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MOELLER, Sabine and WITTKOWSHI, Kristina. The burdens of ownership: Reasons for preferring renting. (2010). *Managing Service Quality*. 20, (2), 176-191.

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The burdens of ownership: reasons for preferring renting

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Abstract

Purpose – The purpose of this study is to identify and assess the importance of proposed determinants of the growing consumer preference for renting consumer goods, as opposed to the actual transfer of ownership.

Design/methodology/approach – Following a qualitative preliminary study and a literature review, six factors are identified as possible determinants of a preference for non-ownership modes of consumption. These are examined in a quantitative study using a sample of 461 members of a German online peer-to-peer sharing network. Hypotheses regarding the proposed determinants are tested using factor analysis and structural equation modelling.

Findings – The results show that the demand for non-ownership services is negatively influenced by “possession importance” (the importance that a consumer attaches to full ownership) and positively influenced by “trend orientation” and “convenience orientation”. The other proposed determinants – “experience orientation”, “price consciousness”, and “environmentalism” do not appear to influence a preference for non-ownership modes of consumption.

Practical implications – Although the renting of goods is an increasingly popular form of consumption, consumers still value ownership. Suppliers should therefore consider offering a mixture of “ownership” and “non-ownership” modes of consumption to their customers.

Originality/value – This study complements existing research in this area, which has largely been conceptual in nature, by undertaking an empirical evaluation of the importance of several proposed determinants for non-ownership preference.

Keywords Consumer goods, Consumer behaviour, Internet, Retailing, Germany

Paper type Research paper

1. Introduction

It is apparent that there has been a recent rapid increase in demand for the provision of services offering non-ownership modes of consumption (rental/access), especially with regard to common consumer goods. For example, “Avelle” (avelle.com), which offers its customers rental facilities for watches, luggage, evening wear, cocktail attire, outerwear, designer handbags, and jewellery, has rapidly increased its customer base from 250,000 in 2007 to more than one million in 2008. Another successful business model has been developed by “Erento” (erento.com), which provides a marketplace on the internet for renters to make contact with other persons offering the rental of a desired product; having been founded in 2003 in Germany, the firm now offers more than a million consumer goods for rent by consumers in Germany, Switzerland, Austria, the UK, and the USA. It is apparent from these examples that there is a rising demand for consumption without ownership.

These developments are in accordance with the proposition that non-ownership modes of consumption represent exciting new developments in the paradigm of



contemporary services marketing. According to Lovelock and Gummesson (2004, pp. 20 and 34):

... the rental/access perspective offers a different lens through which to view services ... Marketing transactions that do not involve a transfer of ownership are distinctively different from those that do. We perceive that at this stage in the evolution of services marketing theory, this perspective offers the potential to uncover new and different dimensions of service reality.

Changes in lifestyle have added impetus to the non-ownership approach to consumption. According to Berry and Maricle (1973), private and business consumers in the 1970s mainly rented goods for utilitarian reasons. However, as consumers have become more educated, more sophisticated, better travelled, more adventurous, and more discerning, it would seem that they now also look for experience (not merely utility) in consuming a product (Silverstein and Fiske, 2005). As a consequence, a growing number of modern consumers are choosing to rent or lease goods as an alternative form of consumption (Watson, 2006).

Further insights into the reasons for the growing importance of non-ownership modes of consumption were provided by a study that revealed a significant change in consumer preferences from an emphasis on the ownership of goods to a focus on the usage of goods (Trendbüro, 2008). The study investigated the inclination of participants in auctions to buy and sell used goods. In this regard, it was actually investigating the determinants of temporary ownership. Although this is not the same as non-ownership, which is the focus of the present study, the research was nonetheless interesting in revealing that the factors driving temporary ownership were:

- a rising demand for premium and up-to-date products;
- an increasing desire for “experiences”; and
- rising levels of environmental awareness (Trendbüro, 2008).

These findings with regard to the determinants of temporary ownership are likely to be relevant to the rising demand for non-ownership.

