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An Examination Of Indian Consumers Intentions To Use Collaborative Consumption Sources

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Abstract

This study investigates factors that drive Indian consumers to use collaborative consumption-based services (CCS). Drawing on recent research on collaborative consumption in emerging markets, we test several motivating factors that have been shown to have an effect on behavioral intentions in other cultural contexts (e.g. trust, enjoyment, attitude towards CCS) as well as multiple under-researched factors (e.g., perceived sustainability, risk-taking tendencies, generosity and possessiveness). Results from PLS-SEM show that Trust, Enjoyment, Resource motivation, Generosity, Materialism and Sustainability influence Indian consumers' attitude towards CCS, and their intentions to use these services. Implications for theory and practice are discussed.

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Summary Brief

An Examination of Indian Consumers Intentions to Use Collaborative Consumption Services

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Introduction

Collaborative consumption services (CCS) such as Ola, Uber, Airbnb and CarGo are establishing themselves world over. Certain emerging economies with their large populations, growing middle class, and thus large markets are attractive for global corporations seeking to expand their reach, including those within the sharing economy (SE). Given that collaborative consumption is partially based on the ethos of resource conservation, expanding such consumption opportunities are especially ecologically beneficial in large marketplaces. For example, prior to the Covid-19 pandemic, the Indian sharing economy was expected to reach USD 2 billion by the end of 2020. However, while much of the extant SE research is yet based on western nations, some researchers are turning their attention to emerging markets including India (Albinsson et al. 2019; Gupta et al. 2019). Though promising, more research is needed to fully understand collaborative consumption in emerging markets. Therefore, this study focuses on one of the largest emerging economies, India, with a population of over 1.3 billion and a middle class which, depending on criteria utilized, ranges from 78 million to 604 million. While the Indian SE mostly comprises mobility (i.e., transportation) services, other offerings including lodging, office space, and access based goods (e.g., furniture) are on the rise. Given the promising Indian market, this research examines the influence of several motivating factors on Indian consumers' collaborative consumption behavioral intentions.

Literature Review

Consumers' attitudes have a significant influence on behavior (Ajzen 1991). Prior research has found that consumers' CCS participation is driven by economic and individual interests, enjoyment, and environmental well-being (Albinsson et al. 2019), and pro-social values including anti-materialism and community-building. However, distrust, possessiveness, and contagion may deter CCS participation (Belk 2010). Additionally, while scholars have examined trust to a great extent in the last decade, other factors such as generosity, materialism, and possessiveness have received far less attention. While materialism has had mixed results (Hawlitscheck et al. 2016), Davidson et al. (2018) found this factor to positively impact Indian consumers' participation in mobility and lodging services. Possessiveness, a construct related to materialism, has been shown to drive consumers' access-based consumption purchase intentions in U.S. consumers (Lawson et al. 2016), and generosity has been identified as a driving factor in peer-to-peer sharing (Albinsson et al. 2019; Hellwig et al. 2015). Thus, we propose a model that tests these relationships (i.e. with motivating factors leading to attitude and then attitude leading to behavior intentions).

Method

Data was collected through online surveys administered by Marketxcel consumer panel services in India. As much of the extant research has surveyed specific platform users, we purposefully identified a general sample (N=375). As previous studies have discussed the attitude - behavior gap, we also measured usage levels. In all, 318 self-identified CC users from various platforms completed the survey and, after deleting incomplete submissions, 286 data points were used for analysis. Validation and attention checks were included. The sample demographics, which

were analyzed through SPSS, are as follows: 87.1 percent men, 12.8% women; 47.8 percent in the 21-30 age group, 49.7 in age group 41-50; 52 percent married, and 70 percent earning less than 1,000,000 INR (about 13,600 USD). Established measures, which included 7-point Likert scales anchored by strongly agree (7), and strongly disagree (1) were used throughout the survey. Reliability analysis indicated acceptable appropriate internal consistencies for all measures with alpha >.70.

Results

To analyze the data, we used partial least square structural equation modeling (PLS-SEM) using SmartPLS. Significant paths between sustainability, enjoyment, generosity, materialism, resource motivation, trust and attitude were observed. In turn, the path between attitude and behavioral intention was also significant. Possessiveness and risk were not significant. We also queried respondents about their willingness to utilize various CCS and our findings indicate that respondents were most willing to access mobility services (e.g., car m=6.12, rideshare m= 5.92, rental car m =5.80 taxi m=5.76, public transportation m=5.65), followed by books m=5.88, toys m=5.78, and small machinery m=5.69. Respondents were willing to share their cars m=6.07, rideshare m=5.84, books m=5.75, and toys m=5.72 more so than clothing, furniture and vacation homes. The findings regarding mobility services reflect what is known about the Indian market however the interest exhibited in other services points to possibilities for future development.

Discussion and Conclusion

As indicated by the results, the Indian context exhibits both similarities and differences relative to the extant literature on consumers' intentions to utilize CCS. The fact that attitude, perceived sustainability, resource motivation, generosity, materialism and enjoyment positively impact CCS usage intentions indicates that Indian consumers are similar to those elsewhere. Thus, appealing to these facets of the consumer experience is likely to garner positive outcomes for those offering CCS. While this study advances our understanding of emerging market consumers' motivations to participate in CCS, further exploration of how cultural values influence CCS intentions and usage are needed.

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