

## A THREE GENERATIONAL STUDY OF PRODUCT PREFERENCE AND MOTIVATIONS TO PARTICIPATE IN THE SHARING ECONOMY

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**Abstract:** The sharing economy is a trend that is catching the attention of people and companies all over the world. It is expected to replace the traditional model of buying and selling into sharing. However, there is a lack of literature focusing on the relationship between motivational factors and the attitudes of different generations towards the sharing economy and on the type of products different generations are willing to share in a sharing economy. This paper aims to fill this knowledge gap and examine these relevant variables together. With a sample size of 741, the study focuses on the three generations: X, Y, and Z. It was conducted from December 2021 to March 2022. The non-parametric Kruskal-Wallis test and descriptive statistics were used to analyse the collected data. The results of the study revealed that the respondents from different generations are willing to share different assets. Except for only two asset groups, the willingness to share these assets does not depend on the generation of the respondents. The research also indicated that the respondents across different generation have the same motivating factors for participation in the sharing economy. The findings of the study offer valuable insights for the platforms facilitating sharing of unused assets. It will help them to target their marketing communications effectively. Simultaneously, these findings will enhance the theoretical knowledge about the sharing economy with factual information that links it to marketing, as marketing literature concerning the sharing economy is still in its infancy.

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**Keywords:** generation X, generation Y, generation Z, motivation factors, sharing economy.

### Introduction

The sharing economy is an alternative model to the traditional ownership of products, usually acquired through purchase or credit. The development of the sharing economy is made possible by the development of information and communication technologies, which established new platforms through which sharing can take place. The development of the sharing economy depends on the innovative approaches of a new generation of users, for whom ownership of products is no longer important, as their environmentally conscious lifestyle favours the commercial use of products over their ownership (Mašín, 2020). The sharing economy is perceived as a possible way to achieve sustainable development as it changes the behaviour of consumers and societies (Heinrichs, 2013).

The sharing economy assumes that a society that consumes products in an uncontrollable way is considered absurd (Ratia, 2019). The sharing economy is considered as a "*new form of local economic thinking*" (Pavlik et al., 2020) or as a "*socio-economic system based on resource sharing*" (Mašín 2020). Its existence is motivated by environmental factors and the possibility of influencing sustainability by reducing consumption (Matharu et al., 2020). For this, the companies need to offer environmentally sustainable products (Liu & Chen, 2020). At the same time, companies (platforms) operating in the sharing economy intermediating between the supply and demand need to understand that building trust in the platform is important, as the sharing economy has a consistently low level of trust in general (Kozlenkova et al., 2021). In the marketing context, platforms will also need to understand their customers better in terms of what they want and why do they want it, to customise their marketing communications accordingly.

The study is based on primary and secondary data. Secondary data was collected through an extensive literature review. The review highlighted a research gap on the impact of respondents' generation on their willingness to share their unused assets. Similarly, the factors motivating different generations to participate in the sharing economy have also not been explored. The present study is an attempt to fill this gap. The survey for the study was conducted in the Czech Republic from December 2021 to March 2022. The sample size for the study is research 741 respondents from generations x, y and z, with each generation representing exactly one-third of the total respondents.

The results of the study offer valuable insights for the academic and the general public. Platforms operating in the sharing economy can better customise their marketing communication to the different generations of their customers. The academicians will gain further insight into the need to approach participants of the sharing economy individually, as each generation of respondents is willing to share different products, even though their motivations for participating in the sharing economy are the same.

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This paper is divided into several parts. The first part deals with the theoretical framework. The theoretical framework is followed by the Methodology part, which deals with the data collection methods and statistical tools used to test the hypotheses. Next is the Result and Discussions part, which summarises the major findings of the study and sets the direction for further research. The paper ended with a conclusion.

### **Users' motivations for participating in the sharing economy and unused assets supply**

The sharing economy has several implications for marketing, as indicated by, Geissinger et al. (2019), they expected the impact of the sharing economy in the areas of mobility, fashion, services, housing, finance, etc. The influence of the sharing economy on marketing is also discussed by Eckhardt et al. (2019). According to her, sharing economy will impact marketing in three areas: marketing institutions, value creation, and processes. The change in the marketing field is happening not only due to the changes in consumers' attitude towards consumption (Seretny & Seretny, 2012), but various political decisions, changes in legislations, etc. have an impact on it (Grubor, 2013).

#### *Definition of a Sharing Economy*

The Sharing Economy is based on providing access to use the unused products by their owner (Angelovska et al., 2020). The possibility of encashing the unused capacity of these products raises the possibility for some owners to share their products. On the other hand, there are some consumers who, instead of buying the products they need, will instead take advantage of the availability of these underutilized products that their owners are willing to share (Schor & Fitzmaurice, 2015). There is no official definition of the sharing economy, however, the European Commission (2016) defines the sharing economy as "*business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary use of goods or services often provided by private individuals*". To the OECD (2016), the sharing economy represents "*new marketplaces that allow services to be provided on a P2P or shared usage basis*".