Despite the fact that non-ownership modes of consumption have great potential to stimulate new approaches to both research and practice, little research has been conducted in this area since Lovelock and Gummesson (2004) identified the gaps that exist in research knowledge regarding the nature of ownership, customer perceptions of non-ownership, and the growing demand for non-ownership services. The present study therefore seeks to contribute to closing these gaps. The aims of the present study are:

- to identify the determinants of a preference for non-ownership modes of consumption;
- to evaluate the influence of these determinants on the rising demand for non-ownership services; and
- to explore how these changes in consumer preferences are likely to impact upon the existing business models of transaction-based retailers and service providers.

The remainder of this paper is organised as follows. In the next section, a preliminary qualitative study is described. The following section describes how this qualitative

study and a review of the relevant literature were used to develop the study's hypotheses regarding the determinants of consumer preference for non-ownership services. The study then describes the methodology for an empirical study to test these hypotheses. The following section presents and discusses the results. Thereafter, implications for management are derived. Finally, the limitations of the study and avenues for further research are discussed.

2. Preliminary qualitative study

In accordance with recommendations in the literature regarding research into subject areas that have previously received little attention (Malhotra, 2004; Lilford and Braunholtz, 2003; Zimmermann and Szenberg, 2000), a preliminary qualitative study was undertaken to identify possible determinants of consumer preference for non-ownership. Using in-depth interviews based on a semi-structured interview guide, information was gathered from various experts in the field. These included:

- senior executives from two large German companies that specialise in a variety of rental services – including business-to-consumer (B2C) rental, consumer-to-consumer (C2C) rental (via an internet platform), and business-to-business (B2B) rental.
- senior executives from traditional retail businesses contemplating rental as an option for future business – including senior representatives from German retail firms specialising in electronic products and luxury goods, and a senior executive of an Austrian retail association.

A total of six experts were interviewed. The interviews were recorded, transcribed, and analysed by two independent researchers. The results of this preliminary qualitative study were integrated with the literature review that follows (below) in developing a conceptual model and questionnaire for a quantitative study.

3. Literature review and hypotheses

3.1 Property rights and burdens of ownership

According to property rights theory, resources represent a bundle of property rights that can be disaggregated and recombined according to preference (Alchian and Demsetz, 1973; Coase, 1960). Four types of such property rights can be differentiated (Furubotn and Pejovich, 1972):

- (1) the right to use a good (*ius usus*);
- (2) the right to retain the return yielded from the usage of a good (*ius usus fructus*);
- (3) the right to convert the form and structure of a good (*ius abusus*); and
- (4) the right to transfer one or more of these property rights to other persons (*ius abutendi*).

According to Schwab (2007), the ownership or possession of a good entitles the owner to use, control, manage, and enjoy property – including the right to convey it to others. Ownership therefore authorises a person to have absolute control over the object (and the rights accompanying possession of it) within the prevailing legislative framework. In general, the possession of an object usually implies all four of the property rights noted above. A person exercising all four rights can thus use the good exclusively,

thereby excluding others, provided that these actions are not specifically prohibited in the prevailing legislative framework (Demsetz, 1967).

For some products, non-ownership is an alternative form of consumption that has the potential to replace the acquisition and possession of goods. According to Lovelock and Gummesson (2004), the rental of goods (or the access to them) is one such form of non-ownership consumption. Renting goods usually involves an agreement between two parties (including a rental fee) whereby the renter obtains the right to use (*ius usus*) the rented object for a specified period of time, as well as the right to retain the benefit yielded from the use of the product (*ius usus fructus*) for a determined period of time. However, the ownership of the good and the remaining two property rights (*ius abusus* and *ius abutendi*) remain with the owner.

Thus, according to Berry and Maricle (1973), renting allows the renter to access the good without assuming the burdens of ownership. These “burdens of ownership” include:

- risks with regard to product alteration and/or obsolescence;
- risks with regard to making an incorrect product selection;
- responsibility for maintenance and repair of the product; and
- the full cost of goods for which a consumer has only infrequent use.

The prospect of these burdens presumably induces some people to prefer non-ownership to ownership.

3.2 Determinants of preference for renting

Based on a review of the relevant literature and the preliminary qualitative study described above, the following determinants of a consumer’s preference for renting are proposed by the present study:

- importance of possession;
- experience orientation;
- price consciousness;
- convenience orientation;
- trend orientation; and
- environmentalism.

