

# Moving Mountains

How companies manage consumer barriers and values when promoting use-oriented consumption in Swedish consumer markets

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## **Abstract**

There is an urgent need to ensure sustainable consumption patterns in western countries such as Sweden. Movements around the world demanding leaders to take action for the survival of our planet also puts pressure on companies to act responsibly. Since consumption patterns are influenced by the decisions made by companies on how to do business the choice of business model can promote or hinder more sustainable practices. Business models, including use-oriented PSS, based on function or access provision to consumers, rather than ownership have emerged in an attempt to meet the needs for reduced environmental impacts without having to decrease consumption levels. The aim of the study was to enhance the knowledge on how to successfully implement use-oriented business models in consumer markets. Gathering up-to-date empirical knowledge on 1) business model characteristics 2) consumer barriers 3) consumer perceived value was considered key. The study was designed as a multi-case study using qualitative methods. The research and data collection followed two main streams, a literature review and an industry review. Primary data was collected through semi-structured interviews with selected practitioners from the seven case companies. The research was successful in gathering information of a contemporary and dynamic transformation and contributed with valuable empirical knowledge to the large body of research on use-oriented PSS. The results show 1) a tendency among companies to mimic business models to facilitate adoption 2) the importance of not neglecting the stickiness of established barriers 3) the tendency towards more focus on values related to self-interest and utilitarian aspects. The result of this study suggests that the strategy for promoting use-oriented consumption models should minimize the need for change of consumer behaviour, lower barriers for trials as much as possible and focus on promoting individual value creation.

**Keywords:** use-oriented products-service system, barriers for use-oriented PSS, consumer perceived value, retail

# Executive Summary

## Problem definition

There is an urgent need to take action to ensure sustainable consumption and reduce the material footprint of our society (Sustainable Development Knowledge Platform, n.d.). Movements around the world demand leaders to take action for the survival of our planet and to put pressure on companies to act responsibly.

The consumption patterns in Western countries such as Sweden are unsustainable (European Environment Agency, 2019). Since consumption patterns are influenced by the decisions made by companies, the choice of specific business models can promote or hinder more sustainable practices. Linear business models where products are designed to last for a short period of time have to change to more sustainable business models (Gullstrand Edbring, Lehner & Mont, 2016).

Looking beyond selling products as the way to economic growth at the expense of environmental degradation, alternatives are being developed. Different models of Product Service Systems (PSS) have emerged in an attempt to meet the needs for reduced environmental impacts without reducing the value provided to consumers (Mont, 2002). In a PSS the customer needs are fulfilled through a combination of tangible products and intangible services bundled together (Tukker & Tischner, 2006). These business models, including use-oriented PSS, are based on function or access provision to consumers, rather than ownership. They have for decades been seen as a promising way to move society toward more efficient use of resources, circularity and increased sustainability. However, they have not been widely adopted in the consumer market (Tukker, 2015). Why?

## Research Questions and Methodology

The aim of this research is to enhance the knowledge on how to successfully implement use-oriented PSS business models in consumer markets in Sweden. The underlying motive for this purpose was the idea of use-oriented PSS as a more sustainable business model than ownership-based models. Focus was on how companies deal with the challenge of gaining acceptance among consumers for a use-oriented business model instead of purchasing products or services. By comparing different perspectives on customer value and consumer adoption in literature with the current practices of Swedish companies, valuable empirical insights were collected. Against this background, three research questions were formulated.

RQ1: What characterizes current use-oriented PSS offerings by B2C companies in markets dominated by ownership of products in Sweden?

RQ2: Which barriers for consumers have B2C companies in Sweden identified when introducing use-oriented PSS?

RQ3: Which customer values are perceived as drivers to promote adoption of use-oriented PSS by B2C companies in Sweden?

By answering these research questions, the increased knowledge on current practices in the Swedish market could hopefully be transferred to other consumer-oriented companies and industries. Sharing knowledge between industries could potentially improve the chances of transforming consumption patterns towards more sustainable practises.

The study was designed as a multi-case study using qualitative methods to explore and describe the current practices by companies. The research and data collection followed two main streams, a literature review and an industry review. Primary data was collected through semi-structured interviews with selected practitioners from the seven case companies with the primary purpose of gaining an understanding on perceived customer barriers and values associated with use-oriented consumption.

### **Contributions and Main Findings**

The research was successful in gathering information of a contemporary and dynamic transformation of business and consumption practises. The study contributed to the large body of research on use-oriented PSS with valuable empirical knowledge around the concept. It included findings on how practitioners perceive the barriers and values influencing their customers decisions. The findings were analysed and presented in a way to facilitate knowledge transfer between industries and among practitioners. The results provided confirmation that, at large, barriers and values have not changed during the last decades despite the increased attention on more sustainable consumption practises.

The results show that use-oriented PSS offerings in the Swedish markets are characterised by a mix of products and services tailored to their specific market and customer groups. The introduction of use-oriented models seems to follow patterns that are already familiar to customers in the relevant industry and therefore could facilitate customer adoption. Rather than innovation of services and products the innovative aspect is the bundling of products and services that already exist in the market.

This study shows that consumers are reluctant to engage with offers that increase alleged risk for them. Perceived lock-in effects associated with the commonly used financial solution of monthly payments counteracts adoption. The importance of value for money must not be underestimated in consumer decision processes. Communication is needed to increase the knowledge around the business model. And finally, the lack of a critical mass of consumers and businesses involved in use-oriented consumption is brought up as a critical barrier in this study.

Consumer value creation is key for successful diffusion of innovative business models. Change in behaviour will happen when the consumer perceived value of the new alternative is considered superior. Financial value, functional value, emotional value and social value are four dimensions of consumer perceived value. The result in this study includes consumer values from all four dimensions. They can be seen as more or less important to the consumer depending on type of product or personal preferences.

### **Conclusions and Recommendations**

There is a tendency among companies to mimic business models and offers of other companies successfully operating in the same industry. Familiar business models that already exist on the market could be used to facilitate customer adoption. Consumption patterns can be very complex, and barriers could be based on personal preferences. Commonalities or larger patterns exist among consumers that have been confirmed in this study. In conclusion these barriers are not new findings compared to studies of consumer adoption and barriers to PSS. However, the findings show the importance of not neglecting the stickiness of established barriers even in times when rapid transformation seems to be taking place. The tendency towards more focus on values related to self-interest and utilitarian values has implications for what values to communicate to consumers, at least in categories where personal use is the purpose of the use-

oriented consumption. This suggests that the strategy for promoting use-oriented consumption models should not be based on social or environmental values but rather on focusing on the added values for the individual consumer.

Based on the knowledge gathered in this study three recommendations are offered to practitioners, which could increase the chances for successful implementation of use-oriented business models in consumer markets.

- The first recommendation is to minimize the need for change of consumer behaviour. The ambition should be to make a use-oriented offer resemble the traditional ownership-based offer in as many aspects as possible to avoid anxiety and concern about the new concept.
- The second recommendation is to lower barriers for trials of the use-oriented business model as much as possible. The trial period could give the company an opportunity to provide the information and experience needed to convince the customer.
- The third and final recommendation is to focus on individual value creation for the consumer.

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# 1 Background

This thesis was written during special circumstances during the spring of 2020. Halfway through the thesis semester, the global community was struck by a health crisis of enormous proportions. The outbreak of the coronavirus (COVID-19) pandemic changed life as we knew it and the impact on the economy and society was dramatic. Even though emissions reductions of greenhouse gases were observed when the global economy slowed down the way to sustainability has to include social and economic sustainability as well as environmental sustainability (Rockström, 2020). It is difficult to predict the future but change on a systemic level is needed to fight climate change and other environmental challenges. At the end of the crisis surviving companies and organizations still need to face the challenges of overconsumption and resource depletion while at the same time rebuilding the economy and creating value for the communities and people around them.

In 2015 all member states of the United Nations adopted the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs). Among them, goal number 12 calls for urgent action to ensure sustainable consumption and reduce the material footprint per capita (Sustainable Development Knowledge Platform, n.d.). Despite having the goals in place and having agreed on the sustainability agenda earth Overshoot Day in 2019 came earlier than ever before and already on the 29th of July humanity had used all the resources the planet can renew during the year (“Earth Overshoot Day 2019,” n.d.). This means that the rest of the year we are depleting Earth’s resources in an unsustainable way and compromising the future of mankind and our children. The consumption patterns in western countries such as Sweden are unsustainable (European Environment Agency, 2019). Since consumption patterns are influenced by the decisions made by companies on how to do business, the choice of business model can promote or hinder more sustainable practices.

“A sustainable business model aligns interests of all stakeholder groups, and explicitly considers the environment and society as key stakeholders” (Bocken, Short, Rana & Evans, 2014, p.44). A business model describes how a company does business, gains a competitive advantage, delivers value to customers and captures value to the company (Osterwalder, Pigneur & Tucci, 2005). Linear business models where products are designed to last for a short period of time have to change into more sustainable business models (Gullstrand Edbring, Lehner & Mont, 2016). It is through the innovation of the business model, opportunities for behaviour and activities that drive improvements of companies impact on society and the environment can be created (Mont et al., 2019). During this development, companies targeting consumer markets can have a large impact through the choice of a business model and how they influence consumption patterns (Mont, Whalen, & Nussholz, 2019). Models in the current system rewards increased sales of new products which results in overconsumption and a throwaway culture that depletes resources and causes environmental problems (Piscicelli, Cooper & Fisher, 2015). Looking beyond selling products as the way to economic growth at the expense of environmental degradation, alternatives have been developed. Different models of Product Service Systems (PSS) have emerged in an attempt to meet the needs for reduced environmental impacts without having to decrease consumption levels (Mont, 2002). In a PSS, the customer needs are fulfilled through a combination of tangible products and intangible services bundled together (Tukker & Tischner, 2006). These business models, including rental, are based on function or access provision to consumers, rather than ownership. They have for decades been seen as a promising way to move society toward more efficient use of resources, circularity and increased sustainability. However, they have not been widely adopted in the consumer market compared to the business-to-business market (Tukker, 2015).

Moving away from linear take-make-waste business models and experimenting with potentially more sustainable and circular business models such as PSS is currently being explored by companies in Sweden. The reason could be a response from the trade and commerce sector, including retail, to increased awareness among consumers of the impacts consumption has on sustainability (Svensk Handel, 2018). Alternatively the motivation behind the introduction of alternative business models could just be a way of lowering the barrier to purchase by offering a trial period (Kärnström, 2019) or a way for retailers to fight the increasing competition from e-commerce (Wennersten, 2019). Adding services to their offer as a way to differentiate from the competition can be considered a strategy for gaining competitive advantage and increasing customer satisfaction (Tukker, 2015). Furthermore, packaging services and products as a PSS can be tempting for companies and a possible survival strategy (Lee et al., 2015). It could be an opportunity for the company to differentiate from traditional product offerings and improve the competitiveness through diversification of services rather than products (Baines et al., 2007; Tukker, 2015). On the other hand, the appearance of more use-oriented alternative such as rental of everyday goods could also be driven by a belief that consumption has to change and become more environmentally sustainable (Åkerlund, 2018). For the company, it introduces the possibility to decouple economic growth from the number of products sold (Mont et al., 2019) and it could lead to more resource- and material-efficient products resulting in lower production costs (Tukker, 2015).

In the Swedish market, smaller actors have struggled to get the attention needed to impact the behaviour of consumers, and the lack of knowledge among the customers that alternative ways of consumption such as rental even exists has been a prominent barrier (Källman, 2016). The development during the last year when bigger actors within retail announced the introduction of pilot projects on different rental models had raised the question about what will happen when companies with bigger financial muscles enter the arena. Businesses can be a powerful driver of societal change, and marketing can play an important role in changing consumer behaviour towards more sustainable practises (Rettie et al., 2012). In the early growth stages of sustainable practises, the emergence of sustainability start-ups co-exists with the emergence of line extensions among premium brands (Hockerts & Wüstenhagen, 2010). The smaller firms often stimulate change and introduce new and innovative ways of doing business, while the larger firms often enter later triggered by the success of the smaller initiatives (Hockerts & Wüstenhagen, 2010). The larger firms usually have the possibility to significantly transform an industry due to the larger scope and higher financial strength. When a co-existence of small and large firms occur it is more likely to result in a transformation than if this relationship do not exist (Hockerts & Wüstenhagen, 2010).

Extending the use phase of a product could mean a significant environmental improvement and a promising opportunity of collaborative consumption models including rental. One example is the climate impact of Swedish clothing consumption, where 80% of the climate impact derives from the production of the garments (Sandin et al., 2019). By extending the use phase, through for example, multiple users in a rental business model, significant environmental improvement can be achieved. The impact could be reduced by up to 50% from doubling the number of times the clothes were used during the life cycle (Sandin et al., 2019). Other examples from car sharing, ski rentals and laundry services show significant improvements in environmental impacts (Tukker, 2015).

The role of consumption is of great importance when addressing sustainability issues since consumer behaviour impacts the development in a significant way (Rettie, Burchell & Riley, 2012). Regardless of the motives behind changing the business, the consumers need to be convinced to change their behaviour and embrace the new way of use-oriented consumption if the model is to become successful in the consumer market. Swedish consumers are expressing

a desire to act and consume more sustainably. In 2018, 24% of Swedish consumers stated a desire to rent more products in the upcoming year (Svensk Handel, 2018). This is an increase from the year before, but the question remains whether the change in attitude will lead to a change in behaviour.

## 1.1 Problem definition

Movements around the world demanding leaders to take action for the survival of our planet also puts pressure on companies to act responsibly. Institutional changes and increased demand encourages companies to transform their business and engage in new ways of value creation (Stål & Corvellec, 2018). To be attractive to consumers in a more competitive business environment companies are looking for alternatives to the current consumption paradigm.

Products that are heavily influenced by fashion or branding, that are inexpensive, that are used frequently and do not require maintenance are not considered the typical product for a successful PSS implementation (Tukker & Tischner, 2006). Nevertheless, these are the types of products promoted by Swedish companies that are involved in the development of PSS. This has been considered a mystery by Stål & Corvellec (2018) who provided a theoretical answer that companies align themselves with institutionalized rules, norms and beliefs. Customer acceptance is key to market penetration, and successful implementation of PSS and how to achieve this means understanding the current barriers and drivers among consumers of these types of products. Studies have generally been more focused on the preconditions for PSS rather than concrete knowledge on how to involve customers to ensure successful implementation of PSSs on the market (Rexfelt & Hiort, 2009)

Consumer attitudes towards PSS have been examined using surveys or focus groups where participants were presented with different scenarios or hypothetical PSS offers (Gullstrand Edbring et al., 2016; Rexfelt & Hiort, 2009). But how companies convince customers to choose use-oriented models instead of ownership-based models is still an area where more understanding is needed. This usually involves consumers having to make new decisions that are considered to be something else than the usual consumption choices. The ability for the diffusion of PSS in the consumer markets lies in the ability to create enough value for consumers so that they deselect the so far preferred option of ownership of the product (Catulli et al., 2017a; Tukker, 2015). In the ownership-based model, the customer typically has to choose between options of different products to buy whereas the decision now involves PSS as a new way of delivering the desired core functionality without ownership (Lee et al., 2015). Increased awareness about consumer acceptance of PSS and the ability of the model to survive the test on the market is an area where more research is needed (dos Santos et al., 2019; Lee et al., 2015). There is a strong need to gather knowledge on PSS consumption and ways to resolve the issue of diffusion in the market (Catulli et al., 2017a).

There are several categories of PSS and companies adapt the business models to solve customer needs best and increase the competitive advantage in the markets. The characteristics of the business model could be decisive for customer acceptance and survival in a competitive market. Similarities and differences between companies could be identified by analysing how companies' package and presents the offer to the customer, what barriers they are experiencing and what values they are promoting. The knowledge gathered could generate an overview of the studied cases on what the companies are doing to convince the end customer to change behaviour. Consumers are key players in the PSS value chain, and the concept that gains the most acceptability among consumers is likely to become the most preferred by companies (Lee et al., 2015). By examining use-oriented PSS offers in the Swedish market, this study aims to increase the knowledge on how companies in the Swedish B2C market handle the introduction of use-

oriented PSS in industries where ownership is the usual consumption mode. Use-oriented PSS has the potential of being a more sustainable way of consumption, but in order to be successful in the market, the customer needs to become involved and convinced to accept the model of consumption. The learnings from existing business practise could be transferred to other consumer markets and potentially drive change towards more sustainable consumption.

## **1.2 Research questions**

The aim of this thesis was to enhance the knowledge on how to successfully implement use-oriented PSS business models in consumer markets. The underlying motive was the idea that the rental business model might be a more sustainable business model than a business model based on purchase and ownership. To what extent the chosen business cases are sustainable or not was however not taken into consideration within the scope of this thesis. Focus was on how companies deal with the challenge of gaining acceptance among consumers for a use-oriented business model instead of purchasing products or services. By comparing different perspectives on customer value and consumer adoption in literature with the current practices by companies in Sweden the research might offer insights on how to change the way we consume. Following this aim three research questions were formulated.

RQ1: What characterizes current use-oriented PSS offerings by B2C companies in markets dominated by ownership of products in Sweden?

RQ2: Which barriers for consumers have B2C companies in Sweden identified when introducing use-oriented PSS?

