

# Product Ownership VS Renting : Research Proposal

## Introduction

The difference between owning a product and renting a product is that in the first case, the buyer owns the product and has full responsibility for it, while in the second case, the buyer pays to use the product for a specific period of time, but never becomes the owner of the product.

When you purchase a product through ownership, you acquire ownership of the product. This means that the buyer is responsible for the care, maintenance and repair of the product, but also has the freedom to use it as he or she wishes. If the product is resold, the buyer can recover some or all of its value.

On the other hand, in the renting product, the buyer pays to use the product for a certain period. During this period, the buyer does not have to worry about maintenance, repairs or resale of the product, as he does not own the product. At the end of the lease period, the buyer must return the product or renew the lease. In summary, the difference between owning a product and renting a product is that in the first case, the buyer owns the product and has full responsibility for it, while in the second case, the buyer pays to use the product for a specific period of time without becoming the owner.

The current context is marked by a strong growth in the product rental market. This trend is partly due to the growing awareness of the environmental impact of over-consumption and the need to reduce our carbon footprint.

The concept of the Uberisation of the market has had a profound effect on the way people view product ownership versus renting. In the past, owning a car, a home, or other goods was seen as a sign of financial stability and success. However, with the emergence of platforms such as Uber, Airbnb, and Rent the Runway, people are increasingly valuing access to goods and services over ownership. The rise of the sharing economy has made it possible to rent everything from clothing to high-end vacation homes, and people are now choosing to use these services rather than making large investments in buying their own items. In the transportation sector, for example, more and more people are opting to use ride-hailing services like Uber and Lyft instead of buying a car, which requires significant financial investment and ongoing maintenance costs.

Renting products allows consumers to rent products for a set period of time, rather than buying them. This allows them to enjoy the benefits of product use without the high costs of purchase, maintenance, repair and resale. In addition, renting products reduces waste and waste generation, as products are reused multiple times instead of being thrown away after limited use.

Product rental has also become increasingly popular in certain sectors, such as electric vehicles, sports equipment, electronics and even furniture. Product rental companies have

also adopted innovative business models such as monthly subscriptions, which allow consumers to access a range of products based on their needs and budget.

In short, product rental has become an attractive alternative to purchase for budget-conscious and environmentally conscious consumers. This trend is expected to continue as consumers adopt more responsible consumption patterns and companies continue to innovate to meet their needs.

### **Problem statement**

The problem statement for this topic is that there are pros and cons to both owning and renting products, and it can be challenging for individuals to determine which option is the most advantageous for them. On one hand, owning a product provides a sense of security and control, and it allows individuals to customize and personalize the product to their liking. However, owning a product can also be costly, and it requires individuals to take on the responsibility of maintenance and repairs. On the other hand, renting a product can be more cost-effective and convenient, as the rental company typically handles maintenance and repairs. However, renting a product may limit an individual's ability to customize or personalize the product to their liking.

### **Objectives**

The objective of this opposition is to determine which option is the most advantageous for individuals based on their specific needs and circumstances. Some individuals may prioritize long-term cost savings and ownership, while others may prioritize convenience and flexibility. The objective is to weigh the pros and cons of each option and determine which option aligns best with an individual's goals and priorities. Additionally, this opposition can also highlight the environmental impact of product ownership versus renting and how each option can contribute to sustainable living practices.

This research can also explore how advancements in technology and the sharing economy have expanded the options available for individuals looking to rent or own products. For example, the rise of peer-to-peer rental platforms has made it easier for individuals to rent out their personal property or rent from others, providing a more flexible and cost-effective alternative to traditional rental companies. Similarly, advances in sustainable manufacturing and product design may make ownership more environmentally friendly by reducing waste and resource consumption. Ultimately, the objective of this opposition is to provide individuals with the information they need to make an informed decision about whether to rent or own a product. By examining the benefits and drawbacks of each option, individuals can determine which option aligns best with their needs and priorities, whether that be long-term cost savings, convenience, flexibility, or sustainability.

## Literature review

Previous research on product ownership versus renting has shown that both have their advantages and disadvantages depending on the individual's circumstances and preferences. For example, owning a product may provide a sense of pride and control over the item, but it also comes with the responsibility of maintenance and repair costs. On the other hand, renting may offer more flexibility and cost-effectiveness, but it may also come with limitations such as restricted usage and the possibility of additional fees.

Some studies have focused on specific industries such as the automotive industry, where they have found that the decision to buy or lease a car depends on various factors such as the frequency of use, personal preferences, and financial stability.

Here are the articles pointing this :

**An exploration into renting as consumption behavior, Jeffrey F. Durgee, 1995, <https://onlinelibrary.wiley.com/doi/abs/10.1002/mar.4220120202>**

The article explores the concept of renting as a consumption behaviour.