Each of these is discussed in more detail below.

3.2.1 Importance of possession. As noted above, the rental of a good entitles the renter to obtain, for a predetermined period of time, two property rights – the right to use a good (*ius usus*) and the right to retain the benefit yielded from the use of the product (*ius usus fructus*). The remaining two property rights (*ius abusus* and *ius abutendi*) remain with the rental firm. As a result, it is the principal obligation of the customer to pay rent in exchange for the temporary use of the good, while the risk of obsolescence rests with the owner (Durgee and O’Connor, 1995). In contrast to the full ownership of a good, non-ownership provides only limited access to an object. As a consequence, consumers who attach importance to all of the rights associated with ownership of goods might be unwilling to rent rather than purchase. The following

hypothesis is therefore proposed regarding the determinants of a preference for non-ownership:

- H1. The importance that a consumer attaches to the possession of a good has a negative influence on that consumer's preference for non-ownership modes of consumption.

3.2.2 *Experience orientation*

The term "experience-oriented consumption" refers to consumption as a source of entertainment and enjoyment (Barbin *et al.*, 1994). According to Howard and Mason (2001), a large proportion of customers attach great significance to the experience and excitement of consumption. In this regard, Hirschman and Holbrook (1982) noted that certain "hedonic goods" (such as sports cars or luxury watches) satisfy the desire of such customers for experiential enjoyment. More recently, online rental marketplaces have actively promoted the experiential aspects of their hired goods with such slogans as: "Be James Bond for the day" (erento.com) and "No more handbag boredom" (avelle.com).

The concept of time has an important relationship with such experiential consumption. Because a customer is required to spend a certain amount of time on the consumption of any good (Linder, 1970), time can become a "scarce resource" when there are competing demands for consumers who strive for change and novel forms of excitement and fulfilment (Jäckel and Wollscheid, 2007). The non-ownership model allows such customers to gain access to an experiential product for a defined period of time, during which the customer can utilise the product for as long as its usage engenders excitement and pleasure. The following hypothesis is therefore proposed regarding the relationship between "experience orientation" and non-ownership modes of consumption:

- H2. Experience orientation has a positive influence on a consumer's preference for non-ownership modes of consumption.

3.2.3 *Price consciousness.* According to Lichtenstein *et al.* (1988), "price consciousness" can be defined as the degree to which buyers are sensitive to the price they pay for a good or service – that is, price consciousness is the extent to which potential buyers view price (in its negative sense) as a sacrifice. As might be expected, the price to be paid has been shown to be a significant determinant of the consumption decisions of price-conscious consumers (Sangman *et al.*, 2001).

Price consciousness varies among consumers because the acceptability of a price is a function of certain socio-demographic variables (such as income) and the consumer's comparison of a suggested price with a range of acceptable prices stored in the potential buyer's memory (Lichtenstein *et al.*, 1988). In addition, price consciousness varies according to the consumer's perception of such factors as quality, brand name, size, and packaging and labelling (Monroe, 1973). In the ultimate, the main decision criterion for a price-conscious consumer is the consumer's perception of the value of the good in terms of cost outlay in return for quality (Dolan and Simon, 1996).

The preliminary qualitative research conducted for this study revealed that renting is generally much cheaper than buying. For example, the daily rental fee for a high-pressure cleaner at erento.com represents approximately one-tenth of the

purchase price of the product. Although the overall price paid for the usage of a product in the non-ownership model is obviously dependent on time and the frequency of utilisation of the product, it is reasonable to assume that price will be a significant determinant of preference for rental among price-conscious consumers. Indeed, one of the experts consulted in the preliminary qualitative study asserted that:

One of the most significant factors determining the consumers' decision to rent rather than to buy is the price. People want to save money. They are only willing to pay for the use of the good, rather than for the possession.

The following hypothesis is therefore proposed regarding the relationship between "price-consciousness" and non-ownership modes of consumption:

H3. A high level of price consciousness has a positive influence on a consumer's preference for non-ownership modes of consumption.