RQ3: Which consumer values are perceived as drivers to promote adoption of use-oriented PSS by B2C companies in Sweden?

By answering these research questions, the increased knowledge of current practices in the Swedish market could potentially be applicable to other consumer-oriented companies and industries. Sharing knowledge between industries could potentially improve the chances of transforming consumption patterns towards more sustainable practises.

## **1.3 Scope and limitations**

In this study, the chosen scope was to focus on use-oriented PSS among B2C companies in Sweden. Companies from three different industries were included in the study. Use-oriented PSS was chosen because of the sustainability potential of the model and the limited market penetration in Swedish consumer markets. Since there has been a recent development in the Swedish consumer market with companies introducing use-oriented models as an alternative to ownership models, the increased interest could mean the possibility of discovering new knowledge on the diffusion of use-oriented PSS. The reason for allowing for several industries and not conducting the research within one specific industry is the still rather limited population of B2C companies working with use-oriented models today. The limited access to companies within one specific industry would reduce the likely hood of a large enough sample to study. Additionally, conducting a cross-industrial study could facilitate the transfer of knowledge and best practice between different industries.

The research was carried out by gathering insights from seven companies involved in or with the ambition to be involved in use-oriented PSS of consumer products. The intention behind the introduction of use-oriented PSS was not studied in this research, and neither was the

sustainability of the user-oriented business models assessed. Instead, the focus was on how companies in Sweden, that had recently introduced or were planning to introduce use-oriented PSS as an alternative to purchasing, deal with the need to change consumer behaviour and overcome consumer barriers. The products promoted by the case companies are products that are easily replaceable by the consumer or that can be considered to be influenced by fashion or branding.

The main limitation of the study has to do with the empirical part of the research and the choice of interviews with practitioners as the primary source of data collection. The method as such includes challenges with the choice of the right interviewees and the risk of influencing answers when conducting interviews. In this study, the main challenge was however, that the limited time for the study coincided with the outbreak of the COVID-19 pandemic and the crisis during the spring of 2020. Firstly, it affected both the possibility to conduct as many interviews as anticipated due to the reduced number of practitioners that could set aside time and be available for interviews. Secondly, it affected the quality of the interviews and the data collected due to the challenges the interviewees had to deal with in their daily work. The study had to be carried out and finished within the timeframe available even though the result might have been different had it been possible to conduct the study at a different point than amid of a global life-changing crisis.

## **1.4 Ethical considerations**

Ethical consideration needs to be taken into account before, during and after the research. It involves considerations of good and bad behaviour when conducting research both regarding the subjects and participants of the study as well as issues involving the research itself (Blaikie & Priest, 2019). Following ethical guidelines aim to protect participants from harm and promote good science (Blaikie & Priest, 2019).

The research involved a collection of company information as well as personal opinions and experiences from company representatives. The purpose of the study was explained to the participants, and informed consent was obtained before conducting the interviews. The goal of the research was to be as transparent as possible with the data collected and to minimize or avoid the use of confidential data. The purpose of this is to facilitate the possibility for the results to be used by others in a transparent way. Interviews were recorded once interviewees granted permission. When found necessary or at the request of the participants, the results were anonymized before the publication of the thesis. All participants participated voluntarily, and they were informed about the possibility to withdraw from the study at any point.

Since the majority of the interviews were conducted in Swedish and the thesis is presented in English, all participants were given a chance to review the thesis before final publication. The approval period also included clearance of quotes that could be linked to a person or organization. This allowed for any misinterpretations in the results to be discovered and corrected.

## **1.5 Audience**

The research aims to result in more in-depth knowledge on how companies operating in consumer markets manage the introduction of use-oriented PSS. The ambition is to increase the knowledge of how use-oriented PSS is introduced in consumer markets and generate an overview from the studied cases on what the companies are doing to convince the customer to change behaviour. Specifically, knowledge will be generated on how companies currently are working to convince the consumer to choose use-oriented PSS instead of the purchase of

products in consumer markets where ownership is standard. Convincing the end consumer to change behaviour is one key aspect of the diffusion of use-oriented PSS. The learnings from existing business practise could be applied in other consumer markets and potentially drive change towards more sustainable consumption.

The audience for the insights gathered could be found among both companies and academia. Business developers and other industry professionals in consumer markets looking to transform their business and innovate their business model can hopefully find this research valuable. Learning from others could facilitate the development and the speed of introducing use-oriented PSS that is accepted by the consumer. The ambition is also to contribute to the need for increased knowledge within academia on consumer adoption of use-oriented PSS. The study could be useful for researchers specifically involved in research around PSS and consumer adoption but hopefully also for a broader group of researchers engaged in studies on consumer behaviour and business model innovation.

## **1.6 Disposition**

Chapter 1 introduces the topic to the reader and provides a background to how the study is relevant in the broader context of sustainable development. The problem is defined, and three research questions guiding the study are presented. Following is a presentation of scope, limitations and ethical considerations taken during the project. Finally, the intended target audience is presented to the reader.

Chapter 2 presents the research methodology. In the research design, the main elements of the research are visualised and presented. The chapter also includes a description of how data was collected, evaluated and relevant cases selected. The chapter ends with a description of the analysis process.

Chapter 3 consists of a literature review to identify previous knowledge relevant to the three research questions. The basis for the empirical research is identified, and the understanding for the current knowledge gap is further research. To guide the empirical research and analysis, an analytical framework is developed and presented at the end of the chapter.

Chapter 4 is an analysis of the empirical results of the study. The results are structured following the analytical framework and compared with previous knowledge gathered from the literature review.

Chapter 5 discusses the main findings of the research and the probable reasons for the results achieved. Implications of the chosen method and scope are discussed and reflected upon.

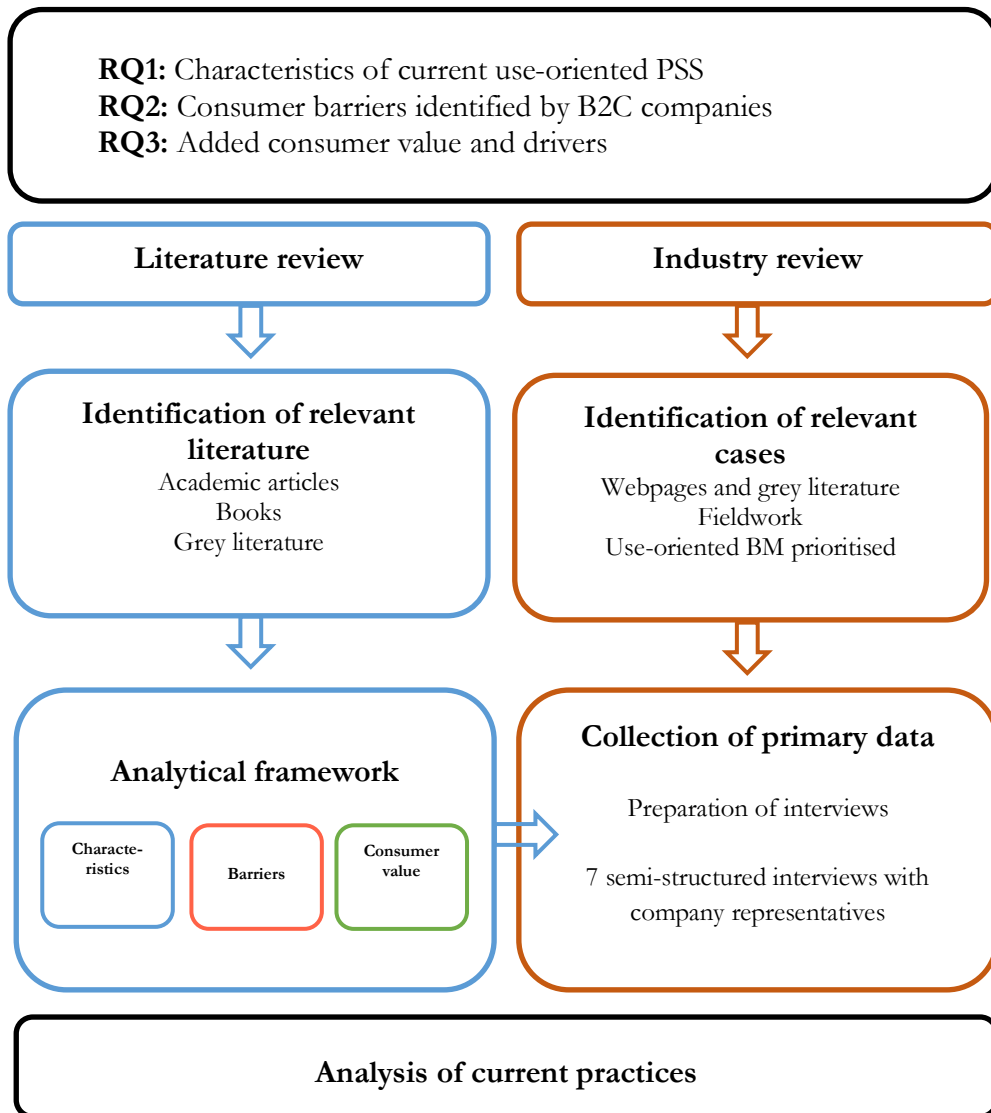
Chapter 6 is the final and concluding chapter of the thesis. Recommendations based on the research is presented and suggestions for future research is presented.



## 2 Method

In the following chapter, the methods used during this thesis are described. Firstly, the research design is presented, and the choice of using multiple cases in the study justified. Following are descriptions of the two main streams used in the research which consists of a literature review and an industry review. Finally, the process of how the data was analysed is described. An overview of the research process is presented in figure 2-1 below.

Figure 2-1. Research process



Source: Authors own elaboration

### 2.1 Research design

This study was designed as a multi-case study using qualitative methods to explore and describe the current practices by companies. It included the gathering of experiences and opinions from company representatives through interviews. The research and data collection followed two main streams, a literature review and an industry review.

The research design included both deductive and inductive logics to arrive at generalisations and descriptions of social characteristics (Blaikie & Priest, 2019). A deductive approach starting with selected concepts to find explanations in the existing literature. Followed by a more inductive approach during the empirical data collection in order to be open for new perspectives that could constitute answers to the research questions.

Case studies have been considered appropriate when studying a contemporary phenomenon (Yin, 2003). To development a theoretical framework prior to the case study is beneficial in order to guide both data collection and analysis (Yin, 2003). The reason for choosing a multiple-case approach was the desire to gather knowledge from more than one actor and across industries. The chances of gathering more useful data that could be applied across industries were perceived to be higher using multiple cases. The use of multiple cases has been considered a way of strengthening the possibilities of being able to make generalisations based on the results from the study (Blaikie & Priest, 2019). In a heterogeneous population, the research could also be strengthened by having a variety of cases in the sample that reflects the degree of heterogeneity in the population (Gomm et al., 2009).

## 2.2 Data collection

The collection of data was done following the two main approaches described in the research design, namely a literature review and an industry review.

### 2.2.1 Literature review

A literature review guided by the research questions was conducted to understand the current state of previous knowledge on the research topic (Blaikie & Priest, 2019). The identification and selection of relevant literature were carried out in a structured process. First keywords, terms, phrases and keyword synonyms associated with the topic were selected. This was the starting point for the search and the process continued in an iterative way where the list of words and phrases was reviewed and refined as more knowledge was gathered on the topic.

Both academic literature, such as peer-reviewed journal articles, as well as grey literature, were used in the research. Google, Google Scholar and databases available via Lund University were used. Some examples of the combinations of key terms and phrases used in the search were: use-oriented pss, access-based consumption, barriers use-oriented pss, barriers access based consumption, rental fashion, uthyrning mode, uthyrning kläder, consumer perceived value, marketing theory, consumer value. When relevant literature was found, a snowballing technique was applied in two ways to find additional literature. Firstly, the citations in other literature was used following, for example, the 'cited by' link on google scholar. Secondly, the reference list was systematically examined to identify additional literature relevant to the study. The identification, selection and review of literature was conducted in 3 steps.

**Initial selection:** Title and headings were scanned to determine the relevance of the literature quickly. Selected literature was documented in a spreadsheet.

**Second selection:** The selected literature was examined more closely by skimming the introduction, discussion and conclusion parts. Main points were documented, and articles found to be relevant to the main concepts and research questions were saved in Zotero.

**Final selection:** In the third step, the final literature was examined for a deeper understanding of the three main themes following from the research questions. Information was gathered and organized using a synthesis matrix structured around the main themes of the study. The results from the synthesis matrix formed the basis for the literature review and the development of the analytical framework.

The analytical framework developed during the literature review is presented in subsection 3.4 and illustrated in figure 3-3. The framework functioned as a structure and guidance for empirical research. The purposes of the framework were to guide the development of interview guides used in the semi-structured interviews as well as organizing the results to facilitate the presentation, analysis and discussion. The analytical framework consists of three parts, each of them representing the theme of the research questions.

## **2.2.2 Industry review**

The industry review consisted of the collection of both secondary and primary data. The process followed a three-step procedure: identification of possible cases, selection and analysis of relevant cases and practitioner interviews. Company webpages, grey literature and news articles were sources of information for selection of cases and later in the process for information around business model characteristics and added customer values. Primary data was collected through semi-structured interviews with selected practitioners from the case companies with the primary purpose of gaining understanding of perceived customer barriers and values associated with use-oriented consumption.

Criteria for finding relevant cases were developed as a first step in the process of identifying companies relevant to the study. During the course of the research, the criteria were refined in an iterative process, in which changes were incorporated when more knowledge was gathered. Reasons for changing the criteria included the lack of available interviewees and companies no longer offering use-oriented consumption. The identification of relevant cases included desktop research as well as conversations with practitioners and experts. Fieldwork was also carried out through observations in stores and by talking to employees at potential case companies. This was done as a complementary approach to qualify or eliminate potential cases depending on the fulfilment of the developed criteria.

Initial criteria for identification of relevant cases

- The company should be active in the B2C market.
- The company should be engaged in both sales and rental of interchangeable products.
- Use-oriented PSS should have been introduced to customers as an alternative to purchasing products.

Final criteria for identification of relevant cases

- The company should be or should have been active in the B2C market.
- Use-oriented PSS should have been or is planned to be introduced to customers as an alternative to purchasing products.

Once the relevant companies were selected, a key informant was identified within the company. The key informant was considered to be someone with experience of situations where customers could choose between rental or purchase of products. A key informant was most likely a person working with or in close relation to the marketing, business development or sales functions of the company.

The method for primary data collection followed a qualitative approach, and data were collected through semi-structured interviews with the selected company representatives. The approach was chosen since qualitative methods are usually better at exploring and describing, while quantitative studies are usually better at measuring aspects of social life (Blaikie & Priest, 2019). The reason for choosing semi-structured interviews was to explore and better understand the knowledge and opinions of the interviewees. A semi-structured interview also leaves room for flexibility and new views on use-oriented PSS that the interviewee can bring to the table. An interview guide was developed based on the analytical framework but not strictly followed (see appendix B & C). These aspects were in line with the purpose of the research, and the method was found suitable to answer the research questions. The researcher was however, aware of challenges such as the risk of influencing the result and introducing researcher bias during the interaction with the research subject (Blaikie & Priest, 2019). There were 7 interviews with the selected companies presented in table 2-1. Interviews were conducted by phone, online, email or a combination (see Appendix A). Email was not considered to be the primary choice for interviews, but upon request from interviewees and due to the special circumstances of the COVID-19 crisis, it was considered to be an acceptable way to obtain information.

Table 2-1 Final list of selected companies for interviews

Company	Description
Hyber	Founded in 2015 with the ambition to introduce a circular business model for families with children. Offers rental of quality children's clothes in Sweden through membership-based subscription.
Sabina & Friends	Founded in 2010 with the ambition to change the fashion industry through a new way of consuming clothes. Offers rental of higher-level fashion through membership-based subscription or once off rental.
MQ (MarQet)	Founded in 1957 focusing on men's and women's clothing. Operates the largest chain of fashion concept-stores in Sweden. Launched rental of women's clothes as a circular business model trial together with Something Borrowed in 2019.
Synoptik	Founded in Denmark and Established in Sweden in 1991. Operates over 140 stores and is a leading actor in the eye care industry. Introduced subscription-based rental of glasses in May 2019.
Synsam	Synsam Group is a leading actor within the eye care industry with over 450 stores in the Nordic countries. Introduced subscription-based rental of glasses in 2016.
Hemmlis	Launched as a pilot in 2017 and continued as a Vinnova funded project during 2018. Offered subscription-based rental of furniture to students within Lund. Operation was put on hold as of the end of 2018.
IKEA	Founded 1943 in Älmhult, Sweden. A global actor within the home furnishing industry with 422 IKEA stores in 50 markets. In spring 2019 IKEA announced the testing of furniture leasing models intending to develop subscription-based leasing offers or furniture as a service.