It discusses the factors that influence consumers to choose renting over buying, such as convenience, affordability, and flexibility. The author also examines the impact of renting on the marketing mix, including product, price, promotion, and place.

The article concludes that renting can be a viable consumption behavior for both consumers and marketers, and that it will likely continue to grow in popularity as a result of societal and economic trends.

**The burdens of ownership: reasons for preferring renting, Sabine Moeller, 2010, [https://www.emerald.com/insight/content/doi/10.1108/09604521011027598/full/html?casa\\_token=5PvLp5ZOcKsAAAAA:zFF4CrPimJThNKHXkV8LZ7UOhn3fQUGSIIAFXbeZJ7njiDrMxUYC64uGK6hAL8OKRwaZhflYX2MP0UkzfF-GMiqEtyZrZX\\_RhOMK3OuQAVMwa-SEkKOV](https://www.emerald.com/insight/content/doi/10.1108/09604521011027598/full/html?casa_token=5PvLp5ZOcKsAAAAA:zFF4CrPimJThNKHXkV8LZ7UOhn3fQUGSIIAFXbeZJ7njiDrMxUYC64uGK6hAL8OKRwaZhflYX2MP0UkzfF-GMiqEtyZrZX_RhOMK3OuQAVMwa-SEkKOV)**

The traditional preference for ownership has been challenged by the emergence of the sharing economy and a growing environmental awareness.

The article presents a review of previous research on the topic, highlighting factors such as financial considerations, convenience, and social norms that influence the decision to rent rather than own. Moeller argues that the preference for renting can be seen as a reaction to the burdens of ownership, which include the costs and responsibilities of maintenance, repair, and disposal of goods.

The article also examines the role of psychological factors, such as the desire for variety and the fear of commitment, in shaping attitudes towards ownership and renting. Finally, Moeller discusses the implications of the trend towards renting for businesses, suggesting that companies that offer rental or sharing services may benefit from increased customer loyalty and reduced environmental impact.

**To Rent or Not to Rent: A Question of Circular Prams from a Life Cycle Perspective, Piya Kerdlap,**

2020, [https://www.sciencedirect.com/science/article/pii/S2352550920313488?casa\\_token=4OpB7U7cZ0kAAAAA:10AUjT0elw2pE7lhSX](https://www.sciencedirect.com/science/article/pii/S2352550920313488?casa_token=4OpB7U7cZ0kAAAAA:10AUjT0elw2pE7lhSX) -

[l8der4wQMM4udZyfCDmwmytoSd57AEt0J0mWnpk9hcez2svcJ9e58dw](https://www.sciencedirect.com/science/article/pii/S2352550920313488?casa_token=4OpB7U7cZ0kAAAAA:10AUjT0elw2pE7lhSX)

The article explores the environmental impact and benefits of circular economy principles being applied to the baby pram industry.

It examines the possibility of renting and sharing prams as a sustainable alternative to buying and disposing of them.

The author conducts a life cycle assessment of pram ownership, from production to disposal, to determine the environmental impact.

The study finds that circular pram rental systems have the potential to significantly reduce the environmental impact of pram production and disposal.

**How the burdens of ownership promote consumer usage of access-based services, Tobias Scheafers, 2016, <https://link.springer.com/article/10.1007/s11002-015-9366-x>**

The article explores the impact of the burdens of ownership on consumers' behavior in terms of access-based services. Access-based services refer to sharing services such as car-sharing, bike-sharing, and rental services.

The author argues that ownership of goods such as cars or bicycles imposes several burdens, including maintenance costs, storage issues, and insurance costs. Access-based services alleviate these burdens by providing a more convenient and affordable alternative to ownership.

The article cites empirical evidence showing that the burden of ownership is a significant factor in promoting consumer usage of access-based services.

The author concludes that businesses offering access-based services should emphasize the benefits of using their services over ownership to attract more customers.

**why Is Ownership an Issue? Exploring Factors That Determine Public Acceptance of Product-Service Systems, Catherine E. Cherry and Nich F. Pidgeon, 2018, <https://www.mdpi.com/2071-1050/10/7/2289>**

This article focuses on exploring the factors that determine public acceptance of product-service systems (PSS). PSS refers to the combination of a physical product and a related service, where the user pays for the service rather than owning the product.

The authors argue that ownership is a central issue in the acceptance of PSS. Three key factors that influence ownership as an issue are identified: psychological ownership, practical ownership, and social ownership. Psychological ownership is the emotional attachment individuals feel toward objects they own. PSS may threaten this sense of ownership and attachment, leading to reluctance to use them.

Practical ownership refers to the convenience and accessibility of owning a product.