3.2.4 Convenience orientation. According to Morganosky (1986), "convenience orientation" can be characterised as a predisposition to accomplish a task in the shortest possible time with the least expenditure of energy. The notion of "convenience" thus entails two dimensions: time and energy (Seiders *et al.*, 2007). In the context of consumption of products, convenience orientation is manifested as a consumers' desire to conserve time and/or energy in shopping and consuming (Seiders *et al.*, 2007). This includes the effort involved in planning ahead, as well as the physical energy required for the actual process of obtaining (and retaining) the desired product (McEnally and Brown, 1998).

As noted above, renting essentially provides the consumer with access to a good without incurring the burdens of ownership (Berry and Maricle, 1973). Renting can thus be considered an inherently "convenient" form of consumption. Moreover, because many consumers do not have enough space to store a large number of goods (Babione, 1964), a person who gains the temporary ownership of a good that can be returned after it has been used has the convenience of being released from the burden of ownership associated with retention and storage of the product. It is therefore reasonable to assume that convenience has an influence on a consumer's preference for the renting of products. This leads to following hypothesis being proposed regarding the relationship between "convenience orientation" and a preference for non-ownership modes of consumption:

H4. Convenience orientation has a positive influence on a consumer's preference for non-ownership modes of consumption.

3.2.5 Trend orientation. The literature on innovation includes reference to a construct described as "novelty-seeking", which can be defined as the degree to which a consumer desires to obtain information about new products (Manning *et al.*, 1995). In a similar vein, the present study proposes the term "trend orientation" to refer to the aim of some consumers to obtain access to the newest products. Customers with a high degree of "trend orientation" are thus more likely to desire to consume innovative or fashionable products.

Such "trend consciousness" would seem to embody a certain "symbolic power" (O'Cass and McEwen, 2004) because the consumption of certain goods can be a means of enhancing or reinforcing a person's social identity by indicating the buyer's financial

status or awareness of up-to-date fashion trends. Moreover, the rising standard of living in many parts of the world seems to have given impetus to the demand for new and up-to-date products (Silverstein and Fiske, 2005). "Trend consciousness" would thus appear to be an increasingly prominent phenomenon.

The preliminary qualitative study conducted as part of this research indicated that this concept is relevant for many products that are offered by rental services. Indeed, one of the experts consulted for this study claimed that some of their products (such as designer handbags) are more perishable than many food products! Because the continuous acquisition of fashionable products represents a significant monetary investment, consumption without ownership offers "trend-conscious" consumers opportunities to gain access to fashionable products that would otherwise be denied them. This contention is supported by the observation that companies offering rental services for such goods as designer handbags are reporting strong and continuous growth in their revenues (Active Live, 2007).

On the basis of these arguments, the following hypothesis is proposed regarding the relationship between "trend orientation" and a preference for non-ownership modes of consumption:

H5. Trend orientation has a positive influence on a consumer's preference for non-ownership modes of consumption.

3.2.6 Environmentalism. In accordance with Fraj-Andrés and Martínez-Salinas (2007), the term "environmentalism" can be understood as an intention and/or actual contribution to conserve the environment. In the context of consumption, it has been shown that product choice can be influenced by consumers' perceptions of a product as being "environmentally friendly" (Mobley *et al.*, 1995; Abdul-Muhmin, 2007). It is thus apparent that consumption behaviour is determined, at least in part, by the consumer's level of environmentalism.

Because non-ownership implies both temporary access to a product and several different consumers using a particular good during its lifespan, renting has the capacity to influence the accumulated quantity of products that are purchased and produced over time. If it is accepted that a reduction in production numbers is associated with a decrease in environmental damage and the consumption of non-renewable resources, it is reasonable to infer that the rental of goods can be characterised as an "environmentally friendly" form of consumption. Rental thus represents an attractive consumption option for consumers who have heightened concern for the environment (Schrader, 2001).

The following comment from an expert in the preliminary qualitative study supports this argument:

For a significant number of our consumers, product attributes [that promote] energy-saving . . . are of great importance . . . Environmentalism and security are important determinants for our consumers in choosing to rent a product.

