

UNDERSTANDING USER PARTICIPATION IN SHARING ECONOMY SERVICES

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ABSTRACT

In recent ten years, sharing economy has had continuous long-term development throughout the world, and become the latest irresistible commercial economic trend sweeping global economy and society. Its main spirit is to lease currently-unused items to other people in need. In this way, idle assets or devices are used to make money and profit. Meanwhile, sharing economy exerts increasing influence on each industry under the impetus of technological progress such as internet technology, social media, network community, client side and mobile terminal device. Therefore, business managers urgently need to know consumers' sharing-economy-related motivations and demands to seize the opportunity in future commercial trend. In the same way, it can be found in many areas of social and economic services/activities. Especially the sharing economy is the young user favorite talking point in many transportation/travel circles now, such as Didi Chuxing, Uber, sharing cars and homes, and EatWith grows in popularity and reach. However, the sharing economy is still in a newbie state, so a review of the extant literature suggested that relatively little research has been known about it. By exploring the existing and potential users, the purpose of this research is to analyze the effects of impact perceptions on word of mouth, convenience, trust, privacy risk, and intention to participate in sharing economy services. The questionnaire was examined with 118 active users who have participated in car-sharing economy service with Didi Chuxing. And then measured with structural equation modeling (SEM), and confirmatory factor analysis (CFA) was also applied, using SmartPLS 2.0, to examine if the empirical data conform to the proposed model. Our results provide empirical evidence that Trust, word of mouth, convenience, and privacy risk influence the users' intentions to participate in sharing economy services. All the results of this study with implications for theory and practice would be further discussed, too.

INTRODUCTION

Sharing economy, a newly emerging tide of economic pattern, is a creative industrial type that rapidly develops in China, Taiwan and other countries of the world in these years. It can be considered as a system for sharing objects and human resources. With Airbnb and Uber as representative companies, their values exceed 25.5 billion and 70 billion us dollars respectively. Didi Chuxing of China is an up-rising star, value of which is estimated to exceed 50 billion us dollars. It becomes a technologically-innovative enterprise with the second highest estimated value globally, only next to Uber.

Didi Chuxing has great development potential. In spite of quick development of sharing economy, it actually tests trust between people. How does trust form consumer intention and behavioral trend of sharing economy? Which motivations will form consumer's trust? These questions are highly valued in design, information and management fields, and become very important research issues in academic and business circles nowadays.

Previous literature thinks of the concept of trust as a key element to affect a successful collaborative consumption intention and environment [1]. Our study adopts the proposed research model by prior literature, which examines the building and the implications of trust in the e-commerce industry. Therefore, we analyze the implications of trust on the user's intentions on the sharing economy platform of Didi Chuxing. Didi Chuxing is especially proper in the sharing economy context as the mobile application connects complete strangers on temporary notice. This study expects that trust influences the customers' intentions. In addition, we expect that word of mouth and convenience can direct influence the customers' intentions, too. Finally, we expect that word of mouth and convenience are the antecedents of trust in our sharing economy setup.

THEORETICAL FOUNDATIONS AND RESEARCH MODEL

Next, Fig 1 shows this proposed research model. The dependent variable of our study, the intention to participate in sharing economy services (IPSES), defines as a consumer's willingness to base on the sharing, renting, and exchanging of resources (i.e. goods/services) without holding them [1,2]. This article, following Lee et al. (2016) and Hsu et al. (2014), contends that trust is the urgent factor of IPSES.

This article adopts Didi Chuxing which is a typical successful example of car sharing services in China. In sharing economy context, word of mouth involves consumers sharing the suggestion details, their ideas, or reactions about goods/services with other people in life. The positive word of mouth is considered as a powerful marketing medium for companies to influence consumers trust and IPSES. Therefore, the following hypothesis is proposed:

H1 · Word of mouth has a positive influence on consumers trust.

H2 · Word of mouth has a positive influence on consumers intention to participate in sharing economy services.

In the present condition, sharing economy services based on information and communication technology proposes the motivations of consumers' participation in sharing economy

such as convenience, economic benefits and trust. Therefore, the hypothesis is showed:

H3 · Convenience has a positive influence on consumers trust.