#### *Participants' motives for sharing*

Consumers' motivations to participate in the sharing economy vary. There is no single view on what attracts participants to the sharing economy. However, understanding participants' motives is crucial for sharing economy platforms to understand their customers and motivate them to participate in it through appropriate marketing communications (Hawlitshchek et al., 2018). Bardhi & Eckhardt (2012) argued that the motivation to participate in the sharing economy is mainly financial, or financial cum better use of available resources (Gurven, 2006). Several other studies cited social and environmental motives besides financial motives for participating in the sharing economy. For example, Angelovska et al. (2020) identified fun, meeting people and social responsibility as motivators in addition to financial benefits for participating in the sharing economy. Hawlitshchek et al. (2018) also described multiple motives for participating in the sharing economy. In addition to financial benefits, trust in other users, modern lifestyle, expected effort, and environmental sustainability are identified as the five most important motives and prerequisites for participating in the sharing economy. Although Milanova & Maas (2017) identified financial motives as the most important motive for the participation in the sharing economy, along with motives of "*social and symbolic*" and "*network of strangers*".

Akbar & Hoffmann (2018) reported that the feeling of contributing to environmental sustainability is an important motivation for sharing economy participants. Environmental motives for participating in the sharing economy are also reported by Chi et al. (2020). Hamari et al. (2016) mentioned sustainability, the simple joy of sharing, and financial reasons as motivators. Hamari et al. (2016) stated that the social responsibility of those who participate in the sharing economy is conditioned by the importance of the ecological factor, which is closely linked to the sharing economy and sustainability. Kim and Jin (2019) also cited interest in sustainability, social interest, diversity seeking, fun, and cost savings as motivating factors among the generation of students, i.e., Generation Z.

Motivations for Generation Z were also examined by Noor et al. (2017) in Malaysia. He concluded that ecology and sustainable development are important to Generation Z. It has been stated that going green and consuming eco-friendly products will be a way of life for this generation; companies targeting this group should consider this in their marketing strategies. Furthermore, this generation participates in the sharing economy to support sustainable development (Khalil et al., 2021).

Similar research has also been conducted in the Czech Republic, focusing on Generation Y (Prusa & Sadílek, 2019). The research explored the reasons why Generation Y do or do not purchase eco-friendly (green) products. Prusa and Sadílek (2019) also perceived Generation Y more sensitive towards sustainability than Generation Z. Although Generation Y also tries to be environmentally friendly in their purchases and found the sharing economy is attractive. However, they participate in it mainly to try new things, without realising that sustainability is not just about buying green products, but about reducing consumption. For them, reducing consumption or taking a different approach to consumption means lowering their standards of living, which they are not willing to sacrifice because of their materialistic orientations (Helm et al., 2019).

Angelovska et al. (2020) created the profile of providers of unused assets in the sharing economy as a male under 35, motivated by altruistic motives rather than financial.

Motivational factors for participation in the sharing economy and generation-wise differences in the attitude towards it are relevant variables that have not yet been examined across multiple generations. Based on the literature review, the following hypotheses are established:

- H<sub>0</sub> a: There is no statistically significant relationship between motivational factors for participating in the sharing economy and the generation of respondents.
- H<sub>0</sub> b: Respondents are motivated to participate in the sharing economy for financial factors.

### Methodology

The primary objective of the paper is to answer the following research questions:

1. Are the motivating factors to participate in the sharing same for all generations, or do they differ?
2. Is the willingness of asset owners to share unused assets depend on the generation to which they belong?

The study is based on a quantitative survey conducted in the Czech Republic from December 2021 to March 2022. Different age groups were contacted to find out whether and how different generations (X, Y, Z) are affected by sharing economy products and their motivation factors. Seven hundred forty-one respondents participated in the survey and were equally distributed across all generations under study.

To avoid confusion among respondents, the meaning of sharing economy was properly explained to them at the beginning of the research for e.g., the sharing economy is about allowing the owner of an unused object (e.g., a car or an apartment), to offer it for the use by someone who cannot afford it or does not find it worthwhile (e.g., only needs a car once a week to go to the doctor).

### Data

An anonymous survey was conducted with the help of a structured online questionnaire to collect the data. The questionnaire was divided into several parts. However, for the study, only a part of it was evaluated.