Source: Practitioner interviews (see Appendix A) and company webpages ([www.hyber.com](http://www.hyber.com), [www.sabinaandfriends.se](http://www.sabinaandfriends.se), [www.marqetstores.se](http://www.marqetstores.se), [www.synoptik.se](http://www.synoptik.se), [www.synsam.se](http://www.synsam.se), [www.hemmlis.se](http://www.hemmlis.se), [www.ikea.se](http://www.ikea.se), [www.ingka.com](http://www.ingka.com))

## **2.3 Data analysis**

To facilitate data analysis, a framework was developed based on the research questions and the literature review. The framework provided the structure during the research and now served as the framework for analysis. Three of the interviews had been recorded and were transcribed. When all data was in written form transcripts, notes and answers from email interviews were carefully studied and identified keywords highlighted. Data was then organized in a synthesis matrix within Microsoft Excel on a case by case basis. The themes from the analytical framework were used as the structure in the matrix. The reduction of data into categories is a common way of data reduction in qualitative research (Blaikie & Priest, 2019). After completing the synthesis matrix and gathering an overview of the data collected, three tables were created to facilitate the identification of common patterns and further analysis (see tables 4-1,4-2,4-3).

## **2.4 Impact of the COVID-19 pandemic on data collection**

The retail sector was severely affected by the COVID-19 outbreak, and the Swedish market was no exception. Furniture, clothes and shoes were included in the intended scope of this study, and these were also among the sectors most affected by the crisis (HUI, 2020). It was the original intention to have interviews with more actors and also include more actors offering both rental and ownership models in the study. The crisis made it very challenging to book interviews with practitioners representing companies matching the original criteria of the study. This was partly dealt with by changing the criteria for case selection and including other companies where interviews were possible to set up. The COVID-19 pandemic was a topic brought up during interviews and most likely influenced the interviewees' perceptions on current and future business opportunities and challenges. It also influenced the time available for interviews and the format. Interviews were cancelled, postponed, shortened or done over email, which clearly and understandably signalled the urgency for other priorities within the organizations. Having a less stressful situation and the possibility to conduct the interviews in person would most likely have opened up for more discussion and other perspectives.

### 3 Literature review

The literature review is divided into three subsections. The first sub-section includes a brief description of the PSS typology and the differences between commonly used classifications of PSS followed by a more thorough description of use-oriented PSS or what could also be referred to as access-based consumption. The concept is the main focus of the research. It includes a definition of access-based consumption and main differences between different modes of consumption to clarify what is meant by access-based consumption and how it is different from ownership. The second subsection presents different barriers to consumer adoption of use-oriented consumption. In the final and third sub-section key concepts around theory on consumer perceived value and consumer value related to use-oriented consumption will be presented.

Since the study is done on several cases of companies involving products such as clothing, eyewear and furniture, this is also reflected in the literature review where use-oriented consumption is considered in a variety of industries. Emphasis will, however, be on products that are influenced by factors such as fashion, branding or low price and therefore not considered to be the typical case for successful PSS implementation (Tukker & Tischner, 2006).

#### 3.1 The typology and characteristics of PSS

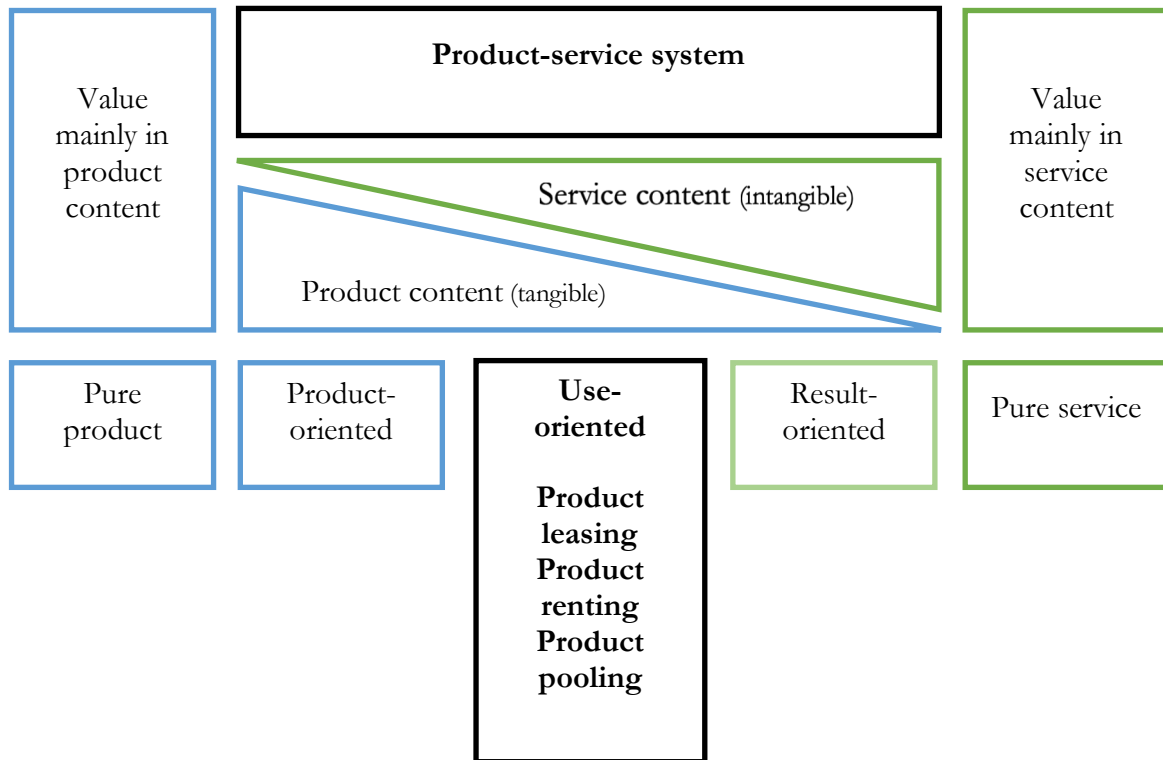
One of the reasons for the development of PSS was to avoid price as the only option in gaining competitive advantage in times when product differentiating had become less important (Tukker, 2015). It is an opportunity for companies to differentiate from traditional product offerings and improve competitiveness through diversification of services rather than products (Baines et al., 2007; Tukker, 2015). It provides the possibility for a company to retain asset ownership of the products which could provide incentives to enhance utilisation, reliability and design (Baines et al., 2007). It offers an opportunity to decouple the number of products sold from the profits of the company (Mont et al., 2019).

The PSS framework includes several different business models that promote a combination of products and services bundled together. Since the 1990s there has been a growing interest in the promising potential of PSS as an instrument to a more resource-efficient society (Tukker, 2015) or a way to dematerialise the economy (Mont, 2002). To better understand the role of use-oriented consumption in the context of PSS and what distinguishes it from other types of business models within the PSS framework it is necessary to understand the main characteristics of the different PSS models. Even though there are variations in the definition of PSS, it is common to use three broad categories when differentiating between different models (Akbar & Hoffmann, 2018; Ceschin, 2010; Corvellec & Stål, 2017; Tukker, 2004)

##### 3.1.1 Three categories of PSS

The three main categories were identified by Tukker (2004) using the scale of different proportions of product and services included in PSS. The level of service content in the value delivered to the customer increases as one moves up through the archetypes presented in figure 3-1 (Tukker, 2004, p. 248). The first category is product-oriented PSS where extra services are offered together with the products sold. The second category includes use-oriented services where the producer owns the product, but provides access to products to consumers on temporary basis. Finally, result-oriented services are not based on offering a specific product but are rather based on the idea that consumer is offered and pays for an end result.

Figure 3-1. The main categories of PSS and subcategories of use-oriented PSS



Source: Recreated after Tukker (2004, p. 248)

**Product-oriented services:** Even though the product is sold to the customer it could still fall under the classification of a PSS. Tukker (2004) classifies this into product-related services. The customer owns the product, but the company selling the product offers services that are related to the use-phase of the product which can include services related to maintenance or consumables needed to use the product (Tukker, 2004). It could also include upgrading or substitution of products (Ceschin, 2010). At the end of life, a take-back system could be in place for the product which facilitates the user to dispose of the product (Tukker, 2004). Other services could include consultation on how to use the product in the best possible way (Tukker, 2004)

**Use-oriented services:** Focus is still on the product and involves gaining access to a product without owning it (Tukker, 2004). The service provider does not necessarily have to be the manufacturer, but it is someone that remains the owner of the product while the user purchase access to use the product and its functions (D'Agostin et al., 2020). Further, the consumer does not gain full property rights over the product and has certain obligations towards the service provider that retains ownership, such as not altering the product and returning it at the end of the agreed time period (Bardhi & Eckhardt, 2012). Since the provider still owns the product, it usually means that the user does not get unlimited and individual rights to the product (Tukker, 2004).

**Result-oriented services:** When the client pays for the desired result and is less dependent on the actual product, it can, according to Tukker (2004), be classified as result-oriented services. The user only buys the output of the product in, for example, a pay per use form or the provider

and client agree on a desirable result and it is up to the provider to choose technical equipment or products necessary to deliver the desired result. It could be a pay-per-print scheme where a printer including all consumables is provided, and the user only pays for the copies printed (Baines et al., 2007), or it could be providing a desirable indoor climate to a customer rather than selling cooling or heating equipment (Tukker, 2004).

### **3.1.2 Use-oriented PSS - access-based consumption or sharing**

In an article by Tunn et al. (2019), the authors discuss how the terminology around alternatives to ownership can vary in different literature sources. As already mentioned it is referred to as use-oriented PSS (Tukker, 2004) but it can also be referred to as access-based consumption (Catulli et al., 2013; Gullstrand Edbring et al., 2016) and even access-based PSS (AB-PSS) as in the study by Tunn et al. (2019). What the studies have in common is that they describe a business model and a mode of consumption based on access rather than ownership (Catulli et al., 2013). In this study, the term use-oriented consumption will mainly be used to avoid confusion. Throughout the thesis, the phrase use-oriented consumption can often replace phrases such as use-oriented PSS or access-based consumption since they are perceived as phrases that can be used interchangeably. The common idea behind the concept is exemplified by the two definitions of access-based consumption presented here:

“market-mediated transactions that provide customers with temporarily limited access to goods in return for an access fee, while the legal ownership remains with the service provider” (Schaefers et al., 2016, p. 571)

“we define access-based consumption as transactions that may be market mediated in which no transfer of ownership takes place” (Bardhi & Eckhardt, 2012, p. 881)

In contrast to ownership, this means that the relationship with the object or product usually is more temporary, and the way the consumer relates to the product may differ (Bardhi & Eckhardt, 2012). Tukker (2004) divides use-oriented PSS into three different categories and distinguishes between leasing, renting or sharing and product pooling. The different models share the concept of delivering access to a product or a function rather than ownership of the product (Bocken et al., 2014; Mont, 2002; Tukker, 2004). One main difference is by whom the products is used. Leasing involves the use by a single user. In contrast, in rental models the product is used sequentially by different users, and in product pooling, there is the simultaneous use of the product (Tukker, 2004). Another difference is around who has access to the product. Leasing means that the provider remains the owner of the product, but the lease or user has unlimited and individual access to the product during the leasing period (Tukker, 2004). Rental, on the other hand, means that use of the product is often limited to a shorter period than compared to leasing, and more than one user has access to the product at other times (Tukker, 2004).

Sharing of products is often mentioned in the context of use-oriented PSS (Bocken et al., 2014; Catulli et al., 2017a; D’Agostin et al., 2020; Tukker, 2004). Sharing in market-mediated business models, however, involves a company managing the right to use a product and the user to pay for gaining access to the object and its functions (Bardhi & Eckhardt, 2012). This is different from sharing under conditions of perceived joint ownership when use is free and responsibilities are shared (Russell Belk, 2010) or sharing between people known to each other within the family without any profit in mind (Eckhardt & Bardhi, 2015). The growth of the sharing economy has gained much attention in the last couple of years. However, according to Eckhardt & Bardhi (2015), market-mediated business is an economic exchange in which consumers are not looking for social value but rather utilitarian value. It is about access, consumers interest in convenience and keeping costs down. Hence the company that provides the most convenience at the lowest



price will have an advantage in the competition for the consumers (Eckhardt & Bardhi, 2015). Since the examples used in the context of the sharing economy often are market-mediated businesses with profit as a goal, Eckhardt & Bardhi (2015) argues that the sharing economy is the access economy.

Western consumption culture has valued ownership as the superior mode of consumption (Catulli et al., 2017a). However, companies interested in making a profit find use-oriented business models increasingly attractive because there is a growing interest among consumers to having access to products without owning them (Lawson et al., 2016). The nature of the model as being market-mediated results in an underlying possibility by the mediating firms to profit from providing services to consumers (Bardhi & Eckhardt, 2012). Access-based consumption models were introduced in many product categories, such as clothes, tools, cars, handbags, golf clubs, bicycles, and accommodation (Lawson et al., 2016).

Examples of use-oriented consumption in the fashion industry are still somewhat limited but include short term rental, membership-based models and models referred to as clothes leasing. In the Finnish clothing industry examples are fashion libraries with a more long term membership or rental of children's clothes (Armstrong et al., 2015). Models promoting short-term rental of fashion items can be found in the USA (Schaefer et al., 2016). In a study by Corvellec & Stål (2017) most PSS initiatives in the Nordic fashion industry were found to be product-oriented such as in-store take back systems of clothes. However, some initiatives of use-oriented PSS were also found, such as clothing libraries and experiments of clothes leasing by fashion company Filippa K (Corvellec & Stål, 2017). Clothing libraries in Denmark, Sweden and Finland were also studied by Pedersen & Netter (2015) in an attempt to identify barriers and business opportunities. Three out of four studied organizations were run on a voluntary basis and were all struggling to find a viable business model (Pedersen & Netter, 2015). Use-oriented consumption models often operate at the margins of the industry and are still experimenting with different business models (Corvellec & Stål, 2017).

Even though use-oriented consumption would give consumers several benefits, such as flexibility and the opportunity to enjoy the latest products and styles without the burden and responsibilities of ownership (Lawson et al., 2016), purchasing still seems to be the preferred alternative that better matches consumer preferences (Tunn et al., 2019). The barriers for successful implementation of a business model that allows for large scale consumer adoption across industries have so far been difficult for companies to overcome.

### **3.2 Barriers to adoption of use-oriented consumption**

Successful implementation of access-based consumption have been low, and there has been limited market penetration of the business model on the consumer market (Besch, 2005; Catulli et al., 2017a; Piscicelli et al., 2015; Tukker, 2015). Behind the concept of use-oriented consumption and use-oriented business models is the idea that as long as consumers get the chance to access the functions of a product, there is no need for them to own the actual product. Through a review of existing literature on use-oriented consumption, several barriers for consumer adoption and market penetration have been identified. There is a variety of how to categorise barriers to use-oriented PSS. Therefore, to facilitate analysis in this study identified barriers were merged into three main categories based on perceived common themes in earlier literature (Armstrong et al., 2015, 2016; D'Agostin et al., 2020; Gullstrand Edbring et al., 2016). The first section presents barriers related to the novelty of the consumption mode and issues with trust, followed by economic obstacles and cost-related barriers in the second section. In the third and final section barriers related to the desire to own are presented.

### 3.2.1 Uncertainty with the concept and lack of trust

As a relatively new concept that consumers are not yet used to, information and building of trust can be a challenge for companies trying to penetrate the market and gain competitive advantage. Changing the way of consumption to something that is new could mean uncertainty about the workings of the new concept. Reducing this uncertainty has been found to be a key aspect in consumer acceptance of use-oriented consumption (Rexfelt & Hiort af Ornäs, 2009). Lack of information about costs and usage methods was found to be challenging in the adoption process of use-oriented consumption (D'Agostin et al., 2020). In a study looking at consumer attitudes towards use-oriented consumption by Gullstrand Edbring et al. (2016), the concept of renting furniture was shown to be too complicated to consumers. Not knowing how the concept works could lead to negative emotions and feelings of embarrassment (D'Agostin et al., 2020). The respondents in the study by Gullstrand Edbring et al. (2016) were used to buying furniture and did not see how renting would be necessary when it was easy to buy furniture.

Shifting from ownership to use-oriented consumption also changes the relationship between the provider and the user. Since the relationship is extended beyond the point of purchase, there can be new rules regarding usage and responsibilities. Catulli et al. (2013) found that concern around rules to what would happen if a product for example breaks is a concern among consumers that can prevent consumer adoption and act as a barrier to use-oriented consumption. The anxiety around who is responsible for the product and the consequences in the event of the product breaking was also confirmed in the study done by Gullstrand Edbring et al. (2016).

The extended relationship with the provider also raises issues with trust as a barrier. The importance of trust towards the provider of a PSS is higher than when buying products and distrust could mean a barrier especially in cases where the products are refurbished before being passed on to the next user (Catulli et al., 2013). Trust issues creating barriers towards adoption could also include, for example, durability and quality issues of the products (Armstrong et al., 2015; Rexfelt & Hiort af Ornäs, 2009). Issues could also be based on not trusting the motives of the company behind the offering (Rexfelt & Hiort af Ornäs, 2009).

Trust in the provider could also be seen as a problem when it comes to products that have been used by someone else, such as clothes. Participants in a study done by Armstrong et al. (2016) were concerned with how the service provider could guarantee that the clothes were appropriately sanitised. The closer to the skin the garment was supposed to be worn (outerwear vs underwear), the more worries about the hygiene factor and the cleanliness of the garment (Armstrong et al., 2016). In general, one could say that in product categories where hygiene attributes are valued by the consumer the intention to adopt use-oriented PSS models decreases (D'Agostin et al., 2020). Concern for hygiene as a barrier to adoption of access-based consumption was also confirmed in the study by Gullstrand Edbring et al. (2016).