The following hypothesis is therefore proposed regarding the relationship between environmentalism and a preference for non-ownership modes of consumption:

H6. Environmentalism has a positive influence on a consumer's preference for non-ownership modes of consumption.

3.2.7 *Conceptual model.* On the basis of the theoretical evidence from the qualitative study and literature review, the hypotheses proposed in the present study are summarised in the conceptual model shown in Figure 1.

4. Quantitative empirical study

4.1 Setting and data collection

Data for the quantitative study were generated through an online survey published in a newsletter sent to members of a German online peer-to-peer sharing network for one week in May 2008. Respondents were selected randomly, but were stratified by gender, income, and age. To encourage consumers to participate, respondents were offered the possibility of winning an iPod shuffle or €10 coupons to be redeemed at a named provider.

A total of 531 questionnaires were collected; of these 70 were rejected due to incompleteness and/or inconsistency. This left a final sample of 461. Because actual readers of the newsletter could not be identified, it was not possible to define a formal response rate. The study population consisted of 287 men and 174 women. Approximately 60 per cent of the respondents had rented consumer goods in the past.

4.2 Measures and questionnaire

Following the preliminary qualitative study and an extensive literature review, the initial set of determinants that might influence consumers' decisions to rent rather than buy consumer goods was generated. This resulted in a 33-item questionnaire to measure the influence of the six possible determinants of a preference for non-ownership ("importance of possession"; "experience orientation"; "price consciousness"; "convenience orientation"; "trend orientation"; and "environmentalism"). The dependent variable ("preference for non-ownership") was

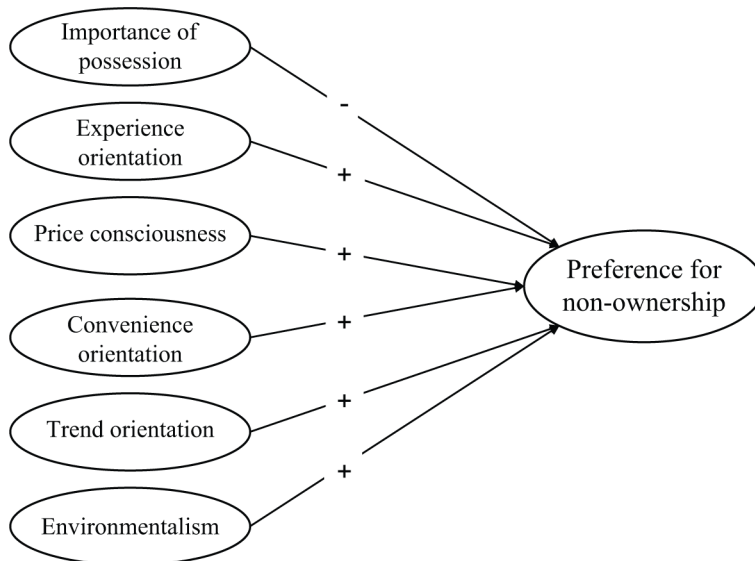


Figure 1.
Model of the determinants of preference for non-ownership

measured by three items. Responses to all items were recorded on a five-point Likert-type scale (1 = “strongly disagree”; 5 = “strongly agree”).

The questionnaire was pilot-tested, following which appropriate modifications were made on the basis of feedback obtained in the pilot test. The final scale items resulting from this procedure are presented in Table I.

4.3 Estimation and validation

The proposed model was tested with structural equation modelling (SEM) using partial least squares (PLS) analysis on Smart PLS software (Ringle *et al.*, 2005). As shown in Table I, the items comprising the constructs were tested for validity utilising indicator