### Data analysis procedures

Cronbach's alpha coefficient was used to check the reliability of the data. The coefficient value of 0.9357 indicated the excellent reliability of the data. The data has been analysed in Microsoft Office Excel. The non-parametric Kruskal-Wallis test was used to test the hypothesis. The data were evaluated using descriptive statistics. *"The Kruskal–Wallis test is sometimes referred to as a one-way ANOVA for ranks. It is used to compare two or more independent samples when our data violate the assumption of normality, our sample size is not large, or when we have ordinal data"* (Rosenstein, 2019). The formula for the Kruskal-Wallis test is as follows:

Figure 1: Kruskal-Wallis Test Formula	
$K = \frac{12}{n(n+1)} \left( \sum_{j=1}^c \frac{T_j^2}{n_j} \right) - 3(n+1)$	
where	
c = number of groups	
n = total number of items	
T <sub>j</sub> = total of ranks in a group	
n <sub>j</sub> = number of items in a group	
K ≈ χ <sup>2</sup> , with df = c - 1	
Source: Black, 2019, p. 647.	

## Result and Discussion

The data for the supply-side in sharing economy was analysed to answer the research questions and to test the stated hypotheses.

### Objective 1: Motivational factors

Respondents were asked to rate the importance of motivational factors on an ordinal scale. Responses were recorded as (1) not important; (2) moderately important; (3) very important; (4) extremely important.

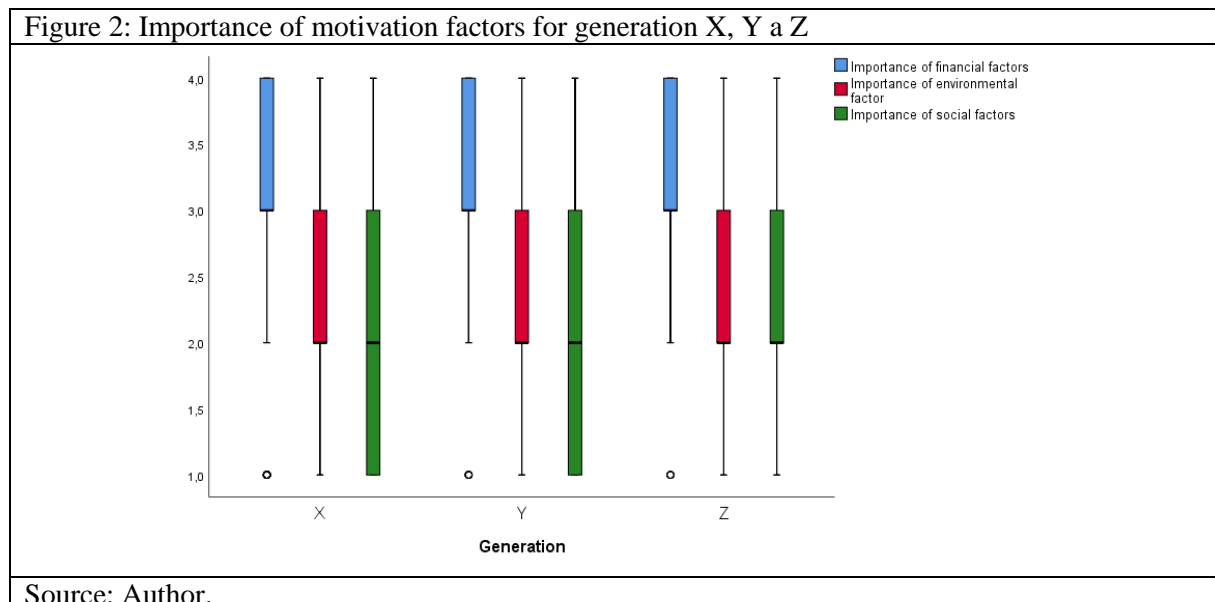
Table 1 illustrate the generation-wise motivational factors to participate in the sharing economy.

Generation	Index	Importance of financial factors	Importance of environmental factors	Importance of social factors
X	Median	3.00	2.00	2.00
	Mean	3.14	2.28	2.04
	SD	0.844	0.970	0.903
	N	243	239	231
Y	Median	3.00	2.00	2.00
	Mean	3.21	2.45	2.17
	SD	0.749	1.033	0.957
	N	243	238	229
Z	Median	3.00	2.00	2.00
	Mean	3.27	2.47	2.17
	SD	0.706	0.888	0.858
	N	245	242	224
P-value (Kruskal -Wallis test)		0.403	0.057	0.183
Significance		NS	NS	NS

Source: Author.

Table 1 highlights no significant statistical relationship between the motivating factors and the generation of respondents at the 5% significance level. Therefore, Hypothesis H<sub>0a</sub> was accepted.

Figure 2 shows the importance of each factor for participation in the sharing economy.



Source: Author.

It is revealed that financial factors are consistently the most important reason for all generations to participate in the sharing economy. We have confirmed hypothesis H<sub>0b</sub> by graphical processing.

### Objective 2: Assets supply

The willingness to share an unused asset as a provider was measured on an ordinal scale. Responses were recorded as (1) definitely not; (2), rather not; (4) rather yes; (5) definitely yes; (9) I don't know - is considered missing.

