

Opinion: The shift from owning to renting goods is ushering in a new era of consumerism

July 31 2023, by Seung Hwan (Mark) Lee and Omar H. Fares



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Today's consumer landscape is witnessing a pivotal shift away from [traditional ownership toward an access-based model](#). Rather than outright owning goods and services, people prefer to simply have access to them.

[Access-based consumption](#) means engaging in transactions where ownership doesn't change hands. Instead of owning physical copies of DVDs or CDs, for example, people subscribe to [streaming services](#). Consumers are able to access a wide range of products without the burden that comes with traditional ownership.

This approach is closely associated with the [sharing economy](#), which encourages collaborative [consumption](#). This involves sharing, swapping and renting resources, eliminating the need for personal ownership of these goods.

The term "[sharing economy](#)" came into use after the 2007 financial crisis as people sought alternative ways to access goods and services, but [started gaining more widespread usage in 2010 and 2011](#).

The sharing economy is growing exponentially. It's projected to [reach a market volume of \\$335 billion by 2025](#). This indicates that the way we consume goods and services has—and continues to—evolve significantly.

A response to global challenges

At a time filled with [economic instability driven by a wealth of factors](#), including the long-lasting effects of COVID-19 and the war in Ukraine, consumers continue to shift their consumption habits to align with these economic shocks.

The access-based and sharing economy has emerged as a powerful response to these global challenges, offering a flexible, cost-effective and more sustainable alternative to the long-standing paradigm of ownership.

The rise of access-based consumption doesn't appear to be a passing

phase. Rather, it appears to be an [enduring form of consumption that is emerging in various industries](#), including transportation, fashion and toys.

Navigating the current economic landscape requires a solid grasp of these evolving paradigms. [The rise of the access-based and sharing economy is more than a trend towards cost saving](#); it's about constructing a sturdier, sustainable consumption model.

What is driving the shift

The growth of access-based consumption is driven by two main things. First, access-based consumption is predicated on the [affordability, value and convenience it offers to consumers](#). [Participation in car-sharing services](#), such as Zipcar and Turo, are primarily driven by these factors.

Secondly, [access-based consumption provides environmental and social benefits](#) by encouraging consumers to share and increasing the usage of a particular good.

[In the fashion industry](#), rental services allow consumers to enjoy a variety of choices and gain access to luxury goods they may not otherwise be able to purchase. These services are also beneficial for those experiencing body changes, [like pregnant women](#), as clothing can be shared to reduce careless disposal.

Access-based consumption means there is a [time-related aspect to the transaction](#), either in the form of duration of access or usage. Even so, this doesn't stop consumers from developing a sense of perceived ownership over a good or service.

For example, consumers may develop a sense of pride, attachment and responsibility towards a shared community garden. They may gain social

value from participating in this experience.

This social component also extends to peer-to-peer accommodation services, like Airbnb. One study found that the primary reasons American travelers used such a service included [sustainability and connecting with community](#).

Interestingly, while service providers tout intrinsic motivations, such as promoting sustainability and building a community, [users often have extrinsic factors such as affordability and convenience on top of their minds](#).

What does this mean for businesses?

Businesses need to reimagine traditional profit strategies, resource utilization, societal impacts and community relationships to better adapt to this shift in the economic paradigm.

Rethink profit: In an access-based economy, businesses need to shift their profit strategies [from selling products to facilitating access](#). [This calls for innovative approaches to monetizing services](#), such as tiered subscriptions, [dynamic pricing](#) or pay-per-use approaches, creating multiple revenue streams while fulfilling diverse consumer needs.

Maximizing technological resources: The role of technology is [central in orchestrating transactions, maintaining inventory and ensuring a seamless user experience](#). In an access-based environment, businesses must harness tech advancements like AI, data analytics and the [Internet of Things](#) to streamline operations. Investing in digital infrastructure is critical to success in the access-based economy.

Beyond revenue: Profit isn't the sole aim anymore. The access-based economy [focuses on sustainable practices and societal impact](#).

Businesses can position themselves as conscious brands by promoting resource optimization and contributing to societal and communal welfare. This shift towards [corporate social responsibility not only elevates a brand's image](#), but also resonates with [the growing consumer demand for ethical consumption](#).

The power of trust: [Trust is one of the cornerstones of the access-based economy](#). Consumers [need the assurance of safety, quality and reliability before partaking in sharing transactions](#). Businesses can foster trust by implementing transparent practices, rigorous quality checks and responsive customer service.

The future of consumerism

While ownership does offer consumers unique benefits, including [enhanced autonomy](#) and [a stronger sense of consumer identity](#), it's clear we are shifting away from this model.

As consumers and businesses navigate and adapt to this new landscape, we are not just witnessing a change in how we consume, but in how we [perceive value](#), community and our roles within it.

This dynamic shift towards an access-based model, fueled by [intrinsic and extrinsic motivations](#), is driven by the idea of a shared future built on access to goods and services, improved efficiency and collective value.

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