Constructs	Items	Factor loading	Cronbach's alpha	AVE
Importance of possession	Possession is important to me	0.810 *	0.799	0.627
	Ownership has comfort, because I have access to my possessions	0.804 *		
Experience orientation	Consumer goods support my desire to have many experiences in life	0.798 *	0.784	0.699
	By using consumer goods I can savour my life more intensely	0.849 *		
Trend orientation	It is important to me that consuming goods is enjoyable	0.636 *	0.694	0.628
	It is important to me to utilise the newest consumer goods	0.865 *		
	It is important to me that technical equipment is up-to-date	0.798 *		
Price consciousness	I like to keep up with the latest trends in clothing and textiles	0.707 *	0.797	0.839
	In general, I watch out for bargain prices	0.891 *		
Convenience orientation	Even for small items I compare prices	0.902 *	0.710	0.634
	Having to think about repair and maintenance of consumer goods can restrict my consumption	0.723 *		
	I would be inclined to consume durable goods, but I'm not prepared to pay for cover for repair and maintenance	0.830 *		
Environmentalism	I would be inclined to consume durable goods, but I do not have enough storage space	0.703 *	0.821	0.737
	Environmental protection is very important	0.845 *		
	In my consumer behaviour I hold environmentally friendly products in high regard	0.858 *		
Preference for non-ownership	If consumer goods are environmentally friendly, I accept other sacrifices (such as cost)	0.826 *	0.821	0.732
	It is likely that I will rent X (given more than ten examples) within the next 24 months	0.738 *		
	If I had the opportunity to rent X (given more than ten examples) for a short period of time, it is likely that I would do so	0.823 *		
	If I had the opportunity to rent X (given more than ten examples) for a reasonable price, it is likely that I would do so	0.779 *		

Table I.
Constructs, scales, and validation

reliability (significance of factor loadings), convergent validity (Cronbach's alpha), and average variance extracted (AVE) (Chin, 1998; Hulland, 1999). The results were all satisfactory.

5. Results and discussion

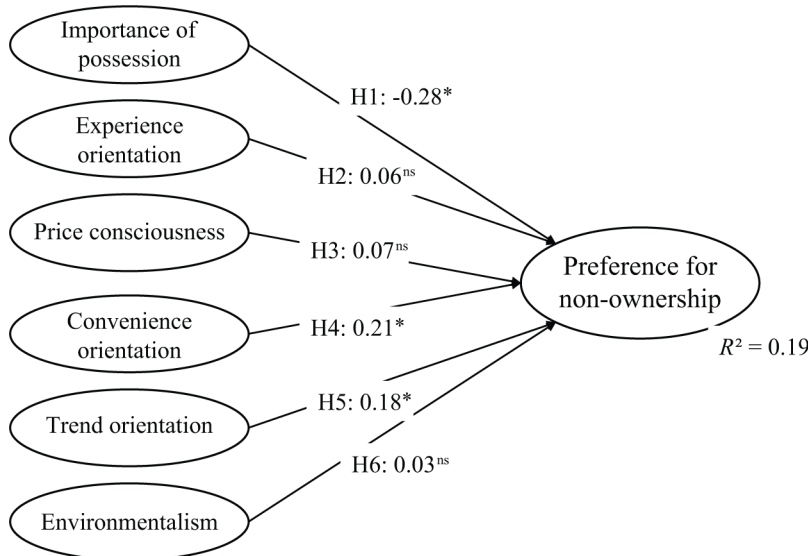
5.1 Influence of possible determinants on preference for non-ownership

In accordance with Chin (1998), R^2 was used to evaluate the structural model. The results are shown in Figure 2.

It is apparent that three of the hypotheses were confirmed. With regard to *H1* (which had proposed that the importance of ownership has a negative influence on non-ownership preference), the results showed a significant (negative) path coefficient of -0.28 . *H1* was therefore supported. It would seem that the respondents in this survey who attached importance to the possession of all four-property rights were relatively averse to the non-ownership option.

With regard to *H4* (which had proposed that convenience orientation has a positive influence on non-ownership preference), the results showed a significant (positive) path coefficient of 0.21 . The findings with regard to the present sample therefore support the view that ownership is associated with certain "burdens" (Berry and Maricle, 1973), and that convenience-oriented consumers are therefore more likely to rent goods rather than owning them.

Finally, with regard to *H5* (which had proposed that trend orientation has a positive influence on non-ownership preference), the results showed a significant (positive) path coefficient of 0.18 . It would thus appear that the consumers in the present sample who aim to consume the newest design or model of a product were more likely to rent goods.