### 3.2.2 Economic obstacles and other costs

Consumers are looking for options in the market that are beneficial to them in terms of value for the money (Armstrong et al., 2016). Access could be seen as financially beneficial if it means gaining access to goods that would otherwise not be accessible to the consumer (Armstrong et al., 2016). Renting clothes has been around for a long time when it comes to clothes for special occasions, special activities or expensive clothes one would not otherwise have access to (Armstrong et al., 2016). On the other hand, if use-oriented consumption is perceived to be more expensive than buying, the perceived cost can constitute a barrier to consumer adoption (Besch, 2005; Gullstrand Edbring et al., 2016). When the costs are perceived to be greater than

the benefits the consumer are reluctant to choose this option (Akbar & Hoffmann, 2018; Armstrong et al., 2016)

With proliferation of inexpensive clothes, the financial benefit is not very clear. As a consequence, use-oriented consumption such as renting may not be an appealing option to the participants in a study by Armstrong et al. (2016). On the contrary, additional fees for membership could make use-oriented options more expensive, and the consumer would end up paying more for something without owning it at the end (Armstrong et al., 2016). However, even if the price was the same, the participants preferred buying over renting as there seemed to be no financial reason to rent if one would pay the same or more to rent (Armstrong et al., 2016).

Costs could also be seen over time and for example renting for long term use is often considered a more expensive option than buying. Not owning goods could even be seen as an economic risk in case of financial trouble where one has paid for or has to continue paying for something that cannot be considered one's own (Gullstrand Edbring et al., 2016; Rexfelt & Hiort af Ornäs, 2009). In the case of short term renting there could, on the other hand, be economic benefits and attitudes were shown to be more positive (Gullstrand Edbring et al., 2016).

Additional costs related to use-oriented consumption could be costs not included in the fee paid by the user. Uncertainties around the availability of products when we want to use them can also be a challenge before a new concept has proven itself to customers (Armstrong et al., 2015). If there is a perceived stock out risk, and the consumer is worried about products not being accessible, it can influence the consumer choice in favour of purchase rather than access (Akbar & Hoffmann, 2018).

According to Akbar & Hoffmann (2018) three additional transaction costs are relevant in the context of barriers to the consumers choosing access based consumption. Firstly, there are search costs to establish the availability of the product to be used. Secondly, there could be technical costs in retaining new knowledge on how to use or adjust the product or system. Finally, the user can be exposed to sunk costs that cannot be recovered if they, for example, already own a similar product that has been paid for. Technical requirements or skills by the user were also seen as factors creating substantial barriers to consumer adoption in a study by (Armstrong et al., 2015).

### **3.2.3 Desire to own**

As long as we can have access to and use products to satisfy our needs, one could think that the reason to buy and own stuff would disappear. Do people want the washing machine or clean clothes? This is the logic and rather straight forward idea behind use-oriented consumption. When looking at the question, the answer might seem simple. What we want is access to clean clothes that we can put on in the morning. However, this might not be the reality the companies are facing. Consumer purchasing behaviour is complex, and the excitement for consumption without ownership has turned out to be lower than expected (Mont, 2002). The desire to own products has been shown to be a major barrier towards the adoption of PSS and use-oriented consumption by consumers (Baines et al., 2007; Gullstrand Edbring et al., 2016; Mont, 2002; Tukker, 2015).

Since most people are used to owning and purchasing products changing behaviour could involve risk-taking. Consumers can perceive higher risks when purchasing services rather than products, and this would most likely be the case when choosing a use-oriented PSS (Mont & Plepys, 2003). If the risk is perceived to be higher in use-oriented consumption, the consumer

would choose the option to purchase instead. Schaefers et al. (2016) show how perception of risk influences the decision to choose access over ownership-based on the idea that the higher the risk from ownership the more likely the consumer is to choose access based alternatives. Being the owner of certain products can also impose financial, performance and social risks (Schaefers et al., 2016) Hence the consumer would engage in consumption without ownership if the option is perceived to have a lower risk but not if the risk of choosing use-oriented consumption is perceived to be higher.

Owning products can also give the consumer a sensation of control and freedom of their own decisions (Tukker, 2015). Being in control of the product, when and how to use it is associated with ownership of the product, and that is something highly valued by consumers (Tukker, 2015). Perceived loss of flexibility (Schrader, 1999) or loss of behavioural freedom (Tukker, 2015) can act as barriers to adoption of use-oriented consumption by consumers.

Function without ownership is the rationale for use-oriented consumption but products are not only consumed for their function (Catulli et al., 2017b; Gullstrand Edbring et al., 2016; Mont & Plepys, 2003). It has been observed that we can create strong positive feelings towards products. (Bohlin, 2019). In consumer culture ownership of products can have strong symbolic meaning (Bardhi & Eckhardt, 2012). Products can become part of our identity, make us feel at home and give us a sense of security which can be threatened by use-oriented consumption rather than ownership (Singh & Giacosa, 2019). In cases where owning products produce emotional attachments through feelings of self-identity and social belonging, it is challenging for use-oriented consumption to become successful (Catulli et al., 2017a). The challenge for companies then lies in identifying the appropriate consumer group and customize the offering and the communication to create enough functional and emotional value for use-oriented consumption to substitute purchase (Catulli et al., 2017a).

### **3.3 Consumer value as a driver for adoption of use-oriented consumption**

The concept of consumer perceived value and creating value for the consumers is recurrent in literature discussion use-oriented consumption. It is argued that if enough value is created consumer behaviour could change (Catulli et al., 2017a; Tukker, 2015). Superior perceived consumer value could make use-oriented PSS a competitive alternative to ownership and a more successful consumption alternative in consumer markets. This section starts with a description of consumer value and the different perspectives, followed by examples from studies focusing on consumer value in the context of use-oriented consumption.

#### **3.3.1 The concept of consumer perceived value**

Consumer value gained large interest in both industry and academia in the 1990s, but it turns out that consumer value or perceived value is a complex matter and researchers have not reached consensus on concepts or a common definition (Sánchez-Fernández & Iniesta-Bonillo, 2007). The concept has many different definitions and can be seen as both a unidimensional construct way of measuring value or a more complex multidimensional construct (Sánchez-Fernández & Iniesta-Bonillo, 2007). The unidimensional approach to perceived value represents a utilitarian view of the concept. It has the origins in neoclassic economic theory based on the idea of consumers as rational decision-makers in pursuit of maximizing utility (Sánchez-Fernández & Iniesta-Bonillo, 2007). This view represents a more linear and simplistic view on consumer value. By evaluating benefits and costs, an assessment of consumer value according to this view is accomplished (Sánchez-Fernández & Iniesta-Bonillo, 2007). Other streams of research suggest that multiple factors are drivers of consumer attitudes (Lawson et al., 2016)

and that consumer value is complex and multidimensional (Sánchez-Fernández & Iniesta-Bonillo, 2007; Walsh et al., 2014).

Woodruff (1997) argues that even though there are several different explanations of customer value, they all have in common the connection to the use of a product and that the value is considered from the customer perspective and not determined by the seller. Another common trait of customer value which is the existence of a trade-off of when determining customer value (Woodruff, 1997). The customer has to give up something to receive something else and this trade-off of between for example time, money and quality, benefits of using a product is typically included in the concept of customer value (Woodruff, 1997).

The perceived value by the customer can vary depending on when and in which context the judgment is being made Woodruff (1997). A business model focusing on usership and access rather than selling a product can create new sources of added value that deepens the relationship with the customer and improves innovation and customer loyalty (Tukker, 2004). Value can be added throughout the customer experience cycle (Lee et al., 2015). After a product has been chosen the judgment on value is related to the performance of the product, whereas previously the customer value is related to comparing and choosing between different alternatives (Woodruff, 1997). Furthermore, the relationship between the decisions process and the perceived length of consumption is another aspect influencing consumers (Pocheptsova, Kievetz & Dhar, 2008). The perception of more long-term use could lead to another mindset than short-term use which influences the consumer decision to purchase or rent products (Pocheptsova et al., 2008). Purchase of products is seen as a more permanent and non-reversible decision and puts the consumer in a different mindset (Pocheptsova et al., 2008). On the other hand, use-oriented PSS includes added services that could prolong the interaction between the provider and the buyer and the significance of customer value as an important factor in the relationship (Lee et al., 2015).

### **3.3.2 Added value in the context of use-oriented consumption**

Use-oriented consumption presents an alternative way of consumption and an opportunity to avoid having to buy products in order to use them. Ownership can mean responsibilities and risk, and these can be avoided by access-based consumption (Mont, 2002; Schaefer et al., 2016). Value is provided through a combination of products and services without ownership of the product (Mont et al., 2019) and in this way the user benefits from the redistribution of responsibilities, risks and costs that are usually associated with ownership (Baines et al., 2007).

To convince the consumer in the context of use-oriented consumption a marketing approach based on customer value rather than product attributes could be considered appropriate and the decision by the customer will likely be based on multiple categories of values (Lee et al., 2015). Consumer decisions are rarely based on only utilitarian or hedonic factors but on a combination (Sweeney & Soutar, 2001). Using a multiple value dimensions approach should produce better and more accurate results since consumer choice is more complex than can be understood by just one value dimension (Sweeney & Soutar, 2001).

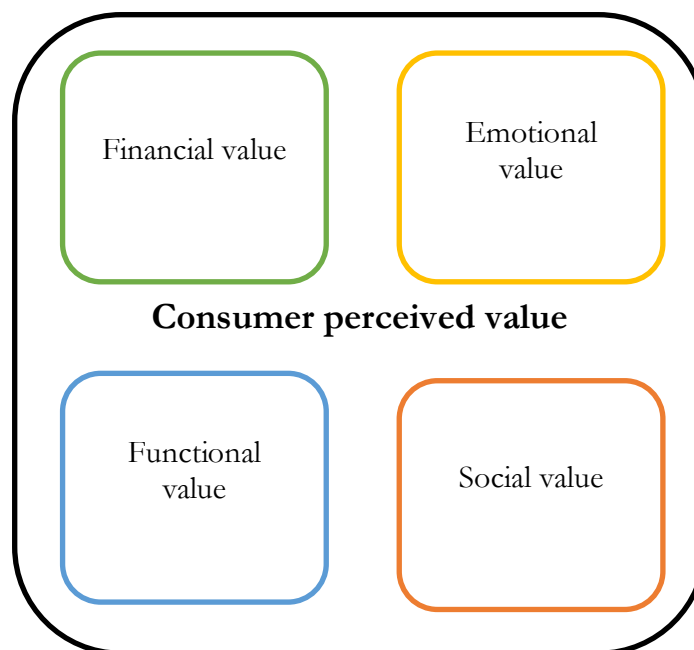
When first introducing a use-oriented PSS concept the offer will be compared with the existing way of delivering the same function and choosing the new alternative would mean an effort since it is not the usual choice (Lee et al., 2015). On the other hand, research has shown that consumers base their decisions on more than just functionality (Catulli et al., 2017b) and to promote the diffusion of access-based consumption maximizing the intangible benefits and minimizing tangible losses could make it a competitive alternative (Akbar & Hoffmann, 2018). Failure to communicate the value proposition properly to the consumer might, on the other hand, result in them not understanding the new access based alternative and what added values

it includes compared to the default option of purchase (Schrader, 1999). Commonly, people do not include or are even aware of all costs of ownership in a decision-making situation which will influence the acceptance of new access based alternative (Schrader, 1999).

The importance of clearly explaining the full value of the use-oriented offering to customers used to purchase the product is key to influence the decision-making process in favour of the use-oriented option. If it is the first time a customer is exposed to a use-oriented offer the values might not be known to the customer and it is easier to continue with a familiar behaviour of purchasing and continue with known consumption patterns (Mont, 2004). When the customer has to evaluate an unknown concept, a gap between real and expected values can be experienced by the customer, and a thorough explanation of the new concept is necessary (Lee et al., 2015).

To capture the multi-dimensional aspects of consumer perceived value, tools have been developed by researchers and marketers. The consumer perceived value (PERVAL) scale is frequently used in a marketing context in different forms and adapted to the relevant situation and product or service (Walsh et al., 2014). In its original form, it was developed by Sweeney & Soutar (2001) and included a 19 items scale used to measure consumer perceived value. The idea behind the PERVAL scale was to have a tool that could measure what consumer values that drive attitudes and behaviour in retail purchase situations (Sweeney & Soutar, 2001). Since the original scale is extensive and sometimes difficult to use research has been done trying to shorten the scale and make it more manageable to use in, for example, customer surveys (Walsh et al., 2014). Sweeney & Soutar (2001) base the PERVAL scale on four value dimensions which are illustrated in figure 3-2 below.

Figure 3-2 . The four value dimensions of consumer perceived value



Source: Authors own elaboration based on Sweeney & Soutar (2001)

**Financial (price) value** which measures the satisfaction in terms of value for money based the utility received in relation to short- and long-term costs. **Functional value** which is the utility received from the performance and expected quality of the product. **Emotional value** refers to perceived utility related to feelings and affective states generated by the purchased product or service. **Social value** refers to value created in a social domain in regard to, for example, status, image or how others perceive consumption choices made.

The four dimensions of value include both utilitarian (price, function), emotional and social value dimensions and are found suitable in this study when categorizing and assessing value as a driver in the context of use-oriented consumption. Non-monetary intangible benefits have been shown to drive consumers when choosing a use-oriented PSS offer (Akbar & Hoffmann, 2018). Overlooking symbolic values and meaning by emphasizing too much on functional value could prevent use-oriented consumption from becoming more common (Catulli et al., 2017a). By using all four value dimensions, the risk of overemphasis on functional value can be reduced.

### **3.3.3 Four dimensions of values for the adoption of use-oriented consumption**

Among the drivers in the **financial value dimension**, a key aspect to the adoption of use-oriented consumption are the feelings of making a financially beneficial choice (Armstrong et al., 2015; Rexfelt & Hiort af Ornäs, 2009; Schrader, 1999) Other reasons to engage in use-oriented consumption could be the low initial costs associated with for example rental and the sense of rental being cheaper in categories of more expensive products (Gullstrand Edbring et al., 2016). Gaining access to products of higher quality as a driver for consumer choice of use-oriented consumption is confirmed by Baines et al. (2007).

Bhardi & Eckhardt (2012) finds that the economy (cheap price) and self-serving motivations are drivers. This could also include the lack of initial investment needed to get access to a product (Mont, 2002). The reduction of capital costs was also observed as a driver by (Schrader, 1999) and fixed costs could by some be seen as positive and a way of avoiding sudden large costs due to for example repair and maintenance (Rexfelt & Hiort af Ornäs, 2009) and Catulli et al. (2013).

In the **functional value** dimension, perceived flexibility is a recurrent driver in studies. Gullstrand Edbring et al. (2016) studied young IKEA customers and found that flexibility is among the motivations to engage in use-oriented consumption. Flexibility and time saving were also mentioned as drivers in study by D'Agostin et al. (2020).

Temporary use or having access to products only when one needs them is perceived as an added value by consumers and as a driver of use-oriented consumption. It could be the temporary need for household products or furniture due to a temporary living situation (Gullstrand Edbring et al., 2016) or the temporary need for equipment and garden tools (Mont, 2004). It could also be caused by factors influenced by life cycle stage, as for example having children, which affects consumption of such products as car seats (Catulli et al., 2017a) or for example children's furniture that the kids quickly outgrows (Gullstrand Edbring et al., 2016). Other situations in life could include only having one child, which could mean no reusing of baby products between siblings which in the early years of a child's life could result in an increased desire to engage in access-based consumption through use-oriented PSS (D'Agostin et al., 2020).

Value could also be provided to the customer through better customization (Baines et al., 2007). Better fit of the product in the case of clothes (Armstrong et al., 2015) or more customized

offers providing value through higher quality (Mont, 2002). Bardhi & Eckhart (2012) find that in the case of carsharing the reasons for participating in a use-oriented model of consumption is largely motivated by self-interest and utilitarianism. The adoption is based on functionality needed that is provided in a good enough and satisfying way (Bardhi & Eckhardt, 2012).

In the dimension of **emotional value** feelings of doing good and reducing consumption could be driving consumer choices towards the acceptance of use-oriented consumption (Armstrong et al., 2016). Among other examples are being able to change styles, clothes and the fulfilment of needs for change (Armstrong et al., 2015). These emotional values can many times be contradictory, and by participating in use-oriented models consumption could be carried out without feelings of guilt for participating in unsustainable consumption (Rexfelt & Hiort af Ornäs, 2009). Feelings could even be quite the opposite, and the consumer can have emotions of caring about environmental protection (Schrader, 1999).

Other emotions include feeling relieved from responsibilities of ownership (Schrader, 1999) like, for example, not any longer having maintenance responsibilities associated with ownership of products (Mont, 2004). It could also be manifested through feelings of being able to experiment with new styles and having the flexibility of changing one's mind without facing the consequences related to the more perceived commitment of purchase (Armstrong et al., 2015; Mont, 2004). The consumer also experiences emotions of minimizing the risk of making the wrong choice when having the possibility to try products in a use-oriented model (Lawson et al., 2016). It has been shown to result in sensations of deeper product satisfaction through services offered in combination with the products to and thus minimizing errors of buying the wrong product (Armstrong et al., 2015).

