AN ANALYSIS OF THE ORIGINS OF COLLABORATIVE CONSUMPTION AND ITS IMPLICATIONS FOR MARKETING

Myriam Ertz, University of Quebec in Chicoutimi
Fabien Durif, University of Quebec in Montreal
Manon Arcand, University of Quebec in Montreal

ABSTRACT

Collaborative Consumption (CC) is currently subject to many debates and controversies. From a more conceptual perspective, more intense studies and considerations of collaborative consumption schemes, may potentially reposition marketing. This article is a first step into that direction. It reviews the key macro developments which led to the (re-)emergence of collaborativity in consumption / production. An inter-disciplinary analytic framework revealed that Collaborative Consumption results from tightly technological, economic, political and societal changes, namely: (1) The web transformed consumers’ relationship to objects; (2) advanced economies are becoming more efficient through collaborative exchanges; (3) the withering of the State and its increased adjustment to the market ethos led citizens to mutate from political militants into engaged consumers; (4) consumers view consumption as central projects in their lives.

INTRODUCTION

Collaborative Consumption (CC) is a fast-growing social phenomenon. Considering solely web-enabled leasing schemes (e.g. Airbnb, Uber), approximately 40% of the American adult population has already engaged in a form of CC (Critical Vision and Crowd Companies, 2014). When including gift-giving, barter and second-hand marketplaces either offline or online (Botsman and Rogers, 2010), about 98% of French consumers had performed CC in the last years (ADEME, 2012). This trend is expected to continue to grow, especially among younger generations of consumers known as “Millenials” (Clark, 2012). Given the challenging nature of Collaborative Consumption, this study aims at: (1) examining CC from an aggregate marketing system perspective; (2) discussing the evolution of key macro-level components (i.e. technological, economic, political and societal) which have led to the popularization of CC; (3) analyzing the implications of CC for marketing decision-making, marketing systems and society at large. More specifically the paper aims at answering the following research questions: (1) How does CC impact the scope of marketing?; (2) What does CC refer to?; (2) What are the macro-environmental factors that have empowered consumers to give rise to CC?; and (4) What are the implications of CC?
THE SCOPE OF MARKETING REDEFINED

CC may be defined as “people coordinating acquisition and distribution of a resource for a fee” (Belk, 2014, p.1597). The resource may be tangible (product, land, space) or intangible (skills, services) and since it is exchanged for a fee or another compensation it includes bartering, trading, swapping, renting / lending, second-hand purchases and reselling (Belk, 2014), as well as gift-giving and free lending (Albinsson and Perera, 2012; Corciolani and Dalli, 2014). CC practices are thus not new. Barter, for example, is one of the oldest forms of trade in Human history (Appadurai, 1986, p.10). Why then does CC draw so much interest now? The answer may well be related to a question of marketing “weltanshauung” or paradigm.

Overall, CC constitutes a set of “disruptive” marketing exchange practices because analyzing them through the lenses of the current marketing paradigm can only lead to consider them as such. First, goods that are exchanged via CC practices are not necessarily “new” but are “pre-owned” or “used” which challenges the conventional understanding of marketing as operating exchanges of “new” goods. Second, CC involves a multiplicity of actors, especially consumers but also institutions (e.g. government), which are typically excluded from the organizational stance on which marketing is currently positioned (Gundlach, 2007; Wilkie and Moore, 2003). Third, and perhaps, on a more epistemological level, CC contributes to extend product lifecycles thus diminishing recourse to new purchases, reducing waste production and resource extractions. This characteristic of CC enhances its potential sales cannibalizing nature for conventional retailing and reduces prospects for profits.

The current marketing paradigm is microscopic (Gundlach, 2007). Marketing is a managerial function, with the organization as the unit of analysis and the essence of exchanges lie in the Dominant Social Paradigm which, among others, advocates unlimited economic growth (Dunlap and Van Liere, 1978). Consequently, even the emerging literature about CC in marketing has essentially been framed in a micro perspective. Concretely, authors provide recommendations for companies to maintain (and increase) their profit levels by adjusting to the collaborative economy (e.g. Belk, 2014). Lamberton and Rose (2012), for example, study marketer-managed sharing schemes (e.g. Bixi) and address recommendations to the managers of these specific types of business models as well as to marketers in general. Bardhi and Eckhardt’s (2012) study on Zipcar is directed toward managers of such “Access” business schemes, while Guiot and Roux’s (2010) study of second-hand purchases contains recommendations intended both at conventional retailers and second-hand marketers.

