

# 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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