

**Consumers' motivation (motives) to rent instead of buy products
(access-based consumption)**

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Introduction :

Access-based consumption, also known as the sharing economy, is a rapidly growing trend in the world of consumer behavior. The core idea of access-based consumption is that consumers can gain access to goods and services without having to own the product . Instead, they can rent or lease items as needed, often through an online platform or app

. Platforms like Uber and Airbnb have created new opportunities for individuals to earn income by sharing their assets with others. This has led to the so-called "uberisation" of the market, in which traditional industries are disrupted by new, technology-driven business models. Research has shown that access-based consumption is becoming increasingly popular among consumers, particularly younger generations. A 2019 study by McKinsey & Company found that more than half of consumers aged 18-34 had used a sharing economy platform in the past year. McKinsey & Company. (2019). The rise of the sharing economy:

Estimating the impact of Airbnb on the hotel industry. Retrieved from

<https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/the-rise-of-the-sharing-economy-estimating-the-impact-of-airbnb-on-the-hotel-industry>

in this essay we will firstly see the political reasons that push consumers towards a shared economy, and in second the financial reasons that makes access based economy grow every day.

Political Motives of Consumers

Environmental benefits of access-based consumption

Ecological ideas are an important driver of consumer interest in access-based consumption. Many consumers are increasingly concerned about the environmental impact of their consumption choices and are looking for ways to reduce their carbon footprint.

Jonathan D. Rosenblum discusses the potential of access-based business models to tackle the problem of waste and promote sustainability. Rosenblum, J. D. (2022, April 14). How an access-based business model can tackle waste and drive sustainability. World Economic Forum Agenda. Retrieved from <https://www.weforum.org/agenda/2022/04/access-based-business-model-tackle-waste/>

He argues that traditional models of consumption, which emphasize ownership of goods and services, often lead to overproduction and overconsumption, resulting in waste and environmental harm. In contrast, access-based business models allow consumers to access goods and services on a shared basis, reducing the need for individual ownership and promoting more sustainable consumption patterns. Rosenblum cites several examples of successful access-based businesses, including Rent the Runway, which allows customers to rent designer clothing and accessories on a short-term basis, and Zipcar, which allows customers to rent cars on a short-term basis. He notes that these businesses are gaining popularity across a wide range of industries, from fashion to transportation, and that they are disrupting traditional models of ownership.

- *One of the key benefits of access-based business models, according to Rosenblum, is their potential to reduce waste. By allowing consumers to share goods and services, these models can reduce the need for individual ownership and the associated waste that comes with it.*

For example, Rent the Runway allows customers to rent clothing for special events, reducing the need for them to purchase expensive, one-time-use outfits that would likely be discarded after the event. Therefor helping the planet by saving huge amounts of water, textile and

petrol (for transportation) that would have been lost if the product would have been thrown into the bin.

- *Access-based business models can promote sustainability by encouraging more conscious consumption patterns. When consumers have access to goods and services on a shared basis, they are more likely to think carefully about their consumption choices and make more sustainable decisions.*

For example, a person who uses Zipcar on a regular basis may be more likely to consider the environmental impact of their transportation choices and opt for public transit or biking when possible. Access-based business models have the potential to transform the way we consume goods and services, promoting sustainability and reducing waste.

[Desire for greater flexibility and freedom in consumption patterns](#)

The desire for greater flexibility and freedom in consumption patterns is a phenomenon that reflects a variety of social, economic, and political trends. One important factor driving this trend is the growing desire among consumers for greater autonomy and individuality in their consumption choices. This trend is being amplified by the rise of digital technologies, which have made it easier than ever for consumers to access goods and services from anywhere, at any time.

*Consumers are increasingly seeking out ways to consume that offer greater mobility and flexibility, and that allow them to experience new cultures and lifestyles. This trend is being fueled by the rise of budget travel and the sharing economy, which have made it easier than ever for consumers to travel to new destinations and experience new ways of life. In order to illustrate this mentality change, we will take the extreme example of the digital nomads ; a growing trend inside the Generation Z, that is entirely dependent on access based economy ; Lapinskaite, G., & Banyte, J. (2020). In search of a digital nomad: defining the phenomenon. *Journal of Business Economics and Management*, 21(5), 1013-1034. doi: 10.3846/jbem.2020.11927*