Although valuable, a more thorough understanding of CC requires rather a macroscopic view. This view recognizes marketing as a broader societal phenomenon and places the marketing system as a unit of analysis (Gundlach, 2007). More specifically, the adoption of an Aggregate Marketing System (AMS) perspective which encompasses not only marketers but also consumers and government entities, as advocated by Wilkie and Moore (1999), enables to appreciate more fully the rising role of the consumer within that system and its centrality in the emergence of CC. A macroscopic AMS viewpoint also converges toward the acknowledgement that CC has the potential of changing the orientations of the marketing discipline. A proper understanding of CC extends way beyond the firm and mere managerial decision-making. CC has the capacity to shift marketing’s current function to a more abstract instrument encompassing...
societal concerns (Wilkie and Moore, 2003). It is worth mentioning in this regard that, the early conception of marketing was that of a social instrument aimed at social effectiveness not the garnering of profits (Breyer, 1934). Beyond a dichotomous rhetoric, CC is unique in that some of its configurations (e.g. marketer-managed leasing schemes) enable the garnering of profits thus drawing on the current economic rationale, while others (e.g. gift-giving, barter) contribute clearly to enhanced social effectiveness through improved access to goods.

MACRO DEVELOPMENT LEADING TO COLLABORATIVE CONSUMPTION

Technological and Marketing Developments

The Internet is at the core of the emergence of CC and technological developments will accordingly represent the lion’s share of the developments that gave rise to CC. The first instance of exchange on the web was initiated by programmers and IT professionals who exchanged codes and programs (informational exchange) on the Internet (Belk, 2014). From the 1980s on, the Open Source movement contributed to develop collaboration through the web. The source code of software is made available to anybody. Through collaborative efforts, programmers and individuals improve together the source code and share the developments within the community (Botsman and Rogers, 2010).

An additional step is made at the end of 1990s-beginning 2000s with peer-to-peer file sharing in the form of music, movies, ebooks, in addition to codes, software and programming languages (Airgrain, 2012). The nature of the exchange went from informational to digital with the transfer of structured content. This had a more profound impact on the relationship of consumers to objects. Despite the intrusion of the merchant ethos in P2P file-sharing (e.g. iTunes, Rhapsody, Netflix) (Belk, 2014), consumers embraced the principles of web-driven free, open, on-demand and unrestricted access to desired resources. With the passing from Web 1.0 to Web 2.0, consumers started to share user-generated content that they created themselves (e.g. photos, videos, comments, blog posts, ratings) via increasingly pervasive and sharing-focused social networks (John, 2012).

File- or UGC-sharing is inherently a C2C collaborative practices. Together with the rise of e-commerce, file-sharing paved therefore the way for the emergence of new consumer-managed exchange systems, with the web at their core (Botsman and Rogers, 2010; Lamberton and Rose, 2012). The web appeared as a space of genuine freedom of expression in addition to increased freedom of exchange, enabling therefore consumers to circumvent and display opposition to mainstream media and conventional retailing entities (Albinsson and Perera, 2012). Since its inception, the system of retailing and distribution was relatively asymmetric with marketers / organizations having full knowledge and power over the retailing system while consumers were passive absorbers (Dussart and Nantel, 2007). The retailing and the distribution system formed also the core of marketing focus at its early beginnings from 1900 to 1950 (Wilkie and Moore, 2003). However, through virtual communities, the consumption practices of persons connected to many other persons are not isolated and independent nor vulnerable to manipulation of capitalists anymore (de Valck, van Bruggen and Wierenga, 2009; Huang, 2012). A “many-to-many” viral P2P communication model has emerged instead (Hoffman and Novak,
1996), diminishing bottlenecks and empowering consumers at the expense of a once important part of the AMS i.e. manufacturers and retailers (Dussart and Nantel, 2007).

The digital P2P exchange context then slowly mutated into P2P exchanges of tangible goods which were previously exclusively conducted offline e.g. flea markets, garage sales, swap. The Internet deeply impacted the very structure of these “second-order marketing systems” (O’Reilly, Rucker, Hughes, Gorang, & Hand, 1984).