Drivers in the **social value** dimension could be group belonging and social interaction when participating in use-oriented consumption (Armstrong et al., 2015). Environmental benefits and care for locally produced goods were also among seen as major drivers in the study by Armstrong et al. (2015). Being socially responsible and care for others by making choices that means adopting use-oriented consumption for environmental reasons could drive consumer choices (Catulli et al., 2017a).

Status consumption could be seen as a motivator, and use-oriented models can facilitate the adoption of practises seen as beneficial for the environment (Lawson et al., 2016). Projecting a self-image as a responsible consumer and parent and creating a socially responsible identity could be seen as a social driver (Catulli et al., 2013) Increased social status by having access to higher quality products which could also help construct an image (Catulli et al., 2017a).

### 3.4 Analytical framework

An analytical framework was developed based on key concept from the literature review. There are three building blocks in the analytical framework. Each one reflects the framing of a research question. The three building blocks are Characteristics, Barriers and Consumer Value. Each one is then further broken down into key elements to facilitate analysis systematically.

**Characteristics** - Understanding what is being offered in the market today and determining the characteristics of the use-oriented PSS models is believed by the author to be of importance and constitutes the first building block of the analytical framework. For successful implementation of use-oriented PSS to become possible, it is of importance first to achieve an understanding of what to implement. The building block is broken down into customer-related characteristics of the business model such as type of use-oriented PSS, product and service content (Tukker, 2004). Included in the business model characteristics are also commonly used key customer-

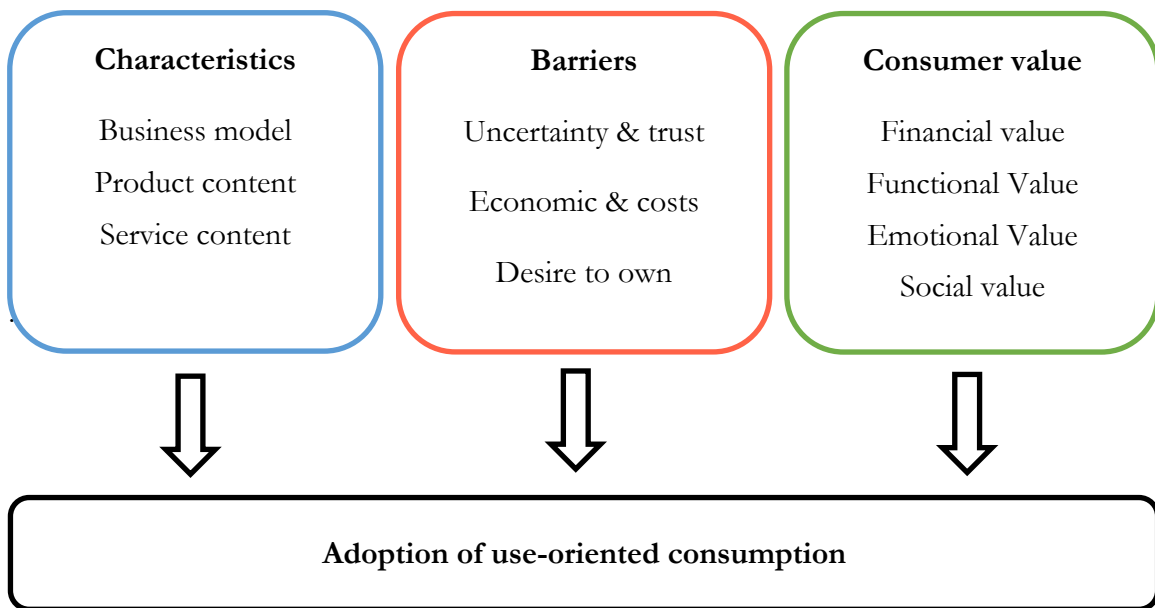


related elements such as channels, customer segments and customer relationships (Osterwalder & Pigneur, 2010).

**Barriers** – The second building block is consumer barriers. Overcoming or lowering barriers could be considered key to the successful implementation of use-oriented PSS. As earlier research shows the penetration in consumer markets have been low due to difficulties with successful implementation. (Besch, 2005; Catulli et al., 2017a; Piscicelli et al., 2015; Tukker, 2015). By analysing current consumer barriers, strategies for overcoming them can be developed. The barriers are merged into the three categories; uncertainty and trust, economic and costs, desire to own, as described in section 3-2.

**Consumer Value** – is the third and final building block of the analytical framework. Creating enough consumer value is considered key for use-oriented PSS to become more attractive than ownership to consumers (Catulli et al., 2017a; Tukker, 2015). By learning from others and understanding what consumer values are considered influential in the market today, diffusion of use-oriented PSS could become more successful. The consumer values are organized into; financial value, functional value, emotional value and social value as described in section 3.3.2.

*Figure 3-3. Analytical framework*



*Source: Authors own elaboration based on research questions and literature review*

## 4 Results & Analysis

This section presents the results and an analysis of the empirical findings of the study. The information is the result of seven interviews with representatives from different companies together with information gathered from the selected company's external communication and other publicly available information. The analysis is positioned against previous research and follows the structure developed in the literature review and presented in Fig 3-3. The section begins with a description of the characteristics of the use-oriented model developed or implemented by the companies. Following is a presentation of barriers that the companies experience with their customers when introducing or trying to convince them to choose use-oriented PSS as an alternative to the more common consumption mode of ownership. Finally, a synthesis of what is seen by the companies as successful drivers when promoting the use-oriented model is presented and compared with existing knowledge from earlier research reported in the literature review.

### 4.1 Characteristics of use-oriented consumption offers in B2C markets in Sweden

The following subsection is organized around key elements related to the business model and the type of use-oriented model chosen by the companies that are used as cases in the study. Focus is on key elements influencing the customer relationship and customer choice, as described in section 3.4. The main similarities are analysed in the following subsection and a summary as presented in table 4-1.

Table 4-1. Summary of use-oriented PSS characteristics

Company	Type and characteristics of use-oriented PSS	Product Content	Service Content
Hyber	<p><b>Type</b> – rental membership-based</p> <p><b>Duration</b> - 3-12 months. Ongoing with one-month termination notice before next period starts.</p> <p><b>Channels</b> – online</p> <p><b>Customer segment</b> – families with small kids.</p> <p><b>Customer relationship</b> – Online self-service.</p>	<p>Children's clothes</p> <p>Focus on quality, function and outdoor.</p> <p>Different sets of clothes depending on season and functionality.</p> <p>No own brands – working with partners “premium brands”.</p>	<p>Repair, laundry, reconditioning.</p> <p>Change size free of charge – no more clothes to grow into.</p> <p>Home delivery.</p> <p>Clothes new or as good as new.</p> <p>Quality guaranteed.</p> <p>End of use handling</p>
Sabina & Friends	<p><b>Type</b> – rental membership-based and once off.</p> <p><b>Duration</b> – monthly or once off Ongoing with one-month termination notice.</p> <p><b>Channels</b> – one physical shop and online</p> <p><b>Customer segment</b> – Women 30-50, higher income level, environmentally conscious.</p> <p><b>Customer relationship</b> – in store personal assistance and online self-service.</p>	<p>‘Higher level’ fashion – a bit more exclusive.</p> <p>Designer clothes – no own brands.</p> <p>Focus – quality, sustainability, European brands (Made in Europe).</p> <p>4 different memberships depending on number of clothing items and service level.</p>	<p>Repair, laundry, reconditioning.</p> <p>Showroom with personal styling and fashion advice.</p> <p>Home delivery or in store pick-up.</p> <p>Handpicked clothes from latest collection – unique mix of brands and fashion items.</p> <p>Clothes new or as good as new.</p> <p>End of use handling</p>

Company	Type and characteristics of use-oriented PSS	Product Content	Service Content
MQ (MarQet)	<p><b>Type</b> – rental subscription-based through third party partner, (Something Borrowed, SB)</p> <p><b>Duration</b> - monthly</p> <p><b>Channels</b> – Online</p> <p><b>Customer segment</b> - Women</p> <p><b>Customer relationship</b> – Online self -service or online personal service.</p>	<p>Clothes for women – fast fashion and street fashion brands. (SB)</p> <p>Different subscriptions depending on service level and number of items per month. (SB)</p> <p>In-house brands by MQ (MarQet)</p>	<p>Repair, laundry, reconditioning (SB).</p> <p>Personal styling as a possible option. (SB)</p> <p>End of use handling</p>
Synoptik	<p><b>Type</b> – rental subscription-based</p> <p><b>Duration</b> – 24 months</p> <p><b>Channels</b> – Through Synoptik stores.</p> <p><b>Customer segment</b> – all customers</p> <p><b>Customer relationship</b> – personal assistance in store</p>	<p>Eyewear – all types of glasses (everyday glasses, sunglasses, reading glasses, computer glasses etc.)</p> <p>Minimum 3 pairs of glasses.</p>	<p>Eye exam once a year.</p> <p>Insurance – accidents</p> <p>Repair (normal, minor)</p> <p>Option to change one pair every year</p> <p>Changing lenses if necessary due to changes in eyesight.</p> <p>End of use handling</p>
Synsam	<p><b>Type</b> – rental subscription-based</p> <p><b>Duration</b> – 24 months</p> <p><b>Channels</b> – Through Synsam stores</p> <p><b>Customer segment</b> – all customers</p> <p><b>Customer relationship</b> – personal assistance in store</p>	<p>Eyewear – all types of glasses in categories (normal, reading, sun, sports etc.)</p> <p>3-10 pairs of glasses.</p> <p>All types of lenses.</p>	<p>Regular eye exams once a year.</p> <p>Insurance included covering theft, damage, loss.</p> <p>Option to change one pair every year.</p> <p>New lenses in case of changes in eyesight.</p> <p>Cleaning products included.</p> <p>End of use handling</p>
IKEA	<p><b>Type</b> – trials of subscription-based leasing offers, furniture as a service subscription</p> <p><b>Duration</b> - N/A</p> <p><b>Channels</b> - N/A</p> <p><b>Customer Segments</b> - B2B, B2C, Public procurement</p> <p><b>Customer relationship</b> - N/A</p>	<p>Testing different ranges of IKEA products on selected markets. Home furnishing but also office furniture.</p>	<p>Test being conducted with different types of services included on different markets.</p> <p>Focus on: Affordable, Accessible, Sustainable</p>
Hemmlis	<p><b>Type</b> – Rental</p> <p><b>Duration</b> – Minimum one semester (5 months)</p> <p><b>Channels</b> – Online</p> <p><b>Customer segment</b> - Students</p> <p><b>Customer relationship</b> – On site delivery, personal delivery.</p>	<p>Second-hand furniture</p> <p>Fixed combos (6 pieces)</p> <p>Bed, desk, table, chair, shelf &amp; stand.</p>	<p>Delivery</p> <p>Cleaning</p> <p>Upcycling</p> <p>End of use handling, no disposal or sales needed.</p>

Source: Compiled by author based on practitioner interviews (see Appendix A) and information on company webpages ([www.hyber.com](http://www.hyber.com), [www.sabinaandfriends.se](http://www.sabinaandfriends.se), [www.marqetstores.se](http://www.marqetstores.se), [www.synoptik.se](http://www.synoptik.se), [www.synsam.se](http://www.synsam.se), [www.hemlis.se](http://www.hemlis.se), [www.ikea.se](http://www.ikea.se), [www.ingka.com](http://www.ingka.com)).

The main similarity among all of the companies studied is that the definition of use-oriented consumption presented earlier in the literature review is applicable to the choice of the business model in all of the cases. The use-oriented model is market mediated, the consumer has limited access to the products, there is a fee, and there is no transfer of ownership (Eckhardt & Bardhi, 2015; Schaefer et al., 2016) Furthermore the offers include both product and service content. However, then the creativity in business design differentiates the models when companies are trying to adapt to different markets and make the offer attractive. To become a competitive alternative consideration is taken to, for example, customer needs of different channels, length of contract period and relationships. To begin with, there are differences in the type of use-oriented PSS chosen or at least in the terminology used in the external communication. The similarities are greatest among companies operating in the same industry, and three main set-ups can be identified, namely membership, subscription and rental. Firstly, the three clothing companies have positioned the offer as a membership based, and the customers pay a monthly fee to become members. Secondly, the two companies operating in the eyewear market work with a subscriptions-based model. This model comes closest to a leasing model described by Tukker (2004), where the user has individual and unlimited access to the products during a longer time period. The two set-ups have some similarities as, for example, the use of a monthly fee during the contract period. The main differences are in how long the contracts are and consequently, how long the customer has access to the products included in the offer as well as how flexible it is to cancel the contract. In earlier research, both short and long term rental by different companies have been found to coexist in the market (Armstrong et al., 2015; Corvellec & Stål, 2017) and this is also the case in the Swedish market for use-oriented PSS models offering clothes. MQ (through a partnership with Something Borrowed) and Sabina & Friends have the most flexible offers with just one-month notice. Both Synsam and Synoptik working in the eyewear market have the longest contract period of 24 months. Sabina & Friends has also introduced once-of-rental to become even more flexible and attract customers not willing or hesitating to become members. Finally, Hemmlis worked with furniture rentals and the minimum contract period was 5 months. Hemmlis is one of the two furniture companies that has implemented a use-oriented business model in the Swedish market while at IKEA designing the business model is still work in progress, i.e. no trials of a complete model towards consumers has been run in Sweden.

The channels, customer segments and relationships are different between most of the companies. The three companies in the clothing industry all have different target groups, a mix of channels and customer relationships. MQ (MarQet) is offering their own products and in-house brands through a partner that is handling all market activities in relation to the PSS offer. Hyber is a market mediator working with external brands and partnering companies managing the use-oriented platform and promoting other companies' products through online channels. Sabina & Friends are working with external brands through their own channels which includes online but also a physical store and showroom located in Stockholm. The business model is originally based on an intimate relationship with the customers through the presence of the showroom and the services offered to customers in the store. Women are the main target group for clothes, and Hyber is the exception focusing on parents with small children. The different types of models used confirm the view from previous research of access-based consumption as experimental and operating at the margins of an industry (Corvellec & Stål, 2017).

In the eyewear market, the characteristics of the use-oriented PSS are much more homogenous, and both companies used as cases in this study are larger established actors. The subscription model is run through their existing channels with a focus on the physical store as the main purchase channel and the eye exam as the starting point of the customer relationship. The potential customers are among the existing customer segments, and the product range covered by the use-oriented PSS is the existing range already available for purchase.

Moving on to the product content in the different cases the products are of course, different due to the representation of companies from different industries in the study. What all of the cases have in common is that these are product categories that in previous research have been mentioned as not likely to be suitable for PSS (Tukker & Tischner, 2006). The product categories all include products that are for everyday use. They are not technically advanced or in need of regular maintenance. Several of the product categories are influenced by fashion and branding which in earlier research have been identified as factors not considered beneficial for use-oriented business models (Tukker & Tischner, 2006). There are, however, differences in the perceived length of use of the products. When comparing the different types of clothes in the offers by the clothing companies Hyber is a different case offering clothes to smaller children. These are clothes that naturally have a limited span of use due to the children outgrowing the garments. In contrast, in the cases of Sabina & Friends and MQ, the limiting factor of use is the design of the business model in itself which includes the idea of changing the clothes on a monthly basis. The furniture rental company Hemmlis has the same more natural contract period where the need for furniture naturally ends when the student leaves the student housing after finishing the semester.

The products rented by Hemmlis were second-hand furniture, and it is the only company in the study that explicitly communicates that the products are second hand. The clothing companies are also offering clothes that are used by others but there is a mix of new and used products depending on if some other members have had access to the garment before. The companies, however, ensure the look and feel of the clothes to be as good as with new clothes which seems to be an important factor in the communication to convince customers. Synoptik and Samsam have chosen another approach and offers new products in all categories. There are different ways of handling what products the companies can choose from, but generally, there is a limit in the number of products included in the use-oriented PSS offer, and in some cases, there are fixed kits of products to choose from.

One important factor of a use-oriented PSS is, of course, the design of the service content, which is the main factor differentiating use-oriented PSS from the ordinary purchase of products or services. It is the combination of products and services together that should give a use-oriented PSS offer a competitive edge and convince consumers to amend their habitual behaviour of buying products (Tukker, 2004). In every case the ownership of the product is not transferred to the consumer which means that certain responsibilities remain with the service provider, and the user do not get full rights to the products. In all cases, repair and maintenance services are provided by the companies and included in the offer. The clothing companies also handle laundry and reconditioning services to ensure the clothes are in desirable and expected condition for the next user. These services are considered important for the customer, and as a company providing clothing rental memberships it is a matter of building consumer trust that the provided products are a certain expected standard. Earlier research has found that hygienic factors are of particular importance when it comes to clothes (Armstrong et al., 2016) but also furniture and home decoration (Gullstrand Edbring et al., 2016) which is confirmed during interviews in this study.

Four out of the seven companies interviewed offered home delivery. The two companies not having home delivery as part of the service content are Samsam and Synoptik working with eyewear. One of the core services in the relationship with the customers is the eye exam which takes place in the stores. Therefore, this is the natural channel for these types of business. The services by the two eyewear companies are presented as all-inclusive packages with everything one needs to ensure keeping eyes healthy, protected and provide accurate vision aid. The service also includes the possibility to have a pair of glasses for every occasion and updating glasses to

be relevant with current personal preferences and changes in style. Overall the services included focuses on eye health and risk minimization of consequences through sudden changes in vision.

