In the sharing economy, consumers see themselves as helpers

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Whether you use a taxi or a rideshare app like Uber, you're still going to get a driver who will take you to your destination.

But consumers view an employee of a taxi company differently from an independent driver picking up riders via an app, a new Ohio State University study suggests.

Consumers see themselves as helping independent providers like those on rideshare apps. When they use traditional firms, like a taxi company, they don't view themselves as helping the employees—they're just purchasing a service.

The peer-to-peer business model of firms like Uber or Airbnb is changing how consumers view some service providers, said John Costello, lead author of the study and a doctoral candidate in marketing at Ohio State's Fisher College of Business.

"Previous work has shown that consumers view employees as being an extension of the company they work for," Costello said.

"But we found that consumers see providers for these peer-to-peer companies as separate from the company—as people just like themselves."

The study was published online recently in the *Journal of Marketing*.

These different views of service providers have important implications for how firms like Uber and Airbnb market themselves to consumers, the study found. It may also have consequences for issues like how consumers tip independent providers and their support for regulations in the sharing economy.

Results showed that peer-to-peer companies had better success marketing themselves to consumers when they focused on the people that provide their service, and less success when they focused on their companies or apps.

"When peer-to-peer companies focus their marketing on the people who provide their services, we found it made consumers think about how their purchases benefit the individual providers," said study co-author Rebecca Reczek, professor of marketing at Ohio State's Fisher College.

"But when peer-to-peer firms focused on their apps instead, it makes people think that they're just purchasing from a company rather than thinking about how their purchase helps an individual."

In one real-life field study, the researchers partnered with a peer-to-peer company whose app allowed college students to buy or rent textbooks from each other.

The company set up a table on a college campus for several days to promote their service. On half the days, the banner on the table and the promotional cards they had available focused on using the company's app to buy or rent books. On the other half of the days, the banner and cards focused on how you could buy or rent books directly from your classmates.

Results showed that more of the promotional cards were taken when the focus was on the student providers (379) than when the focus was on the app itself (281).

n a second study, 259 students were shown ads for one of two fictitious firms, either "Reliable Rideshare" or "Reliable Cab." Some of the ads focused on the companies themselves (the cab or the rideshare company) and some focused on people (employees of the cab company or drivers for the rideshare company).

Participants were also asked if they thought their purchases from either the rideshare or cab company would help someone.

Findings showed that consumers were more likely to say they would purchase from the rideshare company when the ad focused on the providers rather than the company itself. But for the cab company, the ads' focus made no difference in purchase intention.

The reason was that participants were more likely to say their purchases were helping people when they used the rideshare drivers than when they used the cab company employees, the study found.

"When people are buying from an employee, like those who work for a taxi company, they don't really think of themselves as helping these workers. They're just making a transaction," Costello said.

Overall, the results show that peer-to-peer companies should focus on people who provide their services in their ads and marketing materials, Reczek said.

But the findings may also have wider implications. For example, if people think they are already helping rideshare drivers simply by hiring them, they may be less likely to tip them or tip them less. They may also be less likely to support regulations that financially protect these workers.

But some research suggests that rideshare drivers often make less than minimum wage, she noted.

"This perception of consumers that they're helping simply through their purchases may have negative consequences for providers," Reczek said.

"Their beliefs may not match the economic reality of what it is like to be a provider for a peer-to-peer firm."

More information: John P. Costello et al. Providers Versus Platforms: Marketing Communications in the Sharing Economy, *Journal of Marketing* (2020). DOI: 10.1177/0022242920925038

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