First, regarding market thinness, a market is considered thin when it exhibits undesirable aspects for buyers e.g. lack of variety, and for sellers e.g. incapability to localize buyers scattered across vast areas (Varadarajan and Yadav, 2002). Used goods markets on which CC exchanges are performed have recurrently been characterized by consumer dispersion for resellers (Belk, Sherry and Wallendorf, 1988; Sherry, 1990). On the other hand, such markets are full of unique, original and unexpected products which may be highly stimulating but also extremely unpredictable (Freedman, 1976; Guiot and Roux, 2010). In sum, although used goods markets clearly enhance product research because of their inherently recreational, stimulating and hedonic aspects (Belk et al., 1988; Gregson, Metcalfe and Crewe, 2007; Maisel, 1974), they do not necessarily enable to “find” a specific item because of their lack of standardized and homogeneous offering, as in conventional retailing. The Internet shifted used goods markets from being characterized by market thinness to become associated with market thickness thanks to its inherent features of interactivity and connectivity. Interactivity refers to the fact of enabling various entities to enter into communication through an intermediary in order to facilitate the planning and consumption of exchanges between each other (Varadarajan, Srinivasan, Vadakkepatt, Yadav, Pavlou, Krishnamurthy, & Krause, 2010). Connectivity relates to the stimulation of connections and the forging of new relationships at different levels – between individuals, companies, and institutions, at a local, national or global level (Haythornthwaite, 2005). More specifically, through interactivity and connectivity, thin markets such as used goods markets became thinner because: 1/ a single interface (a website) could aggregate multiple acquirers spread across several local markets, thus produce a viable consumer base (Varadarajan and Yadav, 2002); 2/ draw numerous disposers which improve quantitatively and qualitatively product offerings. Classified ads website Kijiji, for example, gathers 4 million ads and attracts 15 million visits a month. Such a high traffic could have been hardly achievable in traditional second-order marketing systems. Physical CC outlets also benefitted from the web at the informational rather than transactional level. In Canada, for example, the Renaissance thrift stores chain sends regularly emails to its consumer base to inform them of its “privilege days” on which all items are half-priced.

Second, in the area of technology, network externalities or network effects refer to the impact that a consumer of a product or service can have on the value of that product or service in the eyes of other consumers (Varadarajan and Yadav, 2002). A network effect happens when the value of a product or service increases in the eye of users as the number of users who adopt, possess or use it increase, i.e. the network size increases (Shapiro and Varian, 1999). One specific type of network effect can take place at the “exchange market level” (e.g. eBay vs. Amazon vs. Yahoo auctions). This is the type of network effect that was enticed by the web on second order marketing systems. Online exchange platforms such as C2C websites possess a value that is proportional to its usage by other persons in the market. For example, in online auctions, as the number of website users increases, auctions become more competitive which increases the final item bids and constitutes an additional incentive for potential buyers to resell
on the website instead of somewhere else (Ghose, 2009). Additional resellers increase the variety of the offerings, decreasing final bids, which will attract even more potential acquirers (Ghose, 2009). At a certain point, a critical mass of market actors is obtained and makes the whole platform viable and this is what happened to online C2C platforms (Botsman and Rogers, 2010; Tomasello, 2009). The exchange network has spread from the intimate and close circle of the consumer (family, friends), to a public, community circle which has been facilitated by the Internet (Bardhi and Eckhardt, 2012). Interfaces that couple online and offline interactions with strangers but also family or friends also have the advantage of offering warm and friendly exchange occasions that have the potential of creating communities of consumers (Albinsson and Perera, 2012; Corciolani and Dalli, 2014). The web may thus also improve the quality of exchanges by introducing the notion of community and extension to others.

Third, market tippiness corresponds to a situation in which the market tips in favour of one actor which threatens the survival of others (Varadarajan and Yadav, 2002). It may be the result of important network effects such as when a pioneer caters to the needs of a large consumer base via its own offering before the entrance of competitors. The pioneer’s competitive power is strengthened as its total production costs decline (economies of scale) and that its user base increases (Katz and Shapiro, 1985). Network effects, economies of scale and market tippiness are tightly intertwined and may explain the success of Internet in general and some of the websites it hosts, in particular. The success of CC pioneers such as eBay or Amazon can be understood from that angle. This is a key to understand the swift ascent of CC websites as consumers’ privileged CC exchange settings. In many advanced economies, since 2010, websites connecting consumers are on the rise in the US (Owyang, Tran, and Silva, 2013), in Canada (Kijiji, 2015) or in South-East Asia (Chu and Liao, 2010). It appears that such websites replace gradually smaller offline structures such as consignments shops or printed classified ads, while offline C2C events such as flea markets remain popular (ADEME, 2013). Market tippiness impacts CC channels but also potentially consumer behaviour. In Canada, for example, Kijiji has become a CC leader by slowly grappling market shares to LesPAC (Ertz, Durif and Arcand, 2015). Besides, the strong attractiveness of Kijiji, actually increased even further the proportion of consumers engaged in CC practices (Ertz, Durif and Arcand, 2015).

In short, the conduction of CC exchanges via the Internet has elicited a tendency toward the elimination of intermediaries (disintermediation) and concentration of buyers and sellers on a few well-known platforms. Online intermediaries became more important in contrast to offline intermediaries. One-shot CC events remain however popular because they also exhibit disintermediation and concentration characteristics. Overall, the web facilitated the implementation in the 2000’s of the exchange philosophy of the 1970s environmental movement, to favour renting and leasing schemes in place of buying new goods (Fisk, 1973; Spilhaus, 1972). The web enabled horizontally-organized leasing and lending schemes between consumers in addition to those vertically-developed by marketing systems and institutions. Importantly, the various changes in exchange enabled by the Internet did not stop at the acquisition of tangible goods only. It extended toward other assets such as money (crowdfunding, crowdsourcing), space (gardens, home space, workspace) or time (services, skills). This portion of intangible exchanges reserves the most promising avenues for future CC schemes and marketing theorizing.