Keeping the offer flexible and adding some customized service content can be found across product categories. Children’s clothes can, for example, be changed during the membership if they are outgrown, one pair of glasses can be changed yearly. Women’s clothing both in the case of Sabina & Friends as well as MQ is changed monthly. The seemingly least flexible offer is the furniture rental which also includes the bulkiest and difficult to handle products. Personal styling and advice are a service promoted both for fashion items and eyewear.

As a new mode of consumption, the way businesses position, implement and choose to design the offer to the customer varies. By adapting the product and service content to the needs of the intended customer segment companies try to increase adoption and avoid barriers.

## 4.2 Barriers that companies perceive as influential for the adoption of use-oriented consumption

The normal consumption mode in the markets and for the product categories included in the research relevant for this paper is to purchase the product and become the product owner. This is the default and habitual consumption mode for the majority of Swedish consumers interested in or in need of products like clothes, eyewear and furniture. Barriers to change of consumption from purchase and ownership to purchase of access have been presented in earlier research and also in the literature review of this study. The reasons for the barriers are several and in the light of the last couple of years focus on Western consumption patterns as unsustainable and a threat to our planet it is interesting to comprehend further how companies perceive the attitudes and reasons for behaviour among their customers. The barriers reported by the company representatives are structured into three categories and can be found in summary in table 4-2. Since the purpose of the study is to find broader patterns, the findings are organized in clusters based on their similarities rather than barriers relevant to a specific company.

Table 4-2. Summary of barriers among customers reported by interviewed company representatives

Barriers - main category	Perceived barriers among customers reported by interviewed company representatives
<b>Uncertainty with concept &amp; lack of trust</b>	New concept – change of behaviour. Needs explanation. A new way of “buying”. Customers have to change behaviour. Fear of damaging, ruining or losing the clothes. Concern with having responsibility – what happens if something breaks. Responsibilities associated with borrowing and rental. Subscription-based consumption demands more commitment. Concerns around second-hand items – thinks it is old clothes. Hygienic factors – concern for clothes not being new and clean. Concerns that it is not the latest – since the clothes are used. Resistance to second-hand clothes – not knowing who has used them.
<b>Economic obstacles &amp; other costs</b>	More complex offer - can seem more expensive because of added services. Feelings of subscription being more expensive – afraid of paying too much. Students sensitive to price - too costly if only purchase price taken into account. Higher transaction costs – needs more planning. Perceived transaction costs too high – takes extra effort to find renting solution.

	<p>Difficult to compare price with purchase.</p> <p>Price, time – must be super easy to choose access.</p> <p>Price difference between purchase and rental too low in lower price segments.</p> <p>Value for money needs to be as good or better than purchase.</p> <p>Monthly fixed fee – less flexible and higher financial risk.</p> <p>Subscription – financial risk with long contract (12 months).</p> <p>Pay all at once, “cash” payment. Aversion to recurrent costs.</p>
<b>Desire to own</b>	<p>Emotional attachment to products.</p> <p>Having to return the clothes after one month. Want to keep items.</p> <p>Easier to buy and own low/mid-priced fast fashion.</p> <p>Want to own glasses - seldom change their glasses.</p> <p>No perceived need for more products or services.</p> <p>Lack of flexibility – rental demands more planning.</p> <p>Lack of flexibility in fixed combos.</p> <p>Lack of knowledge of the concept – ownership safe an habitual, first choice.</p> <p>Timing of information – new concept – too late to approach customers on arrival.</p>

Source: Compiled by author based on practitioner interviews (see Appendix A).

#### 4.2.1 Uncertainty with the concept and lack of trust

The majority of the interviewees brought up the novelty of the concept and the lack of knowledge and experience with use-oriented PSS in these product categories as a barrier needed to be overcome in order to convince the potential customer. This confirms the findings in earlier research (Rexfelt & Hiort af Ornäs, 2009) that a key aspect of gaining acceptance among consumers is information that can reduce the uncertainty of how the concept works. Lack of knowledge could mean that the customer knows that the concept exists but does not understand how it works and what possible benefits or drawbacks that are relevant, which in turn could result in difficulties comparing the new way of consumption with the option the person is normally used to, which in most cases is the purchase of ownership. Lack of knowledge could also mean that the potential customer does not know about the possibility of a use-oriented PSS alternative for the specific product category. Therefore, the use-oriented alternative cannot be taken into consideration when making a consumption decision. In either case, the lack of information and knowledge creates a barrier.

Another barrier related to uncertainty with the concept and trust with the provider was concern among customers on responsibility if a product breaks or disappears. This concern has been found relevant in previous research by, for example, Gullstrand Edbring et al. (2016) on consumer attitudes towards renting furniture. In this study another example was concern in the context of children’s clothing that naturally are subject to extensive wear and tear from being used by smaller children.

The interviewees representing the clothing sector also confirmed concern for hygiene as a factor their potential customers view as a possible barrier to acceptance of the offer. In previous research, this has been shown particularly relevant in the clothing sector and especially for garments worn closer to the skin (Armstrong et al., 2016). Concern for hygienic factors was however also raised in the case of children’s outdoor clothing which would indicate that even for outdoor clothes creating trust that clothes are properly sanitized before being passed on to the next user is a key factor for successful customer adoption. The hygienic factor was not something the interviewees from the eyewear sector addressed. One likely cause for this is that

second hand or used products were not part of their offer. The customer has access to new products also when choosing the use-oriented subscription option and glasses were either donated or recycled after being returned by the first customer.

Offering second-hand clothes could be a barrier from a hygienic standpoint or lack of knowledge about the previous person using the garment. Even though two of the interviewees mentioned how attitudes have started to change and second-hand clothes is even seen as trendy, in some groups, there still seems to be more concern around who has used the clothes before and hygienic factors around using clothes someone else has used before. Second hand can also be associated with old clothes that are not relevant in contemporary fashion, which can be a misunderstanding relevant to the concepts of the use-oriented cases in this study. All three clothing companies work with use-oriented models, including clothes from the latest collections. This was especially stressed by one of the companies where garments are frequently updated and handpicked according to season and the latest collections. Yes, the clothes can be used by others, but they are not old.

#### **4.2.2 Economic obstacles and other costs**

The results from the interviews confirm the importance of perceived value for money and price as a potential barrier to consumer adoption of the use-oriented offers promoted by the case companies in this study. Previous studies have shown that consumers are reluctant to choose use-oriented consumption if the price is the higher or even the same as ownership-based models (Akbar & Hoffmann, 2018; Armstrong et al., 2016; Gullstrand Edbring et al., 2016). One of the interviewees brought up this as particularly problematic in low price categories where cheap products are easy to purchase, and the price difference between for example rental and purchase would not motivate the extra effort of renting the products. It is just too easy to buy them. Some customers had said they preferred to pay all at once and not to have to think about recurrent costs. All of the interviewees had experienced the recurrent payments during the contract period as something potentially problematic for the customers and a possible barrier. The longer the contract period, the more problematic it could be for consumers used to and preferring to pay all at once. Paying over a longer period of time was perceived as more expensive, which is confirmed by earlier studies as well (Gullstrand Edbring et al., 2016). Use-oriented consumption as a more financially risky and less flexible choice was also something the majority of the interviewees had heard from potential customers.

The stock out risk and uncertainty of products not being available (Armstrong et al., 2016) was not brought up by the interviewees as a barrier. Additional transaction costs were, however, something that came up during interviews. What could be considered as search costs (Akbar & Hoffmann, 2018) was brought up by three of the interviewees who discussed how use-oriented consumption could be seen as a less flexible option that need more research and planning. This extra costs of not being able to be spontaneous in your choices could be a potential barrier.

One of the interviewees mentioned the difficulty to compare the price of use-oriented consumption with ownership of the product. It is a new way of consumption and includes services that a traditional purchase does not have. Consumers are used to comparing prices in the stores and with the extra services included the price of a use-oriented alternative can be higher. If the full value is not clearly explained in a way to make comparison possible, it could constitute a barrier when trying to convince the consumer. This can be problematic and has also been shown in previous research by Schrader (1999). Another interviewee mentioned how use-oriented consumption could mean getting access to products normally not accessible due to, for example, the price of purchase being too high. Depending on what factors are taken into consideration and the financial situation of the potential customer, use-oriented consumption can be seen as either financially beneficial or too expensive compared with ownership.



### **4.2.3 Desire to own**

During the interviews, the difficulty to influence consumers into changing their purchasing behaviour was brought up several times by all interviewees. None of the products in this research could really be considered products where ownership is perceived as high-risk. Therefore the risk of ownership as described by Schaefer et al. (2016) was not something that came up as relevant. It was rather the risk of changing behaviour and buying services or something unknown which confirms earlier research by Mont & Plepys (2003) which shows that the consumer prefers ownership if the risk is perceived higher in an use-oriented model.

The use-oriented models promoted by the interviewed company representatives had also received feedback from customers on a perceived lack of flexibility as a barrier. Three of the interviewees specifically mentioned perceived lack of flexibility as a barrier and a reason for customers to prefer ownership models over use-oriented models. In earlier research (Schrader, 1999; Tukker, 2015) loss of control, freedom or flexibility has been considered barriers, which is something confirmed by interviewees as something still relevant today. The lack of freedom and control was exemplified by one of the interviewees describing how customers expressed an unwillingness to return garments after the contractual period and expressing the desire to keep them instead. Creating feelings for and building strong bonds with products has been shown earlier to be strong drivers of ownership models and barriers for adoption of use-oriented models (Bohlin, 2019; Singh & Giacosa, 2019).

One of the interviewees explained that the desire to choose ownership rather than use-oriented consumption was the lack of need for more than one product. The typical customer choosing ownership was someone that seldom felt they needed to change and the need for several products and additional services around the chosen product was not something valued. This type of customer preferred to buy and use the same product for a long period of time.

To summarise, the barriers related to the novelty of the concept included issues around information, knowledge and trust in the concept. An explanation is needed both concerning terms and conditions relevant for the specific use-oriented offer but also of the actual existence of the possibility to choose use-oriented consumption in industries or product categories where this behaviour is new. Comparing different options can be difficult for consumers, especially when services and long-term relations are added in categories where comparison normally more or less only involves the price on the price tag. If an option is perceived to be more costly or delivers less value for the money, it is unlikely to be chosen by the customer. Barriers also include the desire to own and the emotional bonds consumers can create towards products in their possession. To drive behavioural change, there is a need to create the feelings of a beneficial option and to demonstrate added value based on multiple categories that will likely influence the customer's choice (Lee et al., 2015).

## **4.3 Added value perceived by companies as influential on the adoption of use-oriented consumption**

Consumer perceived value can be key in convincing the customer to choose between alternative offers on the market. All of the company representatives were able to describe several added values that were promoted or influential to the end customer when choosing the use-oriented alternative. Consumer perceived value can be analysed using the four value dimensions financial value, functional value, emotional value and social value (Sweeney & Soutar, 2001). All four dimensions were considered and are presented in the following subsections beginning with financial values, followed by functional values, emotional values and finally, social values. See table 4-3 below for an overview. The values presented were either brought up by the company

representatives as perceived important for customer adoption or communicated in the external communication of the companies.

Table 4-3. Summary of added values and drivers

Values - main category	Added values and perceived drivers for increased consumer adoption
<b>Financial value</b>	<p>Value for money (priceworthy).</p> <p>Keep price low.</p> <p>All inclusive – glasses, eye exam, insurance.</p> <p>Cheaper to rent – but probably more a driver for once-off customers.</p> <p>Cheaper if all costs and transaction costs are included.</p> <p>Cheaper for a limited time.</p> <p>Low threshold for trial – once of rentals</p> <p>Access to high quality clothes without having to spend too much at once.</p> <p>All inclusive – glasses, eyesight tests, insurance.</p> <p>Monthly payment – costs spread out over longer period.</p> <p>Accessibility – get access to clothes one would not normally afford to buy.</p> <p>Distribution of investment over time.</p> <p>Several instalments could be beneficial for certain customer groups.</p> <p>Not having to pay everything at once.</p> <p>Financial security and control over costs.</p> <p>Fixed costs – no surprises.</p> <p>Financial security and control over costs.</p>
<b>Functional value</b>	<p>Flexible access to products.</p> <p>Flexibility – change style more often.</p> <p>Flexible when needs change quickly.</p> <p>Convenient for temporary use.</p> <p>Flexibility to change pieces of furniture - some customisation.</p> <p>Flexible contract period – short period 1 month.</p> <p>Flexibility – e.g. introduce shorter contract periods, pause membership.</p> <p>Flexibility – change one pair every year.</p> <p>One pair of glasses for every occasion and need –‘wardrobe’ of glasses.</p> <p>Trial of several clothing items - change of style.</p> <p>Ability to change wardrobe more often.</p> <p>Increased frequency of access to different clothes.</p> <p>Change one pair every 12 months.</p> <p>Simplification – make life easier – practical.</p> <p>All needs covered – minimum 3 glasses included.</p> <p>All inclusive – all one need to have good vision.</p> <p>Expertise and styling advice.</p> <p>Clothes one would not have found on her/his own.</p> <p>Better customization – testing eyesight every year changing lenses.</p> <p>Time saving – don’t have to search in multiple stores.</p> <p>Functionality was a driver more than interior design.</p> <p>Functionality in terms of having the furniture organized on arrival.</p> <p>Furniture taken care of. No time spent on finding or disposal.</p>

	Easy to pass forward after use.
<b>Emotional value</b>	<p>Not having to worry about furniture, sleeping on the floor in the beginning etc.</p> <p>No worries about what to do when leaving again.</p> <p>No surprises, no need to be concerned about new glasses.</p> <p>Healthy choice – eye exam with extra diagnosis to make sure your eyes are healthy.</p> <p>Risk minimization &amp; security – don't have to worry about glasses becoming useless if eyesight is suddenly changing.</p> <p>Avoid unexpected costs - sense of security and control over costs.</p> <p>Anxiety over where to sleep or how to fix furniture relieved.</p> <p>Personal trust and longer relationships.</p> <p>Confidence in expertise through long term relationships.</p> <p>Fulfilment of need for change - experimenting with new styles.</p> <p>Early adopters – fun to try.</p> <p>Change clothes every month - desire for shopping fulfilled.</p> <p>Own wardrobe – treat yourself with some luxury of changing style.</p> <p>Ability to change style – desire for change.</p> <p>Taking care of the eyes and having regular eye exams – healthy choice.</p> <p>Fulfilled desire for prolonging product life - ease of passing products forward.</p> <p>Feelings of responsible consumption – consumption without felling of guilt.</p> <p>Feelings of clothes having a second life and not being thrown away.</p>
<b>Social value</b>	<p>The environmental aspect is very important for many. Sustainable consumption.</p> <p>Environmental (but not primary driver).</p> <p>Sustainability (not a big driver after all).</p> <p>Care for others and sustainable consumption.</p> <p>Responsibility – others can use the clothes after me.</p> <p>Reuse - prolonged product life.</p> <p>Reuse – Charity program.</p> <p>Recycling of products.</p> <p>Boost self-confidence – styling advice and change of style. Creating social image.</p> <p>Responsible shopping.</p> <p>Success depends on social megatrends with focus on sustainability. In fashion – has happened in mobility (cars), food (vegetarian).</p>

Source: Compiled by author based on practitioner interviews (see Appendix A) and company webpages ([www.hyber.com](http://www.hyber.com), [www.sabinaandfriends.se](http://www.sabinaandfriends.se), [www.marqetstores.se](http://www.marqetstores.se), [www.synoptik.se](http://www.synoptik.se), [www.synsam.se](http://www.synsam.se), [www.hemlis.se](http://www.hemlis.se), [www.ikea.se](http://www.ikea.se), [www.ingka.com](http://www.ingka.com)).

### 4.3.1 Financial value as a driver

Several previous studies are showing the importance for consumers to get the feeling of having made a financially beneficial choice or in other words a good deal (Armstrong et al., 2015; REXfelt & Hiort af Ornäs, 2009; Schrader, 1999). The importance of price and value for money is reinforced by the interviews done in this study. Five of the interviewees discuss that especially for temporary or short-term consumption it can be considered cheaper to engage in use-oriented consumption rather than owning products. It is also considered a way to spread costs over time which results in different benefits. Spreading the costs over time could mean the possibility to get access to more high-quality products that the consumer would normally not find attractive or maybe not have the financial resources to buy which have also been considered drivers in earlier research by Gullstrand Edbring et al. (2016) and Baines et al. (2007).

Several of the interviewees also described how customers considered use-oriented consumption as a financially more secure option. It was reported as a way of keeping control over costs and planning expenses. It was seen as a way of avoiding sudden surprises if there was a need to change a product. Not having to spend money in case the product broke or was damaged. This is naturally more of a driver in cases when the use-oriented option includes upgrading, maintenance, repair and/or insurance (Mont, 2004; Schaefer et al., 2016).

