Coronavirus: too worried to take an Uber?



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Key topics

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How access-based services may (still) help save the planet in times of COVID-19

Are you worried you'll get infected by the COVID-19 virus when hailing an Uber or thinking of booking your next stay in an Airbnb? You are not alone. Right now, a lot of people are feeling anxious about relying on access-based services (ABS), i.e. services through which consumers do not physically come to own material goods but gain access to them by registering with the provider and sharing them (e.g. a car or apartment) with others.

Providers of access-based services face significant challenges in promoting their service offerings to consumers. Yet, ABS offer a way of counteracting overconsumption and contributing to sustainability efforts in the long run. They could prove an important part of people's lives in a "post-COVID" world.

Are you what you own?

Prior research indicates consumers assign significant importance to their material possessions. While private ownership of material assets is a default mode of consumption, it is not the only means to access goods that provide value for consumers. Through Zipcar you can hire a van for the few hours it'll take you to move to a new house; through Airbnb you can get the run of a city-centre apartment for as long as you're in town; through an increasing number of cloud-based services, you needn't even own the software on your computer.

Both ABS and conventional ownership often exist in the same market spheres and may even compete (e.g. luxury clothing rental services and traditional tailors), but managers of ABS often still struggle to create demand and gain market share. And the COVID-19 crisis doesn't help – who feels like jumping on a rented bicycle right now?

It's not so hard to imagine governments encouraging people to sign up to subscription services

I and my team are investigating how psychological ownership (or the mental state of perceiving something as one's own) can be attained through access-based services, and how it might lead customers to increase their service use and forgo material ownership and consumption. Specifically, we've found that perceived psychological ownership of ABS might satisfy consumers' need for ownership and serve as a substitute for material ownership.

Think of how our relationship with music has changed. While the die-hard collector will still want a shelf full of vinyl, most of us have gone through a gradual shift in how we perceive the ownership of our record collection over the last 20 years: from ripping CDs to computer hard drives, to digital downloads, to streaming services. Along the way, whether we realised it or not, we abandoned any form of sole physical ownership.

If that's the case, service managers should not seek to fight or reduce consumers' desire for ownership as a mental state – rather, they should trade upon it and work to shift consumers' preferences for ownership toward ABS offerings.

Imagine no possessions

If we're able to break that emotional link between sole physical ownership and a sense of ownership – and the music industry shows us how that might be done – it'll be good not just for the managers of ABS, but for the entire planet.

Currently, we buy books for them to sit on shelves; the lucky among us buy holiday homes that will mostly stand empty. Access-based consumption promises more sustainable societies because it removes this redundancy. It's not so hard to imagine governments encouraging people to sign up to subscription services if they think it'll help them hit their climate targets.

Who feels like jumping on a rented bicycle right now?

The current health crisis presents huge challenges for many ABS providers, but also some significant opportunities. With remote working and Zoom parties becoming a central part of so many more people's lives, intimacy and perceived communal identification are moving online.

ABS providers could build on this by, for example, creating an online community that facilitates exchanges about their service and coordinates customer interactions. Customers will likely feel a greater intimacy with a service infrastructure that helps them enjoy themselves. By educating customers and building more intimate relationships with them, managers can foster a sense of ownership.

This article draws on findings from <u>"Access-Based Services as Substitutes for Material Possessions: The Role of Psychological Ownership"</u> by Martin P. Fritze (University of Cologne), André Marchand (University of Cologne), Andreas B. Eisingerich (Imperial College Business School) and Martin Benkenstein (University of Rostock).

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