**Economic Developments**
The rise of CC is tightly associated with the economic downfall (Botsman and Rogers, 2010). Under circumstances of economic hardship, CC enables consumers to seek bargains and lower prices (Schindler, 1989). The shift from “shareholder capitalism” to “financial capitalism” may further explain as to why CC has become so relevant from the years 2000 onwards. According to Davis (2013), the early capitalist model can be referred to as “shareholder capitalism” characterized by the prevalence of large corporations with a pivotal role in production of goods and services (industrialization), employment (unionization), social welfare services (channelled to the welfare state) and vehicle for savings (stocks, shares). They were strong established networks encouraging integration and concentration of corporate assets, in a vertical organizational structure. As vectors of solidity and heaviness, they were associated with fixity and permanence in a “solid society” concept (Bauman, 2000).

The Nixon Shock put an end to the Bretton Woods Agreement by eradicating the gold standard, and increasing convertibility of currencies which increased monetary interdependence and speculation on the currency market with the dollar as a fiat currency (Frum, 2000). Besides, the 1973-74, 1979 and 1980 oil crises, and a weakening of the US leading economy, generated economic instability through the stagflation of the 1970s (economic stagnation combined to monetary inflation), as well as financial unrest with a floating exchange rate system (Garber, 1993). On the other hand, this situation prompted “resource conservation” and “resource efficiency” considerations (Katona, 1982). It is during the 1970s that the discipline of ecology became politicized in order to reach oil independence¹ ² and gained concomitantly some interest from scholars paving the way for green marketing and socially responsible consumption issues in the literature (see Antil [1984] for a review). The urge to increase lease-rental consumption schemes (Fisk, 1973; Spilhaus, 1972) and re-use practices (Freedman, 1976; Maisel, 1974) was also initiated in that period. All of these works flowed from the overarching need to increase collaborative and informal practices as a means to cope with increasingly challenging environmental issues.

Over the 1980s, waves of hostile takeovers, automation of production processes, volatile markets, the 1987 Black Monday Crash and increased international competition resulting from worldwide economic deregulation (e.g. General Agreement on Tariffs and Trade), led companies to strategic restructuring, reengineering and downsizing to focus on their core competencies. Large corporations outsourced non-strategic business functions and started therefore to be increasingly less concentrated (more lean or agile), needing less workers, increasing layoffs which contributed, among others, to permanent structural unemployment. Planned obsolescence, as discussed by Vance Packard in The Waste Makers, also decreased product cycle time and increased the consumption of cheaper products with shorter lifecycles.

To cope with financial and ecological hindrances, changing lifestyles and consumption modes in advanced societies were identified as critical objectives (Antil, 1984). CC activities, especially secondhand marketplaces, started to gain prominence among consumers (e.g. Belk et al., 1988). Cooperative organizations involving small-scale sharing networks such as car-sharing organizations started to emerge in Germany, Switzerland or Sweden (Jonsson, 2007). They were perceived by consumers as cheap and smart means to “acquire” (Schindler, 1989) or “use” (Bardhi and Eckhardt, 2012) products, and were praised by academic scholars as “voluntary cooperation”, which in addition to legislation and pricing was considered essential to ensure resource efficiency and conservation (Antil, 1984, p.19; Leismann, Schmitt, Rohn, & Baedeker, 2013).
CC practices were however still considered as epiphenomenal to the consumer society and mainly seen as a sporadic response to worsening economic conditions (e.g. O’Reilly et al., 1984; Schindler, 1989). The decade of the 1990s was a nexus to the trend initiated in the 1980s, namely a fastening of outsourcing, downsizing / rightsizing and re-intermediation through financial institutions (Davis, 2013). With the dotcom crisis in 2000 and the subprime crisis in 2008, societies faced an even stronger economic downfall followed by austerity policies, recessions, deindustrialization, heightened mass unemployment which undermined household incomes as well as purchasing power (Tridico, 2012).

Currently, the economic landscape is dominated by financial capitalism characterized by a neoliberal ideology, deunionization and shareholder- instead or stakeholder-focused management (Davis, 2009). Large corporations, essentially in manufacturing, are also comparatively more disaggregated than in the past century. This has opened up the prospect for the reallocation of the four core functions of the corporation, i.e. production, employment, and investment which may be organized at a more local level and social welfare and economic security, which are best handled at a higher level such as the state (Davis, 2013). A centrifugal force leading to dispersion of corporate ownership is now a trend. The notion of “ecosystem” has replaced “network” as the dominant metaphor in business (Davis, 2009). The notion of ecosystem here does not resemble that used to refer to companies operating within a circular economy, as described by Stahel and Reday (1981). Rather, Davis (2013) refers to “ecosystems” as a business metaphor which replaces the “network” metaphor. More specifically, ecosystems are technologically-underpinned “local solutions for producing, distributing, sharing and [that] can provide functional alternatives to corporations for both production and employment” (Davis, 2013, p.283).

