

Shifting Consumer Perception towards Sharing Economy: Analysis of Factors Involved

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The activity of collaborative consumption has rocked the market of traditional consumerism. With the proliferation of the digital platform, more and more people are shifting to internet based services. Consumers are looking for ways in which they can share, swap, trade or rent goods and services. This study is focussed on the demand side of the sharing economy model which aims to identify the factors that make a consumer choose and prefer sharing option over traditional purchasing option. After identifying the factors, a survey is conducted (in Pune and Mumbai) to check the viability of these factors.

I Introduction

In his work *The Theory of Economic Development (1911)*, Joseph Schumpeter explained that the strategic stimulus to economic development will come from the industrial application of something new - the new commodity, new technology, new source of supply or new type of organization (Schumpeter, 1983). The causative factor in these changes will be "innovation" which is defined as "doing things differently in the realm of economic life" (Sweezy 1943). Nearly a century later, the leader of innovation economics seems to be proven correct when phenomenon like sharing economy has gained significant importance through collaborative consumption.

Sharing Economy can be defined as 'the peer-to-peer (P2P) based activity of obtaining, giving or sharing the access to goods and services, coordinated through community-based online services (Hamari, *et. al.* 2015). It is "the act and process of distributing what is ours to others for their use and/or the act and process of receiving or taking something from others for our use" (Russell 2013, World Economic Forum and PwC, 2017). Sharing business providers can either own goods and services that they rent to the customers or can be the aggregator, facilitator, technology provider that connects the supplier and the user to enhance purchase, exchange or rent goods and services (Ernst and Young LLP 2015). The online platforms or marketplaces capitalize the idle capacity by connecting the potential users with the sellers/owners of the asset. This allows owners of the asset to earn from its spare capacity and allow users to share the surplus capacity rather

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