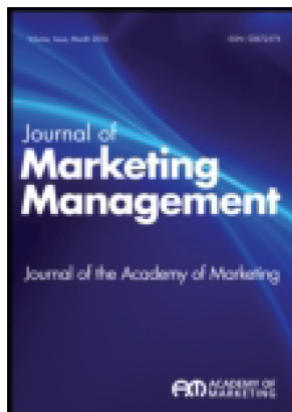


Understanding co-creative consumers' psychological ownership in the sharing economy

Dr Tom Chen
Newcastle Business School

Time: 11.10 - 11.25
Profile 22



Journal of Marketing Management

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rjmm20>

Experience sharing

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Version of record first published: 23 Nov 2012.



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Are Smart Future Cities Sharing Cities?



Overview

- Sharing Economy
- Value Co-creation & Value Initiation
- Psychological Ownership
- Ownership of Value Initiation (OVI)



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Ten-year-old Etsy has 19 million active shoppers, doesn't own a single factory, warehouse, or showroom, had an IPO for \$3.3B



Eight-year-old Lending Club has issued over \$7B in P2P loans, doesn't own a single bank, branch or ATM and is valued at \$7B



Seven-year-old Airbnb has over 23 million guests, doesn't own a single bed, bath, or bar, and is valued at \$20B



Six-year-old Uber had 140M rides in 2014, doesn't own a single taxi, cab, or town car and is valued at \$40B



In the next 10 years, PwC predicts the Collaborative Economy will grow from \$15B Revenue to \$335B Revenue

Sharing Economy / Collective Consumptions



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What's mine is yours ...

- The peer-to-peer-based activity of **obtaining, giving, or sharing the access** to goods and services, coordinated through community-based online services (Hamari, Sjolint & Ukkonen 2015, p. 1).
- Felson and Speth (1978) define acts of collaborative consumption as “those events in which one or more persons consume economic goods or services **in the process in joint activities with one or more others**” (p. 614)

Service Co-creation & Sharing Economy



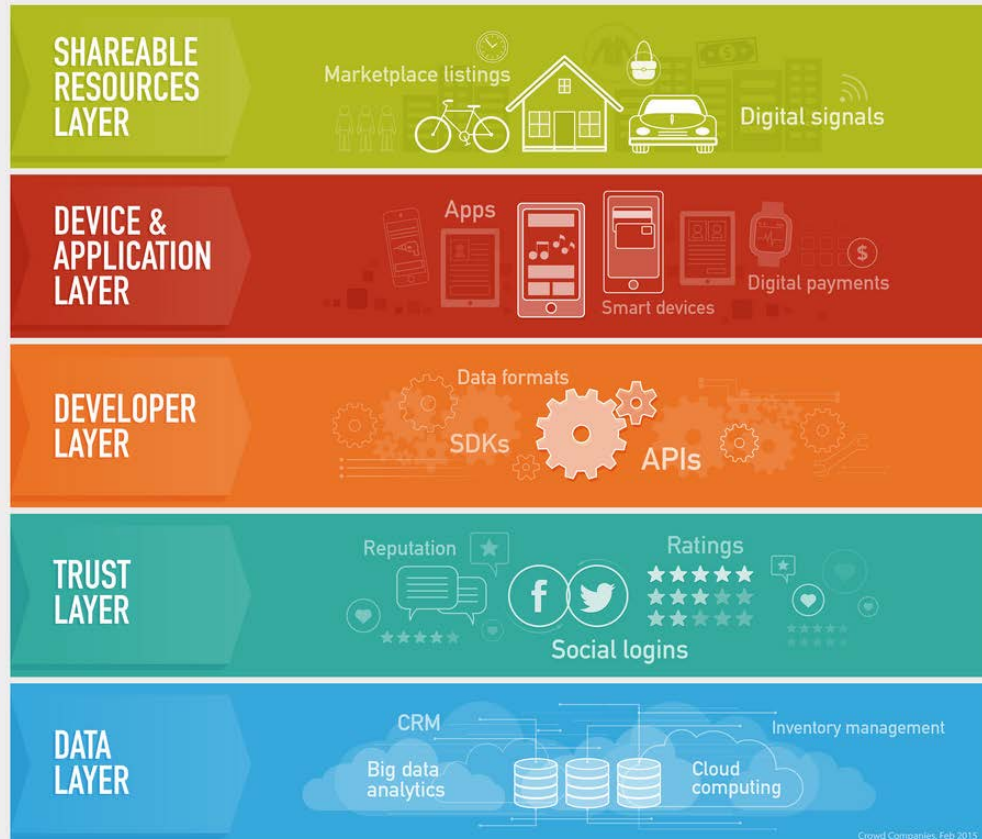
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- Socio-economic Ecosystem
- Co-creation & Facilitation
- Engagement Platform
- Access, Share, Own
- Underutilised/ Idled Resources

Collaborative Economy Technology Stack Version 1.0

The Collaborative Economy is an economic model in which people use commonly technologies to get what they need from each other. While the movement spans the Maker Movement, Crowdfunding and more, this diagram is focused on the Shared Economy. There's a number of ubiquitous technologies found in our own pockets that enable this shared movement, and a few that are not as obvious, hidden in the background, this graphic illustrates them in one view.