CC can be understood as lying at the juncture of these structural changes in the economy. First, it has an inherently valuable aspect in that it enables impoverished market actors to access to goods and dispose easily of them. Second, on a broader level, CC epitomizes the shift toward ecosystems. CC may provide elements to build with the ruins of shareholder capitalism (Davis, 2013). It embodies that reversal, or countertendency of the old trend toward aggregation and economic concentration in favour of new opportunities for disaggregation and cosmopolitan localism (Davis, 2009). CC challenges established network systems as intermediaries because, by involving consumers, CC makes some elements of the marketing system redundant while increasing the number, power and presence of others. For example, Airbnb disrupts the traditional hotel industry because it competes with the hotels industry by creating new sources of housing supplies (The Build Network Staff, 2013). Airbnb scales, not by scaling inventory, but by increasing the number of hosts in a given market for travelers and matching them with each other (Choudary, 2014). Similarly, Uber a transportation network company, faces numerous regulatory and legal challenges because it allows consumers to submit a transportation request which is then routed to crowdsourced, unlicensed drivers (Rosoff, 2011). Similarly, secondhand marketplaces appear threatening to the traditional retailing institutions because they propose original offerings, cheaper prices and the possibility to circumvent classic merchants.

Third and related to the previous point, CC may solve a paradox identified by economists as the Asymptotic Stagnancy Dilemma. In brief, the service sector is less productive than the primary and secondary sectors because of higher costs and higher relative prices (Baumol, 1985). Yet, paradoxically, economic growth is highly dependent on productivity gains in the services sectors since the latter represents some 75% of advanced economies gross national product
(Baumol, 1985). Considering that retailing and product distribution are part of the services sector, an improvement in productivity in that area would contribute to increased productivity in services and hence economic growth. As an improved distribution system characterized by disintermediation, CC is an impetus for the services sector to become more efficient and productive. Several companies already started to patch collaborative offerings to their core offering such as car companies which offer short term car rentals. Retailing chains such as Ikea which offer trade-in services enabling consumers to trade in their old products in exchange for cash, money-off next purchase, store / club points, donation to charity or vouchers. The implementation of such add-on measures does not cost much to retailers unless one considers potential cannibalized sales as a cost in itself, but these measures heighten value for consumers by making goods more easily disposable and accessible.

Fourth, CC epitomizes the economic shift that has led advanced economic networks to move toward a more localist and collectivist, ecosystem-like organization driven by new exchange configurations, as depicted in Table 1.

<table>
<thead>
<tr>
<th>EXCHANGE CONFIGURATION</th>
<th>AGGREGATE MARKETING SYSTEM</th>
<th>ORGANIZATIONS</th>
<th>CUSTOMERS</th>
<th>GOVERNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORGANIZATIONS</td>
<td>B2B e.g. chemical leasing scheme</td>
<td>B2C e.g. marketer-managed bike-sharing scheme</td>
<td>B2G e.g. marketer-managed official car fleet management</td>
<td></td>
</tr>
<tr>
<td>CUSTOMERS</td>
<td>C2B e.g. trade-in programs</td>
<td>C2C e.g. classified ads / auctions websites</td>
<td>C2G e.g. government sponsored used car trade-in programs</td>
<td></td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>G2B e.g. high-tech equipment leasing</td>
<td>G2C e.g. public auction blocks</td>
<td>G2G e.g. forestry equipment leasing</td>
<td></td>
</tr>
</tbody>
</table>

Well-known B2C, B2B exchanges are now complemented by the emerging C2C but also other transactional modalities which contribute to moving goods more efficiently on the market. While a certain number of such exchanges involve new goods (B2B, B2C, B2G, G2B, G2C or G2G), others are uniquely associated with used or “pre-owned goods” (C2B, C2C, C2G). Interestingly, CC exchange schemes can be found in each exchange configuration, making it a prevalent element of the AMS. Actually, a consideration of marketing at the AMS level involves necessarily to take into account CC schemes because they fill in the blind spots to which marketing scholars pay typically no or limited attention (C2B, C2C, C2G).

**Political Developments**

States and governments of democratic countries have undergone several changes which calls into question their institutional affiliation (Brunsson, 1994). The crumbling of the markets in developed economies and the quest for new markets overseas led organizations to politize
themselves (Brunsson, 1994). Businesses are also more urged by the civil society and governments to act responsibly and demonstrate their engagement through Corporate Social Responsibility (CSR) and corporate citizenship activities (Habisch, 2011). Mimicking governments, businesses’ Integrated Marketing Communication departments, integrate Public Relations professionals, official spokespersons, they issue press releases and work closely with the media to influence the population.