Two of the interviewees discussed how longer rental periods can be seen as difficult for the consumer to commit to and how introducing shorter contract periods had helped convince first time users to engage in trials of the new concept. The influence of the perceived length of consumption has been discussed previously in the literature (Pocheptsova et al., 2008) but using a combination of short-term engagement to accustom consumers to the new concept as a stepping stone to longer-term commitment was something not discussed in the literature examined for this work. Shorter periods mean less risk of making a financially unfavourable decision and thus an easier choice for the new customer that is still exploring how use-oriented consumption can suit their personal consumption preferences.

The option of use-oriented consumption was reported as perceived financially beneficial by customers in cases when regular changes of products occur. This could either be through the need for another product or the desire to vary products due to personal preferences.

#### **4.3.2 Functional value as a driver**

One of the possible advantages of use-oriented PSS is the potential flexibility of the model where consumers feel they could have the opportunity to change products within the use-oriented concept. Flexibility was mentioned in earlier research as a driver in different product categories from furniture to bike sharing services (D'Agostin et al., 2020; Gullstrand Edbring et al., 2016). Each and every one of the interviewees brought up flexibility as something the customer valued and that was seen as a driver when choosing a use-oriented option. However, the appreciation of flexibility refers to different parts of the model being flexible. For some, it was the flexibility of having shorter contract periods which gave the customer the flexibility to choose when to participate or not. For others, it could mean the flexibility to choose between different options. The most frequent type of flexibility mentioned was being able to try products and change style more often, being able to change products in a higher frequency than when buying products seemed to be the type of flexibility that was most distinctive when choosing a use-oriented model of consumption instead of buying products.

Saving time and making life easier were also functional values three of the interviewees had received as feedback from customers. Life was made easier by having someone else figure out what products were needed in a certain situation in life and choosing use-oriented consumption could result in an easier life where the needs were taken care of by someone else. It could simply put be considered practical to for example not having to think about which overall would fit a child in autumn and just be sure that whatever size he or she needed it would be taken care of and delivered to one's door. Time and trouble could be saved when obtaining products but also by not having to deal with the disposal of products at the end of use. They could easily be sent back or be picked up by the service provider at an agreed point in time. This could naturally also include practical matters around products that are used temporarily because of changing needs or certain stages of life, as previous research has shown (Catulli et al., 2017a; Gullstrand Edbring et al., 2016; Mont, 2004).

Better customization was also brought up as a value appreciated by customers across products categories. Having regular eye exams and the possibility to change glasses within the subscription with no additional cost was seen as a way always to have the prerequisites for

correct vision aid and a way of avoiding old glasses that no longer suits the purpose. Within clothing better customization could involve renting clothes from experts within design and styling would ensure a customized wardrobe for your needs. It could also be better fitting children's clothes when the correct size can be updated, and the children no longer need to grow into a size. The appreciation of better-customized offers and products as a driver confirms earlier studies by for example (Armstrong et al., 2015; Baines et al., 2007; Mont, 2002)

### **4.3.3 Emotional value as a driver**

In earlier research, feelings associated with use-oriented consumption had sometimes been associated with freedom from responsibilities that comes with ownership of certain products (Mont, 2004; Schrader, 1999). Four of the interviewees reported emotional values associated with not owning the products. Customers had expressed feeling relieved and having a sense of security not being responsible in case of sudden costs associated with the product. Others expressed not having to be concerned about or avoiding fear of unknown events making products unusable. In use-oriented models where the ownership of the product stays with the service provider, it was confirmed that customers valued not having to worry. One aspect of risk minimization that was not explicitly raised during interviews was risk minimization of making the wrong choice by having the possibility to try products. Earlier research has shown this as a driver (Lawson et al., 2016) when comparing use-oriented consumption with ownership models. Since the product is returned in a use-oriented model the commitment would not be the same, and if a wrong choice had been made it would be easier to change.

Emotional values brought up during the interviews also include happiness and fulfilled shopping desire. Some customers have expressed how trying out a new concept is a fun way of consuming while others enjoy the luxury of being able to change style more frequently. Experimenting with new styles could result in feelings of fulfilling the need to change, not having to buy and own the products produced this ability or opportunity of more frequent changes which confirms earlier research by (Armstrong et al., 2015; Mont, 2004).

In relation to these emotions, the aspect of participating in more sustainable consumption was also something the interviewees had experienced as feedback from the customers. Several of the interviewees discuss how the customers have positive feelings toward use-oriented consumption because of the individual feelings related to participating in what is seen as more sustainable consumption. The sustainability aspects can be viewed from the individual perspective, but it can also be valued from a social aspect.

### **4.3.4 Social value as a driver**

The pressure on consumers to make environmentally sound choices in their daily life is something that receives attention in media and could be passed on to individuals through their peers or community. Sustainability, as part of the customer perceived value of use-oriented consumption, is confirmed by all of the interviewees as something that consumers value. It was expressed as taking responsibility and giving products a second life. Instead of throwing products away others could use them or had used them before. Consuming without feeling guilty It is, however, in most cases, not the most prominent customer perceived value and driver of consumer choices, and it is neither primary value communicated by the case companies in this study. Earlier research has shown that consumer choice is based on more than utilitarian factors (Catulli et al., 2017b). Consumption can cause feelings of guilt and being part of the unsustainable consumption that leads to the deterioration of our environment and the prerequisites for future generations to fulfil their needs.

Earlier research has found that feelings of doing good and avoiding unsustainable consumption are values increasing the likelihood of use-oriented consumption to become successful (Armstrong et al., 2015; Catulli et al., 2017a). Being able to consume without feelings of guilt was confirmed by more than one of the interviewees, but there were different opinions of how important it really is in the end. One of the interviewees was sceptical to the individual basing their choices on sustainability factors and still thought the price would be the final determining factor in the end. For individuals to be influenced, societal changes or megatrends would have to influence the choices as has happened with, for example, the trend towards eating more plant-based food or private leasing of cars. Another interviewee saw sustainability factors as more of a factor that consumers are expecting companies to work with and not an added value. A company would not be considered as an alternative if your company did not have sustainability included in the strategy.

To summarise, all four consumer perceived value dimensions were represented among the perceived customer values shared by the interviewees. Despite the different industries, products and customer segments, there were several commonalities and patterns that emerged. Financial, functional and emotional values were the most prominent dimensions with a more individual focus. The importance of the social value dimension was not as dominant and especially sustainability as a value that drives behaviour was subject to differences in perceived importance.

## 5 Discussion

This chapter offers a critical reflection on the outcomes of the study. The study aimed to enhance the knowledge of what businesses today are doing to implement use-oriented business models in consumer markets. A need for increased awareness about consumer acceptance and diffusion of use-oriented business models was identified in the early stages of the research project (Catulli et al., 2017a; dos Santos et al., 2019; Lee et al., 2015). Three research questions were formulated at the beginning of this project and presented in Chapter 1. In the following subsections, the results and analysis presented in the previous chapter are discussed and reflected upon in relation to the research questions, but also in relation to a wider context of current societal changes, corporate practice and academic discussions.

### 5.1 Discussion of findings and their significance

***RQ1: What characterizes current use-oriented PSS offerings by B2C companies in markets dominated by ownership of products in Sweden?***

To be able to find answers to the first research question, both desktop research and interviews with representatives from the companies used as cases in the study was conducted. The result shows that use-oriented PSS offerings in the Swedish markets are characterized by a mix of products and services tailored to their specific market and customer groups. The business models have some commonalities, but also several differences. Naturally, the offers are tailored towards the specific target groups, and, therefore, there are several variations on how the use-oriented offer is set up. However, several similarities are also found among companies operating in the same industry despite targeting different consumer groups. There could be a tendency to mimic business models and offers of other companies operating in the same industry and use concepts and examples that already exist on the market or on other markets. It could be seen as recipes already tested that can be used as they are or with variations by other companies on their market (Baden-Fuller & Morgan, 2010). The business offers tested in other countries could also influence business models developed for the Swedish market and adapted for the intended customer.

Since the companies in this study are all looking to make profits, it would make sense for a business model to reflect what is most likely to appeal to the intended customer. Different customer segments have different needs, and this is reflected in the choice of channels and customer relationships chosen by the case companies in this study. Employing different types of use-oriented PSS business models is most likely also a deliberate choice to attract potential customers and keeping existing ones. The use of membership in the clothing industry could reflect the need for dealing with the concern for hygiene in the clothing sector. As a member in a membership-based model, certain aspects could be communicated that would signal common values among members, which in turn could build trust and facilitate consumer adoption. Concerns around factors such as hygiene could be reduced if you belong to the same group as the person you are sharing with (Armstrong et al., 2016). In the eyewear sector, subscription-based models have been used for contact lenses. Therefore, for customers used to the leasing model for one type of products, the idea of a subscription on glasses might be easier to adopt than a new concept such as membership. Reducing the uncertainty with the concept has been found to be key to success (Rexfelt & Hiort af Ornäs, 2009). Uncertainty could be reduced by using business models already familiar to the customer or similar to existing business models and rental for special occasions is not something new (Armstrong et al., 2016). When it comes to furniture, there has been furniture rental for decades. Renting tables, chairs and other furniture for a birthday party or student examination party is nothing new on the Swedish

market. Transferring the concept of renting furniture to certain situations in everyday life is probably not such an abstract and alien concept if consumers have the experience of furniture rental from before. Leasing furniture might be easier to understand than a furniture subscription or a membership-based model. It seems like the introduction of use-oriented models follows patterns that are already familiar to customers in the relevant industry and therefore, could facilitate customer adoption.

The duration of the customer relationship shows the greatest variation both within and between industries ranging from short term rentals to leasing models with 24 months duration. Even though the financial aspects of the business model were not included in this research, it is not difficult to connect the reason for the differences to the challenge of balancing the need for customer flexibility and a viable financial model for the company. This was also mentioned by interviewees in the study as a challenge, especially for start-up companies with little financial capital from earlier operations. In some cases, the different duration of leasing contracts also reflects the expected duration of product use, but this is not something that can be said for the majority of the cases in the study

The mix of product and service content is naturally something that the companies have in common. It is also one of the fundamental characteristics of PSS in general and use-oriented PSS specifically (Tukker, 2004). The existence of both product and service content in the offers by the case companies comes as no surprise since this is a consequence determined by the scope of this study. Some patterns can be seen across the different companies and sectors. All of the companies are working with existing product categories that are already available on the market. As far as the results in this study show, there is no apparent innovation in product design associated with creating a use-oriented offer for the chosen customer segments. IKEA could be the exception here since the interviewee referred to guidelines for circular product design during the interview. It is however not known to the author how that would influence the future furniture leasing offer since the business model is still being developed, and there was little information to share. The products among the other actors are private labels or external brands either produced, bought or offered through partnerships with brand owners, but all products already exist on the market. Further, all of the companies are working predominantly with services already existing on the market and the novelty for the customer is the convenience of only having to deal with one actor to achieve the same range of services otherwise delivered by several actors. Services are related to the use of the products, and the prevailing idea seems to be offering increased convenience and security of continuous access to products.

A common characteristic across the industries is the possibility to change products and the temporary nature of access to the products within the offer. The models seem to be designed to attract customers that see the benefit of being able to change products more often in a convenient way. Among the companies interviewed at least four are influenced by fashion and/or branding as well as being used on a daily basis. This type of products has been considered not typical for successful PSS implementation (Tukker & Tischner, 2006). The findings during the interviews in this study could suggest otherwise. The possibility to change products is something appreciated by the studied company's customers. This includes trying different styles with the flexibility to change one's mind. These results suggest an opportunity for use-oriented models, even for fashion-related products and products being used on a daily basis.

The variety of characteristics and differences in how to approach the customers indicates that companies are still innovating and trying to find the most suitable combination of products and services to convince the customer and overcome barriers to adoption.



***RQ2: Which barriers have B2C companies in Sweden identified among consumers when introducing use-oriented PSS?***

The answers to the second research question were gathered through the conducted interviews. A total of 7 interviews were conducted with representatives of companies used as cases in the study. Several barriers were found during this research, and they could be organized into three categories presented earlier in the theoretical framework (figure 3-2). The main barriers are discussed below.

One of the fundamental barriers found in the study was the unfamiliarity with the concept among consumers in the relevant product categories. This is not something new in the academic field of PSS and was known as a barrier in PSS related research already more than a decade ago (Mont & Lindqvist, 2003; Rexfelt & Hiort af Ornäs, 2009). Even though the majority of interviewees were positive towards the future potential of use-oriented business models, the need for more knowledge and education among consumers still seems to be key to change habitual consumption patterns. If more consumers had the experience of use-oriented consumption themselves or were influenced by the experience of their peers, the knowledge barrier could be reduced. Since the consumption paradigm and infrastructure are designed for linear purchase and consumption of products, there is an inherent resistance in the system towards changing the established norm (Ceschin, 2010). One of the interviewees mentioned that early adopters were still the main customer group and that the vast majority of consumers still preferred ownership as the default mode of consumption. For use-oriented models to become mainstream, one of the main barriers is probably the sheer lack of actors offering use-oriented consumption on the market. These few actors cannot influence a sufficient number of consumers who could change their perception of use-oriented models from being something new and strange into being normal and mainstream business models. The lack of critical mass as a major barrier has, for example, been shown in studies on consumer adoption of mobile payments (Mallat, 2007). The need for more knowledge among consumers and more actors becoming involved was also expressed during interviews in this study. It was brought up when discussing the consequences of the media attention around the introduction of rental models by some of the larger retail actors in fashion and furniture during 2019 (Bränström, 2019; TT, 2019). Although it could mean increased competition when more actors engaged in use-oriented models, the attention and increased focus on alternatives was seen as something positive.

One of the other main barriers is the costs associated with use-oriented models. Promoting low price is a common strategy to attract consumers - price comparison of products that can easily be done using web-based services. Furthermore, access to products from other geographical markets has increased the competition on price in many markets. Low-price categories exist for all the products promoted by the companies in the study and consumers tend to choose use-oriented consumption only if the price is lower than the acquisition of the product (Akbar & Hoffmann, 2018; Armstrong et al., 2016; D'Agostin et al., 2020; Gullstrand Edbring et al., 2016). Hence, if the price is higher, it is difficult to have a competitive use-oriented alternative. Since the product is bundled with a package of relevant services in a use-oriented business model, customer would pay for more than only the product. The inclusion of services in the purchase decision could make a comparison with ownership models more complicated. If only taking into account, the purchase price at the point of sale the use-oriented offer could easily seem more expensive even though that is not necessarily the case if the value of services overtime is also considered (Planing, 2015).

Further, the practice of paying monthly over the contract period was reported to create an obstacle for the consumer and something that demands a new mindset. It is necessary to have

a long relationship with the service provider, and this includes a different commitment by the consumer. The desire to own is the third category of barriers to consumer adoption of use-oriented models in this study. According to the interviews in this study, the desire to own is associated with the wish to avoid risk. It seems to influence consumer decisions also in categories with comparatively low price. However, it is not the risk associated with ownership that is dominant as has been the case in other studies (Schaefers et al., 2016) but rather the risk of longer-term commitment and changing behaviour (Mont & Plepys, 2003). This was exemplified in this study by for example, membership and paying for consumption overtime, when the alternative is paying all at once. The lock-in-effect of subscription or membership could harm consumer choice and negatively affect the freedom that could be associated with ownership in these categories. It could also create an emotional barrier from the satisfaction arising from the spontaneous purchase (Armstrong et al., 2016; Tukker & Tischner, 2006) This is of course influenced by personal preferences and could be difficult to make generalizations about, but it seems to be a significant barrier since it was reported by all of the interviewees as a challenge. These costs could be considered transaction costs or emotional costs and should be perceived as low as possible for consumer adoption of use-oriented consumption to take place (Akbar & Hoffmann, 2018).

The alternative to eliminate or lower the existing barriers could be adding sufficiently high consumer perceived value to overcome them.

***RQ3: Which customer values are perceived as drivers by B2C companies in Sweden to promote adoption of use-oriented PSS?***

To be able to answer the third research question on added customer value, both interviews with company representatives and external communication on company webpages were considered. Four value perspectives were included in the analytical framework (Figure 3-3). These values encompass financial and functional, as well as emotional and social values. Added values were found in all four of the value dimensions.

By comparing barriers and drivers, it becomes clear that what could be considered a barrier for some might be a financial added value for others. For example, spreading costs over a longer period of time was earlier discussed as a barrier brought up during interviews. It was, however, also something several interviewees reported as an added value acting as a driver for customers which confirms findings in earlier research (Baines et al., 2007; Gullstrand Edbring et al., 2016). Other findings in this study confirming earlier research was how use-oriented consumption was considered a way to keep control of the personal economy and avoid financial surprises (Mont, 2004; Schaefers et al., 2016). It had also been perceived by customers as a means of gaining access to either more expensive products or an increased number of products when not having to pay for all at once. In these cases, use-oriented models could probably be seen as similar to other alternative financing solutions but with the benefit of more services added. What is considered valuable varies among consumers and is based on individual preferences which explain why some barriers are considered values by others. Financial stability can be drivers for one consumer as worth paying extra for, but for someone else paying all at once is the preferred option. Value for money is clearly an important factor in the diffusion of use-oriented consumption and the desire by the consumer to make a good deal should not be underestimated.

