

# When Is Ours Better Than Mine? A Framework For Understanding and Altering Participation in Commercial Sharing Systems

Last Modified on 06/18/2018 8:55 am EDT

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**Date published:** July 2012

## Why did we select this research?

This paper written by Cait Lamberton and Randall Rose published in the Journal of Marketing conceptualizes commercial sharing systems within a typology of shared goods. Three studies then demonstrate that beyond cost-related benefits of sharing, the perceived risk of scarcity related to sharing is a central determinant of its attractiveness.

## Key findings

The paper found that marketers do not need to compete in sharing systems on cost alone. Rather, they can consider the interdependence of consumers' own usage and that of other sharing partners. By doing so they can design aspects of their sharing systems of marketing communications to alter perceived product scarcity risk, changing propensity to participate, even if costs and key sources of utility are accounted for.

**Study 1:** Establishing the role of cost, utility, and risk-related elements in propensity to share in the context of a car sharing program. Focus on demonstrating empirical and theoretical distinctiveness of commercial sharing systems as opposed to systems not involving rivalry for the shared product.

**Conclusion:** by changing consumers' perceptions of product scarcity risk, marketers can exert significant influence on consumers' propensity to choose a

sharing system.

**Study 2:** Testing whether predictability of one's own usage, based on prior experience (information which marketers are likely to have access) interacts with expectations about the usage of other sharing partners to predict sharing propensity (information which can be altered via marketing message framing).

Conclusion: individuals who can obtain a lower cost per unit by sharing are more motivated to do so, but again demonstrate that perceived product scarcity risk explains sharing propensity beyond this effect.

**Study 3:** Manipulating participants' usage levels and similarity to potential sharing partners in an ecologically valid bike sharing system, capturing participants' perceptions of trust among potential sharing partners, and exploring the role of trust on sharing propensity, particularly relative to usage levels, similarity, and perceived risk.

## Managerial & Policy Implications

Marketers should begin by learning the specific cost and utility factors that may impact propensity to participate in commercial sharing systems

- In order to change propensity to share, lower costs and raise benefits.
- Perceived substitutability has a strong effect on sharing.

Perceived risk of product scarcity is a major driver of sharing propensity in sharing systems

- Offers a non-price based method of competition for sharing system marketers.
- High volume or high volatility consumers feel threatened by other sharing partners' possible usage.
- Marketers should design sharing programs with control mechanisms or allow consumers to share with those whose use they know to be complementary as opposed to competing.

Managers of sharing systems whose target customers are likely to be similar in usage should keep in mind that sharing with similar others may not always be preferred.

- Segmentation based on demographic similarity may not be ideal
- Highlight usage heterogeneity or complementarity within demographic

segments to reduce product scarcity concerns

Trust does not explain propensity to share in the context considered

- Marketing in terms of trust may not be optimal for promoting sharing systems
- Consumers' focus on the likelihood of product availability provides a more direct influence .

Familiarity with sharing is likely to increase sharing propensity

- Remedy a widespread lack of knowledge by taking active part in mass media discussions on sharing programs.

## Reference

Lamberton, C. P., & Rose, R. L. (2012). When is ours better than mine? A framework for understanding and altering participation in commercial sharing systems. *Journal of Marketing*, 76(4), 109-125.

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