Possession Substitutability: Identity and Usage of Rented (Versus Owned) Products

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Despite availability of good rental options, many consumers prefer to haul or ship their gear for gear-requiring activities (e.g., skiing). Across six studies, centrality of identity (e.g., skier) decreased renting by rendering a possession (e.g., skis) more “me” and thus unsubstitutable, but increased renting when possession “me-ness” was not affected.

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EXTENDED ABSTRACT

Despite availability of good rental options, many consumers still prefer to haul or ship their own gear for various activities (e.g., skiing). Understanding psychological antecedents for consumer preference for owned (versus rented) gear is pivotal for marketers in the access-based industry. However, such antecedents remain understudied.

Previous research on consumer preference for owned (vs. unowned) items finds that, when a good is more identity-relevant, owners respond more negatively to its loss (Dommer and Swaminathan 2013; Ferraro, Escalas, and Bettman 2011). Relatedly, we propose that when identity (e.g., skier) is more self-central, a consumer will perceive relevant possessions (e.g., skis) as less substitutable due to the classification of such possessions as more self-central (i.e., more “me”–Weiss and Johar 2013). Consequently, the consumer will be less inclined to use rented gear to temporarily substitute a possession even when the rental is better. Thus, the very consumers who could most appreciate using superior gear (e.g., “die-hard” skiers) would be ironically the least likely to do so (due to being the most reluctant to forgo using their own gear). Indeed, such ironic consequences of identity directionally align with the aforementioned prior research. However, that prior research studied the preference for owned goods only in the context of a possible loss of ownership over the good (e.g., due to sale; Kahneman, Knetsch, and Thaler 1990). In contrast, we uniquely test preference for owned goods in choices that eliminate a possible loss of ownership, specifically in dilemmas of whether to temporarily substitute an owned item.

Consistent with low possession substitutability as the driver for low renting, we predicted that impeding the effect of identity centrality on low possession substitutability will reverse the ironic effect of identity. We theorized that constraining the self in terms of an identity that does not depend on gear for engaging in identity activities (e.g., a “chef” requires equipment to cook, but a “foodie” only needs her taste buds to eat) will impede the effect of identity centrality on possession substitutability. In such situations, greater identity centrality may actually predict more (vs. less) usage of superior rentals.

Results from five studies were consistent with our predictions. In study 1, while planning an out-of-state cycling vacation, participants learned that the local shop rents out bikes identical to theirs. The rental cost was either higher or lower than the cost of shipping their bike there. After choosing between shipping and renting (DV), participants reported the extent to which cycling was central to their identity in real-life. Consistent with lower possession substitutability, identity centrality predicted (1) lower renting and (2) smaller positive effect of lower (vs. higher) renting price on renting likelihood.

To rule-out a “renting-aversion” account, whereby identity centrality simply increases dislike of the unfamiliar, study 2 manipulated whether the gear in one’s possession (i.e., the familiar gear) was owned or borrowed. Further, to rule out a “sunk-cost” explanation involving initial investment in gear, any initial investment in the gear was eliminated. Participants in the “[borrowed” / “owned”] condition imagined planning a cycling vacation, deliberating between shipping there the quality bike family friends recently lent for them [to use for the year they are away / as a hand-me-down right before going away for a year] (option 1) and renting gear at the local shop (option 2). Consistent with predictions, identity centrality predicted lower renting when the gear in one’s possession was owned, but not when it was borrowed.

To rule-out a “mere-involvement” account, whereby, when identity is central, consumers care more about what gear they use and prefer their own because they think it is better, study 2 manipulated the rental’s quality. Further, to promote a causality argument, identity-centrality was manipulated. Participants imagined owning high-quality fishing gear they used when fishing was central to their identity. Subjects in the (“identity-central” / “identity-peripheral”) condition read that fishing is [still / no-longer] central to their identity. Then, after finding damage to their gear before an upcoming fishing trip, participants chose between paying to expedite repairs and renting similar gear (DV). Subjects in the [higher / lower] quality condition learned that the rental gear was [better / worse] than the gear they owned. Consistent with low substitutability, fishing identity centrality (vs. peripherality) (1) lowered renting preference and (2) attenuated the positive effect of higher (vs. lower) quality of the rental on renting likelihood. Mediation analysis showed that identity centrality increased gear classification as “me,” and subsequent possession unsubstitutability – expectation that the experience would be different without one’s possession. Consequently, subjects expressed lower desire to rent regardless of the rental’s quality.

Studies 4a and 4b tested the moderating role of whether the activated identity is product-centric, or whether it pertains to activities that require gear (e.g., listening to music as an “audiophile” requires hi-fi speakers), or product-agnostic, or whether it pertains to activities that can be engaged in directly through the senses (e.g., listening to music as a “musicophile” only requires the ability to hear). Activating a product-agnostic identity was predicted to hinder construal of objects in terms of “self” (Weiss and Johar 2016). Consequently, consumers were predicted to be unmindful of object “me-ness,” and thus not to perceive possessions with higher “me-ness” as less substitutable. To test this prediction, Study 4a participants in the ["musicophile" / "audiophile"] condition wrote two things about themselves that reflect their [music-lover / audiophile] side. Participants then imagined owning high quality headphones. In the scenario, they were online, buying tickets to a silent concert, “where music is transmitted via radio waves and the audience listen to it through headphones.” Subjects chose between paying to use a high-fidelity radio connector they could plug their own headphones to (option 1) and paying a bit more to use the event’s wireless headphones, known for their better sound reproduction (option 2, DV). Results showed that greater “audiophile” centrality predicted lower renting when the activated identity was “audiophile,” but higher renting when the activated identity was “musicophile.” Study 4b replicated the results in incentive-compatible settings. Consequences for identity research and for marketers in the booming access-based economy are discussed.

REFERENCES