By Jeremiah Owyang, jeremiah@CrowdCompanies.com (@jowyang)
with guidance from Chris Saad, @ChrisSaad, and Rahim Fazal (@RahimTheDream)



GoGet for Me



“We use GoGet instead of having our own car.”

Problem

Evan and Jennifer wanted to downsize after returning from a holiday, but still need a car to get the kids around and to go to work, which means they often both need a car at the same time.

[See Solution >](#)

RidePal™



Smarter parking
ParkatmyHouse

Value co-creation

- Value co-creation is defined as the ‘benefit realized from integration of resources through activities and interactions with collaborators in the customer’s service network’ (McColl-Kennedy et al. 2012, p. 375).



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Demand for Co-creation- Changing Business Models and Consumption Practices

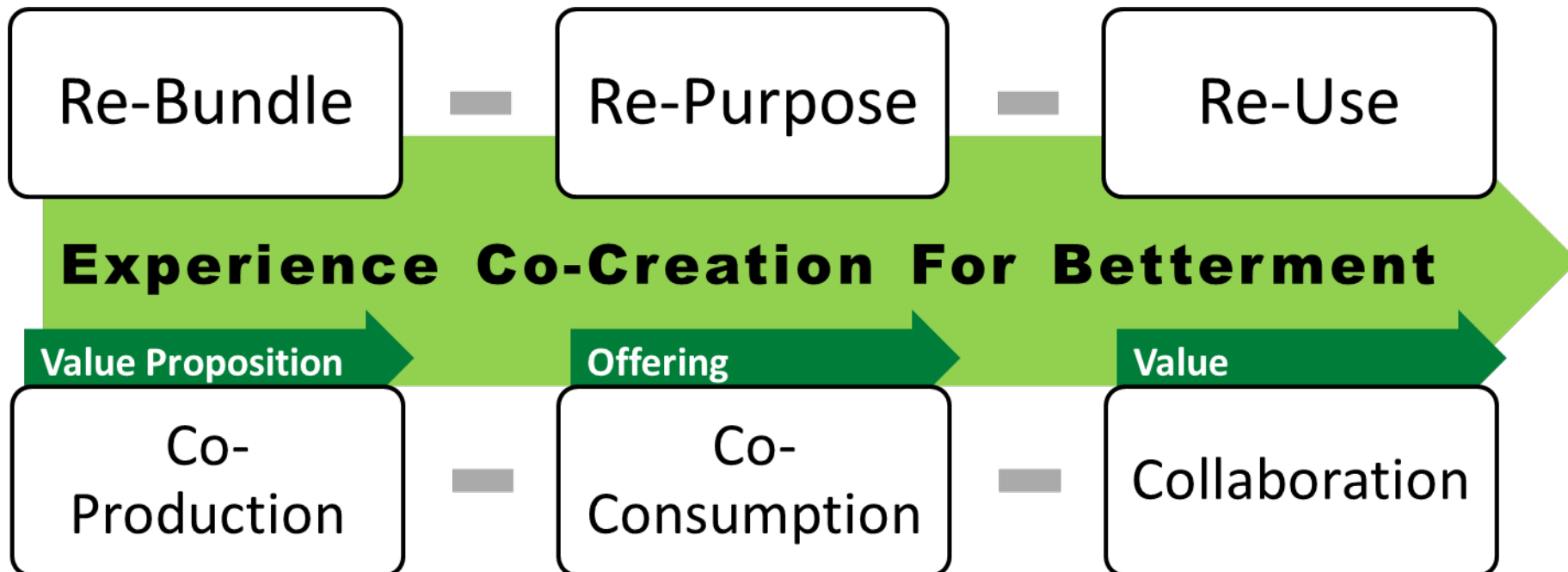


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Value Initiation

Definition: “The iterative process by which an engaging actor **opens up and actively engages in resource integration processes with others** while transitioning from value creation to co-creation for achieving various betterment outcomes.”

(Chen et al. 2015)

With regards to value initiation:

- (1) actors might anticipate in advance the benefits to co-create;
- (2) actors may not recognize that they are in a co-creation status;
- (3) actors might co-create due to altruistic motives.



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Psychological Ownership (PO)

- Psychological ownership is defined as “a psychologically experienced phenomenon in which an employee develops **possessive feelings** for the target ([Van Dyne & Pierce, 2004, p. 439](#))”.
- The conceptualization focuses on ownership as a possessive feeling for an object. Feelings of possessiveness are a complex state that consists of affective and cognitive components (Pierce et al., 2003).
- Individuals can experience feelings of ownership for objects that they **may or may not legally own**.



