#### **CHAZEN INSTITUTE RESEARCH BRIEF**

# **Sharing Possessions** in a Global Pandemic

### **KEY TAKEAWAYS**

- ✓ Fear of contagion and contamination from COVID-19 did not disrupt the sharing economy model in the United States.
- ✓ American consumers increased their openness to peer-to-peer sharing over the course of the pandemic whereas Indian consumers limited their openness to sharing, possibly out of greater concern of COVID-19 transmission.
- ✓ Sharing-economy companies could benefit from marketing efforts that focus on consumerto-consumer relationships, emphasizing similarities between consumers to increase their openness to sharing, especially in countries with highly interdependent cultures. personnel.

The sharing economy has disrupted traditional industries from transportation to hospitality. Its rise, aided by the emergence of digital and mobile technologies, was so rapid that <a href="PwC predicted">PwC predicted</a> it to grow from \$15 billion in global revenue in 2015 to \$335 billion by 2025. Then came the COVID-19 pandemic.

Fear of contagion and contamination became a real threat to public health and to the business model of sharing-economy platforms. At the same time, the pandemic upended many supply chains and marketplace practices, forcing consumers to help each other access goods and services. What did we learn about the state of the sharing economy and consumer willingness to share their possessions amid a global pandemic?

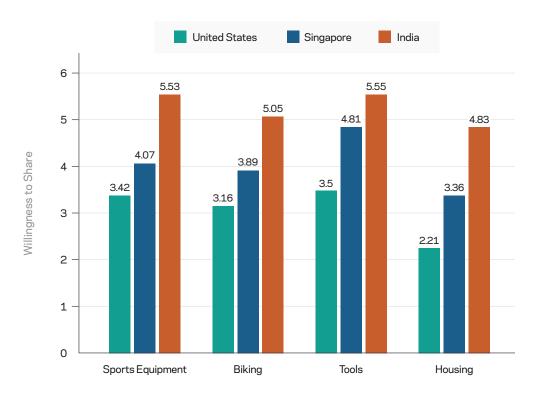
In "Cross-Cultural Effects of the COVID-19 Pandemic on Willingness to Share Possessions," Chazen Senior Scholar Gita Johar and Columbia Business School PhD candidate Maayan Malter show that the degree to which consumers were willing to share their possessions with others during the pandemic depended on where they lived.

#### Research

In a two-part study, the researchers analyzed data on peer-to-peer sharing in India, Singapore, and the United States, comparing consumer openness to sharing before and during the pandemic across these three distinct cultures. Building upon prior research by Gert Hofstede on cultural collectivism and Hazel Markus and Shinobu Kitayama on interdependence, Johar and Malter explored how culture impacts collaborative consumption. Specifically, the researchers investigated whether individuals from countries with highly interdependent cultures exhibit greater openness to sharing, which requires trust in relationships, and willingness to put the relationship's needs above personal needs.

# Pre-Pandemic Differences in Peer-to-Peer Sharing

This figure shows the degree to which consumers in the United States, Singapore, and India expressed willingness to sharing across four product categories: sports equipment, biking, tools, and housing. Individuals in countries with a higher overall level of interdependent self-construal were more open to sharing their possessions with others (India > Singapore > United States). All cross-country differences in sharing were statistically significant at a level of p < .01.



The first study was conducted in November 2018 (pre-pandemic) and focused on establishing cultural differences regarding the extent to which consumers were willing to share their possessions with others. Participants were asked about their openness to share across four product categories: sports equipment, biking, tools, and housing. The second study was conducted in February 2021 (during the pandemic) and tested how COVID-19 affected consumers and their openness to share the same set of products. Participants were asked questions directed at understanding how and why the pandemic may have shifted their willingness to share.

#### Results

Culture was found to be one of the primary determinants of consumer openness to sharing both before and during the pandemic. Individuals in cultures with higher interdependence, such as India and Singapore, were more willing to share their possessions with others, but had stronger boundaries around whom they would share. They strongly preferred to share possessions with people similar to them. This result suggests that although interdependence predicts more sharing in general, such sharing may be more limited to those closest to them. In contrast, individuals in

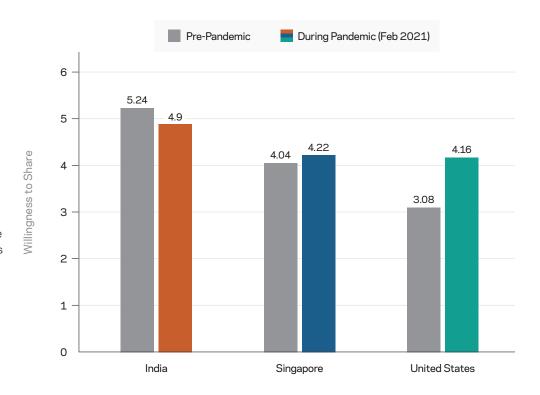
cultures with lower levels of interdependence, such as the US, were less open to sharing overall, but were more open to sharing with different types of people.

Looking specifically at country-level impacts of the pandemic, the data show that willingness to share among US consumers increased significantly from its pre-pandemic level, whereas willingness to share among consumers in India decreased significantly over the same period. In Singapore, willingness to share during the pandemic remained relatively constant. The researchers noted that each country had varying responses to the pandemic, citing differing case counts, vaccination rates and isolation policies.

Singapore was able to enforce strict lockdowns and control the spread of the virus, which led to more overall stability and security in the daily lives of its citizens. The US and India, with much larger populations, experienced significant infection and hospitalization rates, and high death tolls that had a significant impact on the lives and security of its citizens. In India, there was far greater concern with contagion and contamination than in either Singapore or the US, which researchers note may explain a decreased willingness to share among Indian participants. Future research is needed to test this possible explanation for why sharing decreased in India.

## Consumer Willingness to Share Possessions (Before and During the Pandemic)

This figure shows the overall willingness to share (an aggregate measure of willingness to share for the four product categories in the previous figure) in each country before and during the pandemic. Willingness to share decreased significantly in India (p < .05), had no significant change in Singapore, and increased significantly in the United States (p < .001).



Importantly, the pandemic reinforced the importance of interpersonal relationships in the lives of consumers and highlighted how culture impacts collaborative consumption. For example, participants in the US reported an increased importance of relationships, which is one factor that underlies their increased willingness to share possessions.

As sharing-economy companies continue to expand their footprint globally, it is important for marketers to better understand consumer motivations, behavior, and feelings around collaborative consumption. This research has two important takeaways in this regard:

 Marketing for the sharing economy should center around the importance of relationships in the lives of consumers. This will be especially important in countries with low interdependence, such as the US. 2. Consumers who are more open to sharing strongly prefer to share with those similar to them. Therefore, to increase openness to sharing in general, marketing managers should emphasize similarities among consumers. This will be especially important in countries with highly interdependent cultures, such as India.

Download the full paper.

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