PSS may offer advantages in terms of convenience, but users may also worry about availability and accessibility. Social ownership refers to the societal norms and expectations around ownership. Sharing or renting products through PSS may challenge these norms and lead to social stigma. The authors conclude that understanding these factors is essential for designing effective PSS that are accepted by the public and have the potential to promote sustainability.

## **Methodology**

To research product ownership vs renting, a mixed-methods approach could be used, which combines both quantitative and qualitative research methods. Quantitative research can provide a broader understanding of the trends and patterns in product ownership and rental behaviour. This could involve analysing data from surveys or secondary sources such as industry reports, government statistics, or market research studies. A survey could be conducted to collect data on the factors that influence an individual's decision to rent or own products, such as cost, convenience, or environmental impact. The data collected through surveys can then be analysed using statistical methods to identify patterns and relationships among the variables.

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In order to collect relevant data on product ownership and rental behaviour, it is important to identify the target population for the survey. This could include individuals from a specific age group, income bracket, or geographical location.

The survey questions should be designed to gather information on the factors that influence an individual's decision to rent or own products. For example, questions could be asked about the perceived cost savings of renting versus owning, the convenience of each option, and the perceived environmental impact of each option.

The survey can be distributed through various channels such as email, social media, or online platforms. It is important to ensure that the sample size is large enough to provide statistically significant results.

The data collected through the survey can be analysed. This can help identify needs and relationships among the variables and provide a broader understanding of the trends and patterns in product ownership and rental behaviour.

Qualitative research can provide a deeper understanding of the motivations and experiences of individuals who have chosen to rent or own products. This could involve conducting interviews or focus groups with individuals who have experience with product rental or

ownership. The interviews can explore topics such as the benefits and drawbacks of each option, decision-making processes, and perceptions of the environmental impact of product rental and ownership. Qualitative data can be analysed using techniques such as content analysis or thematic analysis to identify common themes and patterns.

In order to conduct qualitative research, it is important to identify individuals who have experience with product rental or ownership “qualified consumers”. This could involve recruiting participants through online forums, social media, or in-person events. The interview or focus group questions should be designed to gather information on the motivations and experiences of individuals who have chosen to rent or own products. For example, it would be beneficial to understand what led the interviewee to choose to own or rent a particular product. This could help provide insight into their decision-making process and what factors they considered before making a choice. Additionally, it's important to explore the pros and cons of each option. Questions could include how the interviewee weighed the advantages and disadvantages before making their decision, and what benefits and drawbacks they have experienced with owning or renting the product. Another aspect to explore is the importance of customization and personalization of the product. For example, if the product is a car, the interviewee might have chosen to own it to be able to customize it with aftermarket parts, while a rental car might not allow for this kind of customization. Cost is also an important factor to consider. Understanding how much it influenced the decision to own or rent the product can provide valuable insight into the interviewee's priorities.

The interviews or focus group can be conducted in-person or online. It is important to ensure that participants feel comfortable sharing their experiences and perspectives.

For example, a mixed-methods approach could be used to research the decision-making process of individuals who are considering purchasing or renting a car. A survey could be conducted to collect data on the factors that influence their decision, such as cost, convenience, or environmental impact. Interviews or focus groups could then be conducted with individuals who have recently purchased or rented a car to gain a deeper understanding of their motivations and experiences. The data collected through both methods can then be analysed to provide a comprehensive understanding of the decision-making process for car ownership and rental.

## **Limitations**

One limitation is the potential for bias in the survey data. For example, respondents may not always provide accurate information, may be inclined to give socially desirable responses, or may not fully understand the survey questions. Additionally, the sample size and demographic makeup of the survey participants may not be representative of the larger population, leading to issues with generalizability. Another limitation of the mixed-methods approach is the potential for subjectivity in the qualitative data collection and analysis. The interviewer's personal biases and interpretations can impact the data collected, and the analysis may be influenced by the researcher's preconceived notions or expectations.

Additionally, the small sample size of interviewees or focus group participants may not be representative of the larger population, leading to issues with generalizability.

Furthermore, the mixed-methods approach may not be suitable for all industries or products. For example, the decision to rent or own a product may be more straightforward for some products than others, such as textbooks or tools. In these cases, a simpler quantitative approach may be more appropriate. On the other hand, for products that involve significant financial or emotional investment, such as a home or a car, a mixed-methods approach may be more useful in providing a comprehensive understanding of the decision-making process. In conclusion, while the mixed-methods approach can provide a valuable understanding of the decision-making process for product ownership vs renting, it is important to consider the potential limitations and biases that may arise from both the quantitative and qualitative methods. Careful consideration of these limitations can help researchers to design more robust studies that provide meaningful insights into consumer behavior.

#### References *(keep one style – either APA or Harvard)*

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