- *The number of digital nomads is difficult to estimate precisely, but according to a survey conducted by MBO Partners, a US-based consultancy, there were 4.8 million independent workers in the US in 2017 who identified themselves as digital nomads, representing 3.0% of the total US workforce.*
- *The same MBO Partners survey found that the number of digital nomads in the US had increased by 49% since 2016. (Source: MBO Partners, "Digital Nomadism: A Rising Trend," 2019) The majority of digital nomads are aged 25 to 39, with 55% falling within this age range. (Source: MBO Partners, "Digital Nomadism: A Rising Trend," 2019)*
- *The global home-sharing market is expected to grow at 5.6% from 2020 to 2027, reaching a market size of \$170.9 billion by 2027. (Source: Allied Market Research)*

This growing trend of Digital nomads will further develop with the growing sentiments and needs for flexibility among gen z. Highlighted by the effective means of transports that can be used to travel all around the world, but also digitalisation that can make everywhere your office. This group of people will definitely influence the rest of the workforce, encouraging Access-based consumption even more in the daily life of during trips.

Economical motives of Consumers

Financial considerations

Financial factors are one of the main considerations when thinking about this sudden change of consumption by consumers. "Freedom from ownership: An exploration of access-based consumption": Jung, J., Jin, B., Lee, J. H., & Lee, W. (2017). Freedom from ownership: An exploration of access-based consumption. *Journal of Business Research*, 71, 93-99. doi: 10.1016/j.jbusres.2016.10.008.

In particular, the economic benefits associated with short-term access were found to be the most prevalent positive motivation. One participant noted that "Renting certain items that are rarely used is a cost-effective alternative to buying or owning. Tools are a great example." Participants noted that sharing and borrowing can benefit the environment and help friends or family without cost.

- The sample of the study was based on consumers who are accustomed to this kind of consumption. Interestingly, 20.7% of them earned less than \$25,000 per year, while more than 70% did not have a high school diploma.

This suggests that access-based consumption is not limited to high-income earners or those with advanced education. Instead, it can be an affordable and accessible option for a broad range of consumers. One of the most significant financial benefits of renting is the potential for cost savings.

Acquiring or renting are two distinct approaches to consumption that can be facilitated by financing solutions. Many businesses find leasing to be an appealing alternative to traditional credit. It offers an ideal option for renewing professional equipment while enhancing the company's balance sheet presentation. By favoring leasing instead of purchasing, professionals avoid utilizing their own capital and fulfill their needs without impacting their borrowing capacity.

All professionals have access to lease financing offers to meet their equipment requirements. This type of financing relies on a three-party relationship involving:

- The customer, who is the equipment user, sometimes referred to as the lessee.
- The dealer or manufacturer, who supplies the equipment.
- The financial institution, which provides financing for the asset, often called the lessor or leasing company.

The customer benefits from the equipment and associated services provided by the supplier. The leasing company collects monthly or quarterly rental payments from the lessee. A partnership agreement exists between the equipment supplier and the financial institution. These three stakeholders are connected through a lease financing contract.

Business-oriented leasing allows for the rental of equipment from a supplier for a predetermined contractual duration. The advantages of long-term leasing are manifold. This financing solution helps preserve the company's cash flow and borrowing capacity for other crucial investments. Additionally, value-added tax (VAT) is paid incrementally with the lease payments, eliminating the need for upfront payment. The company's accounting balance remains unchanged as lease payments are recorded as expenses.

This type of offering is particularly well-suited for financing equipment with rapid obsolescence, such as IT, office equipment, and point-of-sale systems. Leasing makes it effortless to upgrade equipment and take advantage of the latest technological advancements.

Leases from A to Z

<http://www.locam.fr/le-leasing-de-a-z/wiki-lease/quel-est-linteret-du-leasing-de-materiel-pour-une-entreprise>

Conclusion

Evaluation of the findings

In conclusion, access-based consumption, also known as the sharing economy, is a growing trend driven by various motives. Politically, access-based consumption promotes environmental sustainability by reducing waste and encouraging more conscious consumption patterns. Consumers are increasingly concerned about their carbon footprint and seek ways to minimize it. Additionally, the desire for flexibility and freedom in consumption patterns is fueled by social, economic, and technological factors. The rise of digital technologies has enabled consumers to access goods and services from anywhere, at any time, leading to the emergence of digital nomads and the popularity of the sharing economy. Economically, financial considerations play a significant role in the adoption of access-based consumption. Renting or leasing provides cost savings, access to a wider variety of products, and the ability to preserve capital and borrowing capacity. Overall, access-based consumption offers benefits in terms of sustainability, flexibility, and financial advantages, making it an attractive option for consumers and businesses alike.

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

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Leases from A to Z

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