The politicization of the company can be put in juxtaposition to the company-ization of the State which acts more and more as a company (Brunsson, 1994). Rising national public debt levels arising from huge cost structures, led governments to engage in drastic cost reduction programs in order to retain their financial attractiveness for investors. The deindustrialization trend and automation trend decreased demand for labor, decreased revenues from taxes while increasing social welfare programs. To recover from debts, States privatized state-owned organizations (Vuylsteke, Nankani, Candoy-Sekse, & Palmer 1988), implemented a short-term contractualization logic (Lipovetsky, 2003), adopted “new governance” (Habisch, 2011) or “new public sector management” (Brignall and Modell, 2000). The trend toward state “downsizing” (McLeod, 2004), echoes the plummeting of the “large corporation” in the economy, and boils down to the emergence of comparatively weaker states that try to adapt to new realities.

Privatization of the state appears also as a result of the extension of the market and the impregnation of the consumerism ethos to all spheres of life, even those exterior to the merchant exchange such as politics and areas for which the state is responsible such as healthcare, retirement, the military or education (Lipovetsky, 2003). Supranational unions and blocks e.g. European Union also led to a loss of sovereignty of the State. This de-politization of the state is mirrored within society. Citizens assimilated gradually the relative withering of the state and its enhanced marketization. They were taught to be responsible for their own welfare through savings for retirement, increased healthcare participation and recourse to private education in the face of dwindling government contributions (Midgley, 1997). The State appears increasingly as another organizational entity and political life is of lesser interest to consumers who increasingly distrust traditional politicians and political parties as shown by shrinking voting participation (Brunsson, 1994). This trend needs to be paralleled with the decrease of religious faith in the Western world. Thus, working for the common good, idealism and militantism, which were previously attained via engagement in political and religious institutions, are rather channelled through consumer movements and organizations such as CC, among others (Corciolini and Dalli, 2014). More specifically: “From ‘political militants’, individuals have become ‘engaged consumers’, loving ethical labels and products associated to correct consumption” (Wallner, 2012, p.95). Appropriate consumption devoid of “sin” or “crime / infraction” becomes tantamount to increasingly godless and stateless societies. This trend has been heavily accompanied by social marketing, the rising and politically-underpinned ecological ethos as well as organization CSR which results from company politicization. All aimed therefore toward: “the disappearance of homo politicus in favour of homo oeconomicus” (Wallner, 2012, p.119).

Various mutually exclusive or overlapping consumption movements and cultures (e.g. voluntary simplicity, fair trade, and local consumption) are a testimony of that shift. Personal and semi-organized projects, deemed sustainable, responsible, ethical, citizen or engaged, have their focal point on “consumption” not “politics” (Wallner, 2012). They share as a common denominator their opposition, not in political terms to the State (governments), but in economic terms to the Market, (businesses). Consumers have understood that the “market” and especially
the “financial market” have increasingly taken precedence over the State. Therefore, on the one hand, CC may be understood as the result of consumers’ increased internalization of the consumerism ethos spread by companies but also by the State, and which has become therefore the dominant norm. On the other hand, the rise of CC is a result of consumers’ perception of the withering of the state (and religious institutions) from an increasing number of key domains in their life, whether economic (privatization, lack of power in the face of delocalization, unemployment), healthcare, retirement or education. Without the safety net ancestrally provided by strong States and/or central religious entities, it is through the connecting and building of ties with others that CC appears as a mean to weave alternative supportive structures to individuals.

Societal Developments

The technological / marketing, economic and political developments described so far need to be reframed within a larger social perspective that has been commonly referred to as postmodernism which climaxed in the social revolutions of the 1960s (Yilmaz, 2010). Postmodernism acknowledges the modernist project, which aims at improving the existence of mankind by controlling nature through scientific progress (Lash, 2014). In addition, it also refers to a social movement that re-evaluates the traditional value system of Western societies (Harvey, 1989). It posits that individual conducts become liberated from collective frames such as codes and rules emanating from social class, religion, family or political parties (Yilmaz, 2010). With the erosion of large corporations, unions, religious institutions, traditional family structures and the State, consumption is not characterized by a top-down, hierarchical, vertically-organized structure anymore, in that consumers do not necessarily obey to collective norms of class habitus in their consumption schemes (Lipovetsky, 2003). Rather, postmodernism brings about a horizontal model, in networks. Similarly, to the economic development leading to ecosystems of companies, in postmodernism, individuals are fragmented, polycentered, driven toward small-scale community consumption schemes. In these schemes, “identity micro-groups juxtapose in a heterogeneous space of tastes, aesthetics and practices […] in the age of network consumption, de-coordinated and balkanized, decentered and scattered in neo-clans gathered around tastes, specific interests, lifestyles, music, clothing and sport fashions” (Lipovetsky, 2003, p.91). CC is an illustration of this postmodern portrait because it involves consumer networks revolving around specific consumption schemes. Extreme individuation brought about by postmodernism paradoxically led consumers to reach out to each other but through means of consumption, whereas it was production in modernism (Aronowitz, 1988).