One of the main consumer functional value stressed in the study was the flexibility and possibility to change products during the contract period. This would appeal to customer groups already involved in this type of consumption or customer groups looking to increase the frequency of product replacement. Use-oriented consumption could, for example, increase your

wardrobe significantly and fulfil needs for having clothes for every occasion. It was also a driver for parents appreciating not having to worry about the children's clothes being the right size or the lack of appropriate clothes for the upcoming season. The possibility to have one pair of glasses for every need and secure access to the right vision aid at all times was another value associated with functional values. Use-oriented alternatives were seen as a possible way to manage the increased pace experienced in everyday life.

The luxury of more frequent change was also among the emotional values found in this research as well as in earlier research as presented in the previous chapter (Armstrong et al., 2015; Mont, 2004). Another emotional value was feelings of participating in more sustainable consumption. This combination of being able to satisfy the needs for updating products with a high frequency while at the same time not feeling guilty of participating in unsustainable consumption should make use-oriented consumption the perfect choice for the contemporary and responsible consumer. Social values such as increased social status or projecting the image as a responsible consumer was not something brought up by the interviewees. Further interviewees discussed the environmental aspects and how participating in sustainable consumption for the care of others seems to be important to some customer but not to others. However, the emphasis on values related to price, convenience, flexibility and risk minimization seems to be more important as determinations of consumer choices in this study.

Naturally making claims on consumer values is a very complex task and not something that can be done easily or maybe at all. Nevertheless, the results in this study suggest that self-interest and utilitarian values are seen as dominant values driving consumer choice, which verifies earlier research by (Bardhi & Eckhardt, 2012). The study also confirms that different individuals have preferences guiding their behaviour and preferences could change due to experience, situation and knowledge (Sánchez-Fernández & Iñiesta-Bonillo, 2007). The variations could probably be infinite. Furthermore, we are many times not even aware of the real reasons as to why we make the choices we do (Kahneman, 2011). However, by asking persons involved in the design of use-oriented offers about what values they perceive to drive customer choices, we can get an increased understanding of what could be considered successful factors in the promotion of use-oriented consumption models. What are considered barriers for some can be values for others. The results of this study show the importance of knowing the customer and what they value. This verifies the results in studies by D'Agostin et al. (2020) and Catulli et al. (2017a) showing the need for positioning the use-oriented offer appropriately to different groups of consumers.

## **5.2 Reflection and implications**

The rationale behind the research design in this study was the desire to gather knowledge from practitioners that have practical and up to date experience from introducing a new way of consumption to customers. More specifically, the desired knowledge gathered would ideally come from practitioners involved in the introduction of use-oriented consumption models in the consumer markets. The decision was made to interview individuals from different companies across industries to gather a faceted picture of what the companies are offering and which barriers and drivers they are facing. The intended outcome of collecting information from a variety of company cases was to increase the likelihood of making it useful for a wider group of companies working in consumer markets. By sharing knowledge across industries, the chance for improved diffusion of use-oriented business models in Sweden could be influenced in a positive manner. The study was successful in the way that knowledge was gathered from a multitude of practitioners across three industries, and an understanding of how companies work in the Swedish market was established. Knowledge was gathered that could be useful both for practitioners looking to introduce use-oriented consumption models and researcher looking for new empirical data to include in an academic perspective. The study confirmed the barriers and

values found in earlier research and found them to be still relevant despite the increased focus on changing consumption. The study was however, not done without certain challenges which could impact both the reliability and generalisability of the results. These challenges include the COVID-19 pandemic, the sample and the chosen qualitative method of interviews.

When conducting a study which includes a specific sample of cases consideration has to be taken concerning how big the sample needs to be and how well the sample represents the population (Blaikie & Priest, 2019). With a sample that is too small and does not represent the population in a satisfying way, the generalisability of the study is impacted. Companies identified in the first selection were eliminated when it was discovered that they were no longer in the business of offering use-oriented consumption. Further, the outbreak of the COVID-19 pandemic led to a smaller sample than anticipated, and a larger number of cases would most likely have impacted the study in a positive way. Following the design and scope of this study, the majority of companies suitable for the study were in the retail sector and/or the clothing/fashion industry. These industries were heavily impacted by the COVID-19 pandemic. Companies were struggling to survive and managing organizational and financial challenges due to the significant decrease in consumption or changes in the working situation due to isolation strategies. This impacted the possibility of more practitioner interviews negatively, and as a result the size of the sample in the study is modest. This study has a rather small number of cases which most likely impacts the generalisability. The results are based on the perceptions of representatives from the seven case companies, and the recommendation must be to handle generalizations with caution.

The choice of collecting primary data through semi-structured interviews leaves room for new perspectives introduced by interviewees and to understand the perceptions of consumer barriers and values through the lens of stakeholders influencing decision-making on business model design. As a method, it is however, vulnerable to researcher bias since the researcher is involved in creating the result of the interview and runs the risk of influencing the interviewee (Blaikie & Priest, 2019). It must also be taken into consideration that the interviewee might be expressing their opinions and that responses could be influenced by ambitions and their own view on things or agendas. A start-up dedicated to use-oriented consumption has most likely a different view on opportunities than an established company with a different business model. Further gathering information on ongoing business development could be difficult due to participants being reluctant to share the information. The COVID-19 pandemic was a topic brought up during all of the interviews and most likely influenced the interviewees' perceptions on future business opportunities and challenges. It also influenced the time available for interviews and the format. Interviews were cancelled, postponed, shortened or done over e-mail which clearly and understandably signalled the urgency for other priorities within the organizations. Having a less stressful situation and the possibility to conduct the interviews in person would probably have opened up for more discussion and other perspectives.

As shown in the previous chapter and in the discussion above, this study largely confirms previous research. Even though societal changes are taking place, and there has been signs of expressions among consumers to change, many of the barriers still exists and there are no big surprises regarding the consumer values driving consumption. Are businesses really changing consumer behaviour or are they busy trying to survive in fierce competition? New business models are designed to be appealing to established consumption patterns of updating and changing products at an increasing speed. Established norms are difficult to break, and pioneering companies can be lonely in their pursuit of changing consumption. It is probably a combination of changing business models together with increased consumer awareness and societal changes that eventually will build up enough momentum to reach a tipping point and change consumption towards patterns that are more sustainable.

## **6 Conclusion**

This thesis was conducted with the purpose to gather empirical knowledge on the introduction of use-oriented PSS business models by companies in Sweden. The intention was further to use the knowledge for insights to practically improve preconditions for successful implementation of use-oriented PSS in consumer markets. With the potential of driving more sustainable consumption, use-oriented models were considered an interesting alternative to more established consumption patterns. However, diffusion of the use-oriented models in consumer markets had been difficult in the past. Increased attention on sustainability-related topics and movements around the world showed signs of change that could have affected consumer attitudes and consumer adoption. When large retailers in Sweden announced the introduction of use-oriented consumption as an alternative to the acquisition of their products, further preconditions for possible change seemed to have been established. Gathering up-to-date empirical knowledge on 1) business model characteristics 2) consumer barriers 3) consumer perceived value was considered key in order to understand the possibilities for successful implementation of use-oriented PSS. The collection of primary data from companies in the process of introducing or working with use-oriented consumption models during these conditions was considered relevant to serve the purpose of the study.

The research was successful in gathering information of a contemporary and dynamic transformation of business and consumption practises. Knowledge was collected through interviews with practitioners currently working with the business development of use-oriented consumption. It included findings on how they perceive the barriers and values that influence decisions of their customers. The knowledge was analysed and presented in a way to facilitate knowledge transfer between industries. This section presents the main conclusions together with recommendations for practitioners and finally, recommendations for future research.

The use-oriented consumption models in this study were characterized by promoting a combination of products and services bundled together as one offer. The development of the use-oriented PSS offerings showed different levels of innovativeness but in general, consisted of services and products already available on the market. Similarities among the models showed tendencies to mimic already tested business models from other industries or markets. This study introduced the perspective of use-oriented consumption models from the eyewear sector. The sector was not represented in literature reviewed for the study. The eyewear sector naturally has a well-established combination of core services and products, namely the eye exam and vision aid (glasses). It was also the sector showing the most prominent signs of a more mature and uniform offer between companies. Interviewees were positive about the future of use-oriented models in the sector. Further, the characteristics of the use-oriented business model in the eyewear sector required small changes in behaviour from the customer.

Consumption patterns can be very complex, and barriers could be based on personal preferences. There are, however, commonalities or larger patterns among the consumers that have been confirmed in this study. The results of this study show that consumers are reluctant to choices with perceived increased risk. Perceived lock-in effects from the commonly used financial solution of monthly payments counteract adoption of use-oriented PSSs. The importance of value for money must not be underestimated in consumer decision processes. Communication is needed to increase knowledge around the business model. Finally, the lack of a critical mass of consumers and businesses involved in use-oriented consumption is brought up as a critical barrier in this study. In conclusion, these barriers are not new findings in studies of consumer adoption and barriers to PSS. The findings show the importance of not neglecting the stickiness of established barriers even in times where there seems to be a rapid transformation taking place.

Consumer value creation is key for the successful diffusion of innovative business models. Change in behaviour will happen when the consumer perceived value of the new alternative is considered superior. The financial value, functional value, emotional value and social value are four dimensions of consumer perceived value. The result of this study includes consumer values from all four dimensions. They can be seen as more or less important to the consumer depending on the type of product or personal preferences. The tendency towards more focus on values related to self-interest and utilitarian values has implications for what values to communicate to consumers. At least in categories where personal use is the purpose of use-oriented consumption. This suggests that the strategy for promoting use-oriented consumption models should not be based on social or environmental values but on values focusing on the added values for the individual consumer.

## **6.1 Recommendations for practitioners**

The following recommendations are based on the knowledge gathered in the research during this study. The recommendations are believed by the author to increase the successful implementation of use-oriented business models in consumer markets. Three recommendations are presented below, and they are structured according to the themes of consumer behaviour, consumer barriers and collaboration among industry actors.

The first recommendation is to minimize the need for a change in consumer behaviour. Changing consumer behaviour is difficult and takes time. The ambition should be to try and make the use-oriented offer resemble the ownership offer in as many aspects as possible to avoid anxiety and concern about the new concept. This could be done by using familiar channels and relationships to convince the customer. Also, services included in the use-oriented offer could resemble or be the same as services already associated with ownership of the product.

The second recommendation is to lower barriers for trials of the use-oriented business model as much as possible. By making it easy to test with as little commitment as a possible, consumers could overcome feelings of taking risks. It could give them the confidence to try a new and unfamiliar concept. The trial period could allow the company to provide the information and experience needed to convince the customer.

The third and final recommendation is based on the knowledge gathered around consumer values for increased adoption of use-oriented consumption. The recommendation is to focus on individual value creation for the customer. The results from this study suggest that social values such as sustainability aspects are not key when convincing the customer to choose use-oriented consumption.

## **6.2 Future research**

This research contributed to the large body of research on use-oriented PSS with valuable empirical knowledge around the concept. The study confirmed that in essence barriers and values have not changed during the last decades of research. However, this could be about to change considerably but it is yet too early to know.

At the time of finishing this study, the consequences of the COVID-19 on retail and consumption behaviour is still unknown. The world is still in the midst of the crisis at the point of writing this section. During the COVID-19 crisis, radical and disruptive change in consumer behaviour has indeed taken place. In retail, the decrease in sales was dramatic during the spring of 2020. One example is the decrease in sales of clothes in Sweden. Sales plummeted with -33% in March and -39% in April 2020 compared to 2019 (Svensk Handel, 2020). Coming out of the crisis one could expect businesses to be looking for more resilient business models. One area

for future research could be to explore the prerequisites for use-oriented PSS to become that option. Membership or subscription-based use-oriented business models introduces a different relationship between customer and company that possibly could be less sensitive to crises.

The second area for future research could be a possible need for a critical mass to increase the diffusion of use-oriented PSS in consumer markets. The lack of a critical mass was shown to be a major barrier in consumer adoption of mobile payments (Mallat, 2007). This could include establishing what would constitute a critical mass of businesses offering use-oriented PSS in order to overcome the barrier. It could also include establishing the critical mass of consumers to reach a presumptive tipping point for the adoption of the business model. It could further include research on pathways to reaching those critical masses.

The third area for future research involves further increasing the empirical knowledge on consumer perceived value as a driver for use-oriented business model development. As far as the author is aware of there is no study using the full PERVAL scale to measure what values that drive behaviour in purchase situations of use-oriented PSS in Sweden. With more consumers getting involved, there could be an opportunity of conducting a quantitative study involving a large enough sample to gather benchmark data on consumer perceived values in relation to use-oriented PSS. The data would be collected from consumers that have experience of choosing use-oriented PSS and not from hypothetical scenarios. The results could be used to compare how business developers perceive customer value with the reasons behind the decision made by the customers.

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## Appendix A: Interview List

Position/Title	Company	Industry	Format	Date	Duration
Co-Founder	Hyber	Clothing-retail	Phone	27/3/2020	34 min
Co-Founder	Sabina & Friends	Clothing-retail	Phone	30/3/2020	34 min
CMO	MQ	Clothing-retail	Phone	29/4/2020	37 min
Marketing & Digital Director	Synoptik	Eyewear-retail	Responded via email	31/3/2020	N/A
Chief Communications & Sustainability Officer	Synsam	Eyewear-retail	Responded to questions via email	30/3/2020	N/A
Fundraiser & Operations	Hemmlis	Furniture	Online	23/3/2020	1h34min
Circular Business Designer	IKEA	Home furnishing manufacturer /retail	Phone/ Responded to questions via email	15/5/2020	29 min

## Appendix B: Sample interview guide Swedish

### Bakgrund

Under 2019 fick flera stora detaljhandelskedjor uppmärksamhet i media när dom introducerade uthyrning av sina produkter. Att sälja tillgång istället för ägande skulle kunna ha en positiv miljöpåverkan om det görs på rätt sätt och har under en längre tid setts som en lovande affärsmodell ur ett hållbarhetsperspektiv. Däremot har det inte slagit igenom på bred front bland konsumenter. Genom intervjuer med företagsrepresentanter i olika branscher och experter på konsumentbeteende är min förhoppning att kunna bidra med kunskap kring vad som får konsumenter att välja tillgång istället för ägande.

- 1) Skulle du vilja beskriva din roll i företaget lite kortfattat.
- 2) När började ni erbjuda uthyrning/abonnemang till era kunder?
- 3) Vad var det som gjorde att ni introducerade uthyrning/abonnemang?
- 4) Skulle du kunna beskriva hur det fungerar för kunden och vad som ingår i tjänsten?
- 5) Vilken del av sortimentet är det som man kan hyra/abonnera på?
- 6) Hur kommer det sig att ni valt ut den delen av produktsortimentet?
- 7) Hur har kunderna reagerat på möjligheten att skaffa ett abonnemang?
- 8) Vad skulle du säga är de (3) vanligaste anledningarna till att en kund startar ett abonnemang?
- 9) Vilka mervärden kommunicerar ni till kunden för att få dom att välja att hyra/abonnera?
  - finansiella
  - funktionella
  - emotionella
  - sociala
- 10) Om du skulle jämföra kunden som hyr/abonnerar med kunden som gör ett vanligt köp är det någon skillnad på den typiske kunden? I så fall vilken skillnad?
- 11) Vad skulle du säga är dom (3) vanligaste invändningarna som gör kunderna tveksamma till att hyra/abonnera?
- 12) Har ni sett någon förändring i beteende eller attityder kring abonnemang och uthyrning sedan ni introducerade det för era kunder?
  - Vad tror du anledningen till detta är?
- 13) Hur stor potential tror du att det finns för abonnemangs och uthyrnings tjänster i er bransch?
- 14) Vad tror du skulle krävas för att abonnemang eller uthyrning skulle bli mainstream i er bransch?
- 15) Är det något du skulle vilja tillägga eller fråga?
- 16) Kan jag kontakta dig igen om det dyker upp någon ytterligare fråga?
- 17) Skulle du vilja ha en kopia på den färdiga uppsatsen?



## **Appendix C: Sample interview guide English**

### **Semi structured interview guide**

- 1) Could you briefly describe your position/role in the company?
- 2) When did you start to offer rental/leasing/subscription of products to customers?
- 3) Why did you decide to start rental/leasing/subscription?
- 4) Please briefly describe how the rental/leasing/subscription works and what it includes?
- 5) What type/category of products can the customer rent/lease/subscribe on?
- 6) Why did you choose that type/category of products?
- 7) What are the customer reactions to the introduction of rental/leasing/subscription?
- 8) What would you say are the (3) main reasons why the customers choose rental/leasing/subscription instead of purchase?
- 9) What values/benefits are you communicating to the customers to make them choose rental/leasing/subscription? Why?
  - Financial values? Please specify
  - Functional values? Please specify
  - Emotional or social values? Please specify
- 10) Is the typical rental/leasing/subscription customer different from the typical customer that buys products and if yes, in what way?
- 11) What would you say are the (3) main objections or concerns from the customers that makes them reluctant to choose the rental/leasing/subscription offer?
- 12) Have you seen any change in attitudes or behaviour among the customers since you introduced rental/leasing/subscription?
  - What do you think are the reasons for this?
- 13) What is your opinion about the potential for rental/leasing in the future in your business/industry?
- 14) What do you think it would take to make rental/leasing mainstream in your industry?

### **Final questions**

- 15) Is there anything you would like to add or ask?
- 16) If I have follow-up questions, can I contact you again?
- 17) Would you like to have a copy of the final thesis?