Table 2 shows the dependence of respondents sharing their unused assets on the type of asset. For better presentation of the results, the type of assets are coded for Table 2 as: (A) cars; (B) other small vehicles; (C) special sports equipment or clothing; (D) garden equipment or tools; (E) real estate (apartment, house); (F) handbags, jewelry, watches; (G) gaming consoles, computer equipment, cameras; (H) musical instruments; (I) pets.

	Index	A	B	C	D	E	F	G	H	I
	Median	2.00	4.00	2.00	4.00	2.00	2.00	2.00	2.00	1.00
	Mean	2.13	2.94	2.44	3.19	2.42	1.88	2.20	2.52	1.83
	SD	1.286	1.367	1.341	1.364	1.439	1.114	1.236	1.384	1.331
	N	730	727	720	723	722	724	719	718	722

Source: Author.

After comparing the median values, the study concludes that there are assets that respondents are willing to share more (e.g., garden equipment or tools or other small vehicles) or others less. The Friedman's test revealed that the willingness to share an unused asset depends upon the type of asset it is ( $\chi^2(8) = 1008$ , p-value <0.001). Hence, the hypothesis  $H_{0c}$  is rejected and the alternative hypothesis that there is a statistically significant relationship between the type of unused asset and the willingness of respondents to share it is accepted.

Table 3 reports generation-wise willingness of the respondents to share their unused assets.

	Index	A	B	C	D	E	F	G	H	I
<b>X</b>	Median	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
	Mean	1.98	2.63	2.29	2.81	2.26	1.81	2.08	2.33	1.95
	SD	1.208	1.378	1.310	1.321	1.405	1.046	1.172	1.268	1.372
	N	242	239	234	237	238	238	236	236	237
<b>Y</b>	Median	2.00	4.00	2.00	4.00	2.00	2.00	2.00	2.00	1.00
	Mean	2.52	3.11	2.65	3.21	2.71	2.05	2.31	2.51	2.18
	SD	1.450	1.405	1.400	1.397	1.514	1.240	1.283	1.401	1.582
	N	242	242	240	240	241	242	240	238	242
<b>Z</b>	Median	2.00	4.00	2.00	4.00	2.00	2.00	2.00	2.00	1.00
	Mean	1.90	3.08	2.39	3.52	2.30	1.78	2.21	2.71	1.37
	SD	1.093	1.269	1.291	1.286	1.359	1.029	1.245	1.451	0.778
	N	246	246	246	246	243	244	243	244	243
P-value (Kruskal -Wallis test)			<0.001	<0.001	0.015	<0.001	<0.001	0.055	0.128	0.026
Significance			S	S	S	S	S	NS	NS	S

Source: Author.

Table 3 shows, at the 5% significance level, a statistically significant dependence of the willingness to share unused assets on the generation of respondents for all asset groups except gaming consoles, computer equipment, cameras, and musical instruments.

### Conclusion

The sharing economy will affect many areas. For example, it will change the access to mobility, fashion, services, housing, finance, etc. (Geissinger et al., 2019). Marketing will also undergo a sea change. Eckhardt et al. (2019) stated that the sharing economy would affect three areas in marketing: marketing institutions, value creation, and processes.

The results of the study attempt to fill the knowledge gap identified in the literature review. The results show that respondents from different generations (X, Y, Z) have different preferences regarding the assets they are willing to offer for sharing in the sharing economy. Irrespective of the generation to which they belong, there are assets that respondents are willing to share more like garden equipment, tools, or other small vehicles. Generation-wise analysis of the willingness to share different assets revealed that there are assets like gaming consoles, computer equipment, cameras, musical instruments etc. that respondents from all generations would like to share. However, there are other assets only a particular generation is willing to share. After comparing the median values, the study concludes that respondents across all generations are most willing to share garden equipment and other small vehicles.

Generation Y is willing to share real estate. Generation X and Y are unwilling to share their handbags, jewellery, and watches; Generation Z put pets first, while generation X and Y put them in second place. Motivational factors to participate in the sharing economy were another area of interest in this study. The study finds that financial motivations are the primary motivational factors for all generations. On the other hand, social factors are the least motivating.

The results suggest that sharing platforms will have to approach the supply side individually and carefully to adjust their marketing communication as per the generation of the owners of the idle assets, but not without considering the type of the products and motivational factors. Only with sufficient information can sharing platforms mediating the sharing economy carefully tailor their marketing communications to effectively reach their target groups.

Our research focused on exploring the supply side of sharing economy and generation wise motivational factors to participate in it. Further interesting insights could be gained from future research based on other demographic factors like education, gender, income and location etc. Any demographic characteristic that further refines the supply side of the sharing economy will be valuable not only to the sharing economy platforms but also to the participants in the sharing economy. These demographic dimensions thus raise interesting further research questions.

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