DISCUSSION AND IMPLICATIONS

The consumer society is not dead but it is transforming into something different. CC, as a result of several technological, marketing, economic, political and societal evolutions, crystallizes this transformation. Along with fair trade or organic markets, farmers’ markets, locavore movements, CC schemes seem to be an integral part of this transformation (Marchand, de Coninck and Walker, 2005). This trend has several implications for marketing managers.
Impact on Society and Government Decision-Making

Cc represents a thorny issue when it comes to legislation since cc schemes operate within grey zones of the law. Uber and airbnb have recurrently been banned based on unfair competition claims or incidents (wagstaff, 2014). It surely is forbidden to sublease an apartment on the long term for several months or several years but what about short duration rentals? Similarly, giving a ride to someone who is hitchhiking is not an illegal activity but what about asking for compensation and using the internet in order to connect with those “hitchhikers” or users who need a ride? The legal system therefore does not systematically blame cc users and cc companies (wagstaff, 2014).

While the rise of specific CC schemes may be detrimental to some traditional marketing /retailing systems or service sectors, they may be highly beneficial to consumers, the State or even companies themselves. Whether or not CC should be allowed and encouraged is also a political issue that decision-makers need to tackle given its rising importance (e.g. Lamberton and Rose, 2012).

According to the macro-structural shifts identified so far, CC seems to be a natural outcome of multiple societal interplays and is therefore a heavy trend while it also has several advantages for our society. First, it presents multiple benefits to improve natural resource conservation and efficiency, reduce energy dependence, resource extraction, pollution and waste (Leismann et al., 2013). Second, the ease with which consumers may acquire and dispose of goods makes CC a lifestyle facilitator (Bernthal, Crockett and Rose, 2005). Indeed, consumers different goods, different models according to their lifestyle needs (Firat and Venkatesh, 1995). More specifically: “it liberates consumers form restrictions associated with ownership geared toward singular identity positions” (Bardhi and Eckhardt, 2012). Third, a more efficient distribution of goods within the economy may decrease the reliance on foreign imports which affects therefore positively the gross national product since importations won’t be subtracted from it anymore (Kijiji, 2015).

The resilience and development of CC over decades also demonstrates that it is not a mere fad but a long-lasting trend. Therefore, it might seem clumsy or at least, counter-productive to bluntly oppose it. Rather, a policy of reasonable adjustment should be favored in order to derive the most benefits out of CC and limit its potential negative impacts. Besides, there is empirical evidence that regulation has been identified as an important aspect in order to ensure CC sustainability over time (Bardhi and Eckhardt, 2012). For governments, instrumental controls take mainly the form of legislation and taxes.

Legislation should be clarified in order to more clearly legislate on CC practices. Second, should governments seek to encourage CC even further, they could compensate those consumers who provide CC. Harrell and mcconocha (1992) as well as Schwartz (1970) identified “deducting”, in the United States, as a form of fiscal deduction for consumers who donate products to charities or other organizations. It might be interesting to apply such a concept to CC activities since the prospect of economic gains is a major motivation for consumers to engage in CC (Hamari, Sjöklint, & Ukkonen, 2015). Consumers who are able to prove that they have provided CC services either by reselling, swapping or leasing / renting could benefit from “deducting”. Acquisition through second-hand purchase, barter and borrowing / renting may be similarly compensated. Weighting schemes could compensate various CC transactions
differently depending on governments’ priorities. Such a measure could also have the advantage to track an economy which is often highly informal and thus difficult to quantify and estimate.

Both taxation of CC exchanges and provision of fiscal deductions for carrying out CC exchanges, are the two faces of a single coin and may eventually lead to the development of macro-measurement tools to more accurately estimate the depth and scope of CC within the economy and society, and act upon it efficiently.

There have been many calls for cutting costs as well as energy and resource consumption. Communication campaigns promoting access may compare the costs related to the ownership of a good and those of merely “accessing” the good. Environmental benefits can be added as a by-products.