Note: * = significant, ^{ns} = not significant

Figure 2.
Results of preference determinants of preference for non-ownership

However, *H2*, *H3*, and *H6* were not supported by the present research. There was no evidence of a significant positive influence of experience orientation (*H2*), price consciousness (*H3*), or environmentalism (*H6*) on a consumer's preference for non-ownership.

In seeking an explanation for the finding that experience orientation did not have a positive influence on the preference for non-ownership in this sample, three possible reasons can be advanced. First, experience-oriented consumers might be more cautious when utilising rented goods because penalties can be incurred if goods are damaged during use; such restraints might inhibit the experience of consumption. Second, many consumers might not associate renting with the hedonic goods that provide fun, pleasure, and excitement because rental has traditionally been associated with the consumption of utilitarian items that accomplish functional tasks; as a consequence, many consumers might fail to perceive non-ownership as an experience-oriented form of consumption. Third, the marketing strategies of rental providers rarely emphasise that short-term rental can be an exciting consumption experience; as a result, many consumers might fail to appreciate this potential advantage of non-ownership.

With regard to the rather unexpected finding that price consciousness was not a significant determinant of a preference for non-ownership, it is possible that some consumers in this sample believed that renting might actually be more expensive, at least in the longer term, than the purchase of a product. In this regard, Durgee and O'Connor (1995) noted that many customers repeatedly renew rental contracts over a long period of time; as a consequence, the sum of all rental fees can significantly exceed the purchase price.

Finally, three possible reasons can be advanced for the finding that environmentalism did not have a positive effect on the preference for non-ownership. First, consumers might believe that environmentally friendly consumption is actually synonymous with a reduction in the usage of goods, rather than a mere reduction in the purchase of goods; such customers might be equally unimpressed with both the rental of goods and their purchase. Secondly, environmentally conscious customers might prefer to purchase their own "eco-friendly" products with long lifespans to fulfil their various requirements. Thirdly, it is possible that many consumers do not realise that non-ownership reduces the quantity of produced goods on an aggregated level; in other words, the link between rental behaviour and environmental responsibility (in the longer term) might be too abstract and obscure for many environmentally aware consumers to recognise.

6. Implications

The results of the present study have shown that both a "trend orientation" and a "convenience orientation" have a positive influence on a consumer's preference for renting (rather than buying) goods. Nevertheless, it is apparent that many consumers still value outright ownership of goods and resist making the transition from the established notion of owning a product to the alternative of renting it. It would therefore seem that offering a mixture of both modes of consumption is likely to yield optimal returns for a retailer or service provider. This approach has already been implemented at some outlets; for example, "Luxusbabe" (luxusbabe.de) offers both new designer handbags for sale and designer handbags for rent; moreover, the firm offers renters the option of buying their rented goods at the end of the rental period. These

arrangements have come to be known as “rentailing”, and a growing number of companies, including Apple and Walmart, have adopted this business concept (Knox and Eliashberg, 2009).

The study has confirmed the growing importance of a “trend orientation” in retailing and rental. Indeed, the majority of the daily purchases of durable goods are replacement purchases, and many of these replacement purchases are not necessarily motivated by dysfunction in the existing product (Bayus, 1991). According to Okada (2001), the desire to replace a functioning product is related to the rapid advances now being made in technological innovations. As a consequence, consumers can perceive that their currently used products are “old”, even if they are still quite functional. The findings of the present study suggest that short rental periods appeal to trend-oriented consumers who wish to adapt to the rapid pace of contemporary innovations by disposing of their “old” (functional) products and gaining the use of an improved version. In this regard, it is interesting to note that Park and Mowen (2007) have demonstrated that suppliers of hedonic products can benefit by offering their consumers the opportunity to trade-in their old products when purchasing new ones. It would therefore seem that the increasing demand for new and up-to-date products should encourage suppliers of fast-moving consumer goods to include a rental option in their retail offerings.

