Differently from other studies (Tussyadiah and Pesonen, 2016; Hamari et al., 2015), in our analysis community belonging is not a significant predictor of the use of sharing economy platforms. Some authors stress the aspiration to become a member of a group as a relevant motivation. Botsman and Rogers (2010) relate this factor to the age of the users. In particular, they argue that because most of users belong to the so-called Facebook generation, it is natural for them to search links and connections with other people. In their perspective, this is a reaction to the social isolation created by new technologies. Nonetheless, our study does not
confirm the importance of this motivation. The desire of gaining new friends or establishing new links is not considered as an important antecedent to participate in the sharing economy platforms. Albisson and Perera (2012) state that community belonging can be not only a driver but also a consequence. Following this reasoning, in the future it would be useful to better understand the role of this factor either as an antecedent or as a result.

As regards the extrinsic motivations (economic benefits and individual reputation), this research remarks the importance of economic benefits. This result is consistent with previous studies (Tussyadiah and Pesonen, 2016; Guttentag, 2015). Collaborative consumption is a substitute for ownership (Bardhi and Eckhardt, 2012) and, differently from traditional consumption, it is able to offer more value at lower costs (Lamberton and Rose, 2012). Individual reputation, the other intrinsic motivation, is not statistically supported in our study. This result is consistent with the research conducted by Hamari et al. (2015) but not with the study performed by Anthony et al. (2009). In conclusion our study confirms the relevance of the economic appeal and of the environmental appeal of the sharing economy.

More specifically, our study confirms the relevance of altruistic motivations like the importance of safeguarding the environment and contributing in this way to create a sustainable life (Luchs et al., 2011). It also remarks the role of economic aspects correlated to the fact that collaborative consumption is perceived as able to offer more value with less cost (Botsman and Rogers, 2010).

In addition, and beyond the main object of this study, collected data highlight other interesting aspects related to the demographics characteristics of people participating in the sharing economy. More specifically, 88.2% of respondents who have already used sharing economy platforms have an age between 18 and 30. This is consistent with previous studies, showing that younger who are more confident with digital technology are inclined to use sharing platforms (John, 2013; Ganski, 2010). In addition, they are highly educated as suggested by Tussyadiah and Pesonen (2016), as 97.7% have a bachelor's degree or post-graduate degree.

Overall, our findings urge managers of collaborative consumption platforms to consider the importance of the economic and environmental drivers. In particular, the results of this research have practical implications for both managers of sharing economy platforms and managers of traditional businesses. In the first case, our study highlights the elements that can be stressed in designing and promoting their platforms such as the economic benefits and the environmental element. As regards the traditional businesses, the sharing economy can be a stimulus to adapt to the new needs. They should pay attention to environmental aspects and at the same time provide high-level and high-quality services that sharing economy cannot deliver. In addition, they could take part to the sharing economy as well. For example, in 2011, Bmw created with Sixt the Joint Venture DriveNow that operates in the car sharing sector demonstrating that the two business models can coexist. Finally, it should be underlined the compelling need of developing a public regulation for the sharing economy activities (regarding taxes, insurance and other aspects), which otherwise can posit unfair competition to the traditional businesses.

This study presents several limitations, as well. First, the analysis is based on data collected only from Italian consumers. Moreover, other variables should be considered in the future to enrich our understanding of the decision to use sharing platforms. In addition, the sample size is limited. Future studies should also separately analyze each sharing economy platform and its consumers to appreciate the overall potential of each one.

References