**Impact of Collaborative Consumption for Marketing Managers**

From a macro-economic perspective, CC is a means to solve asymptotic stagnancy by increasing services productivity. However, not all services require the same level of skills (Baumol, 1985). It might well be that CC will contribute to reduce or cohabitate service jobs or some business models which require low but also high skill levels. For example, File-sharing and on-demand access to video and music online put renting stores out of business (e.g. Blockbuster). Uber puts taxi companies a bit more under pressure and posing the threat of their potential disappearance if they do not adapt adequately to this trend (Freeman, 2015). Taxis may not provide a differentiated and valuable offering anymore which puts their own existence into question. Some term this a “uberization” of the economy (Schatt, 2014). On the other hand, services that require high skill levels such as financial or IT services may also be affected. Peer to peer lending or crowd-funding through platforms such as Prosper, Zopa or Lending Club successfully replace the recourse to financial institutions for credit or investment products (Zhu, Dholakia, Chen, & Algesheimer, 2012). In a social context in which financial institutions are increasingly under criticism from civil society (e.g. Occupy Wall Street, Los Indignados, Anonymous) or political parties (e.g. Podemos in Spain, Syriza in Greece). CC networks appear desirable alternatives since they serve mutual interests and appeal to people’s natural desire to contribute constructively, give back to or share with fellow human beings, while opposing what they perceive as abstract, cynical and greedy financial entities.

Peer-centered business models epitomize the rise of consumers within the AMS in which organizations are currently trying to become more active. The literature has already provided sufficient guidelines as to how organizations might do that.

First, person-to-person trust plays a central role in highly interactive society and in CC platforms (Keymolen, 2013). Contrarily to the romanticized view of CC as being all about sharing, most CC schemes give way to negative reciprocity where users satisfy their self-interest to the expense of others’ (Bardhi and Eckhardt, 2012; Corciolani and Dalli, 2014). In the years 2000s, however, progress has been made, thanks to rating systems, and therefore technology plays an active role in building and shaping trust relations (Keymolen, 2013). It is predictable that increased attention will be paid to system architecture and the implementation of highly robust and efficient systems that detect deviant behaviors, what Bardhi and Eckhardt (2012) call the inevitable drive toward “Big Brother Surveillance”. In addition to trust systems, monetary or other compensation-based systems might be used to encourage users to contribute to the public good (Benkler, 2004). The aim being that, as people become increasingly wired together, it is
important to trusting people to “do the right thing” as an increasingly common and dominant business model (Bardhi and Eckhardt, 2012).

Second, with the increase of CC schemes, consumers perceive goods as “liquid assets” (Chu and Liao, 2007). The framework within which consumers may define themselves is evolving. Consumers are not only what they can “possess” but increasingly what they can “access to” (Belk, 2014). Thus marketers may increasingly put the emphasis on benefits from product use rather than on product ownership (Peattie and Crane, 2005, p.366). Lamberton and Rose (2012) emphasized that an increased recourse to “usage” can only happen if the perceived risk of scarcity of the used or accessed resource is kept minimal. Consumers’ perception of their own usage level of the resource and their perception of the usage level of others is therefore highly influential in their recourse to CC. Predictive modeling techniques might be improved in order to ensure sufficient provisions of the resource given potential demand levels. In the meantime, communication effort may mitigate consumers’ perception of a risk of scarcity.

Third, there is usually an emphasis on the price of products instead of their costs: “many key products such as cars, houses and computers continue to be marketed through competition based on price, not competition in terms of overall costs of ownership and use” (Peattie and Crane, 2005, p.366-367). Renting or leasing marketers will possibly orient consumers’ attention toward cost instead of price while also emphasizing energy efficiency issues. Regarding re-use practices, manufacturers will perhaps emphasize more product robustness and durability so that consumers feel that they may more easily recover the net book value of the product if they try to dispose of it through CC. In fact, consumers may be more likely to buy a product if they know of an easy and practical way of disposing it. Retailing systems can fruitfully fuel CC by developing, for example, specific trade-in or disposition channels, some involving consumers themselves. For example, during weekends, French retailing chain Intermarché transforms its parking lots into consumer swap meets for products bought within its stores. These are all nudges toward a better integration of CC within existing business schemes. Managers may carefully select those that fit best to their own business model, as well as their company mission and vision.

ENDNOTES

1. Gallup surveys of 1977, 1978, 1979, 1980 and 1981 revealed that energy and/or air pollution was mentioned as the most important problem by 5% of Americans in 1972 prior to the first oil shock but raised to 16% in September 1973 and even 46% in January 1974 at the height of the crisis. In 1975 and 1976 it varied between 3% and 6% to rise again to 27% in March 1977 and 33% in May 1980 (Antil, 1984, p.18).

2. Several energy demand management programs and policies were enacted in order to manage natural resource shortages, such as the Energy Policy and Conservation Act of 1975 or National Energy Conservation Policy of 1978 to name but a few measures. Our Common Future also known as the Brundtland report in 1987 from the United Nations Commission on Environment and Development (WCED) cemented western concern for environmental conservation coined as “sustainable development” on a global scale by exposing the issue to the various members of the United Nations consortium.

REFERENCES