H4 · Convenience has a positive influence on consumers intention to participate in sharing economy services.

Similar to other forms of e-commerce dealings, participating in services and transactions with strangers often requires inputting detailed personal information, which induces critical concerns about the privacy risk of consumers. Lastly, this hypothesis is indicated:

H5 · Privacy risk is negatively related to consumers trust.

In general, trust is regarded as a critical determinant of consumer's behavior. In particular, in the sharing economy context consumers trust may turn to one of the critical factors in conducting person to person deals. Thus, this hypothesis is suggested:

H6 · Consumers trust is positively related consumers intention to participate in sharing economy services.

RESEARCH METHODOLOGY

The questionnaire was standardized using a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5) for all measures. These survey items of study were adapted from the prior literatures. This proposed model was investigated and collected with data from 118 members of Didi Chuxing. For this proposed research model of data analysis, based on the viewpoints of prior literature [3-5].

As for reliability, the result shows the reliability of constructs. The composite reliability ranges from 0.94 to 0.87 and Cronbach's α ranges from 0.91 to 0.77. Next, as for validity, the factor loading ranges from 0.84 to 0.96, composite reliabilities ranges from 0.94 to 0.87 and AVE ranged between 0.85 and 0.69. All reliability and validity is satisfactory since all factor loadings are significant. These samples indicate the sufficient validity value. Fig 1 summarizes the results of the research model and hypotheses support ,and indicates the analysis of the structural model.

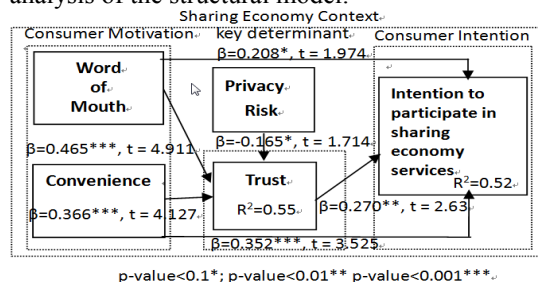


Fig. 1 Research Model and Model Analysis Results

DISCUSSION AND CONCLUSION

Success of sharing economy depends on whether consumers have intention to participate in service of sharing economy. Therefore, decisive factors that can effectively enhance existing consumers and potential consumers' intention of participating in sharing economy service have become important research issues to be urgently known by business managers of sharing economy. Consequently, on the basis of integrating viewpoints about trust, this study conducts in-depth

analysis of decisive factors that influence consumers' intention of participating in sharing economy service. This study demonstrates two motivations, public praise and convenience, can form consumer's trust. Additionally, consumers' privacy risk will exert negative influence on their trust, thus to reduce the degree of trust and affect consumer's intention of participating in sharing economy service. Results show six hypotheses proposed by this study are all tenable. Based on hypothesis verification results, following academic and practical suggestions are proposed:

First of all, this research finds consumers' public praise, convenience and trust will have significant positive influence on their intention of participating in sharing economy service. Furthermore, public praise, convenience and other motivations will also form consumer's trust. Therefore, according to research results, business managers should focus on and improve consumer's experience and feeling during sharing journey, such as attitude and clothes of driver, grasping of vehicle condition, accuracy of estimating price, accuracy of GPS positioning of getting-on and getting-off location, installation, use and convenience of APP, simplification of payment mode (e.g. cell phone NFC tap-and-pay, payment with face), and etc. All these factors influence consumers' positive evaluation and trust degree, as well as consumers' subsequent intention of participating in sharing economy service. Secondly, this study finds privacy risk has significant negative influence on consumer's trust. Business managers must pay attention to security of consumers' personal data privacy, because consumers only install APP and use its service after they trust the service provided by sharing economy company. As a result, for various kinds of device use platforms and cloud data banks, safety protection must be reinforced. Diversified remote services shall be provided considerably. Above strategies are the only ways to enhance consumer group. They also mean that business operators will increase the chance of consumer's participation in sharing economy service and further cultivate consumer as loyal client if they can know consumers' public praise, convenience, trust and real demands. Future researches can be directed at user's other social characteristics, peculiarity and literature discussion, to observe whether there is possibility of adding other never-considered potential variables or important indicators to seek more complete and accurate research mode.

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