Convenience-oriented consumers seek products and services, which provide time-saving and comfort (Luqmani *et al.*, 1994). Berry *et al.* (2002, p. 4) describe “the consumers’ time and effort perceptions related to buying or using a service” as service convenience. With renting, the service provider can precisely predict when the customer will return to the market. Furthermore the rental of goods facilitates the collection of information about consumers and their preferences. This allows for a precise selection of service offerings, communication and promotional instruments at the time the renting contract expires (Grewal *et al.*, 2004). As one of the experts explained: “When a consumer rents a product, s/he is forced to return it to the renter at the end of the rental period. With renting, a follow-up contract is much easier for us to initiate because consumers are forced to return to our store. And this definitely represents a great opportunity with regard to customer retention”. To allow for the selection of the most suitable offer for a given market, data on customers has to be collected, actively managed and segmented (Knox and Eliashberg, 2009). Moreover, to ensure that the relationship with the buyer is constant, customer perception has to be managed via advertising, image campaigns, and other marketing measures (Dale *et al.*, 1997).

The fact that a “convenience orientation” has been shown to have an impact on preference for non-ownership reflects the advantages of non-ownership with respect to all five of the recognised convenience dimensions (“decision convenience”, “access convenience”, “transaction convenience”, “benefit convenience”, and “post-benefit convenience”) (Berry *et al.*, 2002). With regard to “decision convenience”, the consumer’s relationship with a rental provider is often ongoing, which reduces the time and effort involved in making new consumption decisions; moreover, the service provider has an opportunity to tailor offerings according to past experience with a particular customer. Both “access convenience” and “transaction convenience” are enhanced by an ongoing relationship between a rental provider and a consumer, which reduces the difficulties of finding (and navigating) the store of a new provider and/or

the problems of having to provide personal transaction information repeatedly to new suppliers. With regard to “benefit convenience”, the non-ownership option reduces the burdens of ownership (such as the maintenance and repair of goods), which thus enhances benefit convenience for the renting consumer. Finally, “post-benefit convenience” is enhanced by the non-purchase option if the service provider proactively offers new rental services at the expiration of the rental period, thus minimising the effort required by the consumer to investigate new products. Taking all of these aspects into account, it is apparent that incorporating the non-ownership option into offerings is likely to yield considerable improvements in all dimensions of customer convenience, thus enhancing customer satisfaction (Berry *et al.*, 2002).

It is thus apparent that the growing trend towards non-ownership consumption has the potential to be mutually beneficial for suppliers and consumers (especially those with a trend orientation and a convenience orientation). However, the trend threatens the established arrangements of many retailers, whose business models have traditionally been based on the transfer of ownership of the goods they supply. Although the recent developments in consumer preferences offer retailers an opportunity to differentiate themselves from competitors by offering new (non-ownership) options, such a transformation is not an easy task. As Rogelio and Kallenberg (2003) have noted, the transformation of a product manufacturer into a service provider involves a change from a transaction-oriented perspective to a relationship-oriented view of business. It is apparent that, for retailers, the transformation to become a non-ownership service provider will involve a shift in focus away from transactions to relationships (Voon, 2006).

Finally, although the growing demand for non-ownership services represents a new opportunity for the paradigm of services marketing (Lovelock and Gummesson, 2004), the present findings suggest that the time is not yet ripe for such marketing to be directed at some potential target groups. Consumers who are price-conscious, experience-oriented, or environmentally aware are apparently not yet ready to embrace the non-ownership option. Nonetheless, these groups of consumers might still be promising targets in the future. There is an opportunity for suppliers to communicate to the appropriate target groups the positive aspects of rental services in terms of lower prices, environmental sustainability, and the potential for new consumption experiences. To paraphrase Trendbüro (2008), who was referring to the temporary ownership of used goods through auctions, suppliers of non-ownership options need to communicate the message that: “Those who live the culture of [non-ownership] attain money, storage capacity, [and] quality of life”.

7. Limitations

Some limitations in the present study are acknowledged. First, because the data were collected entirely from German respondents in an online environment, caution should be exercised in generalising the present findings to all consumers from other countries in other contexts. Second, because some of the completed online questionnaires were incomplete and excluded from the analyses, the reliability of the results might be reduced (Downey and King, 1998). However, these acknowledged shortcomings do suggest promising avenues for further research. In particular, repeating the methodology of the present study in an offline environment and in other countries would provide interesting data for comparison with the present findings.

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