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Psychological Ownership Roots

There are four key human needs as motives that aid the development of psychological ownership (Pierce and Jussila 2011; Pierce 2009; Pierce 2002):

1. **Efficacy and effectance** : possessions enable individuals to affect desired outcomes and explore or **control** their environments.
2. **Self-identity**: symbolic self-expressions and helps individuals to develop and maintain a self-identity.
3. **Having a place**: individuals to possess a space and helps satisfy inherent territorial needs.
4. **Stimulation**: individuals have a need for stimulation and activation. Possessions can serve as a source of stimulation.



Psychological Ownership Routes

- Three experiences that give rise to ownership feelings (Pierce 2001; 2003):
 1. **Exercise of Control:** Exercising control over target of ownership leads to objects being perceived **as part of one self**.
 2. **Knowing a target intimately:** Knowing a target intimately creates psychological attachment that conveys ownership meanings of psychological possession.
 3. **Investment of the self:** individuals develop a sense of ownership and **responsibility** (Avital and Vandenberg 2000) for an object through investment of the self and personal resources.



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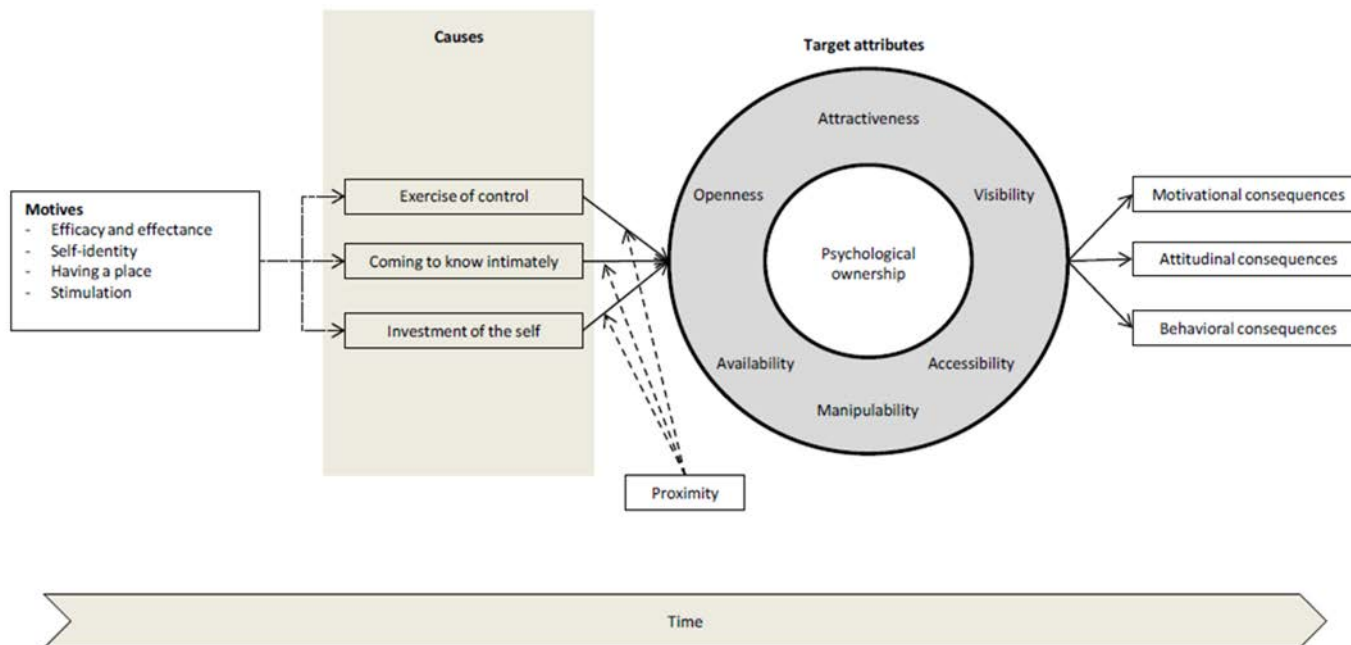


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Jussila et al. 2014



- Theory of psychological ownership in a marketing context



Psychological Ownership (PO)

- Psychological ownership represents a bond that individuals may hold towards a target, and ownership for an employee can be towards their job or their organization ([Avey, Luthans, & Jensen2009](#)).
- A target of attachment can be tangible or intangible, and towards an individual or a group.
- A cognitive affective state and linked it to positive psychology. A **positive resource** in which employees feel **responsible** for decisions that they make for the organization they work for.
- Psychological ownership can produce increments in **extra-role behaviours** (Mayhew et al., 2007)



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Value Initiation

Definition:

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(Chen et al. 2015)



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Ownership of Value Initiation & Co-creation in Service



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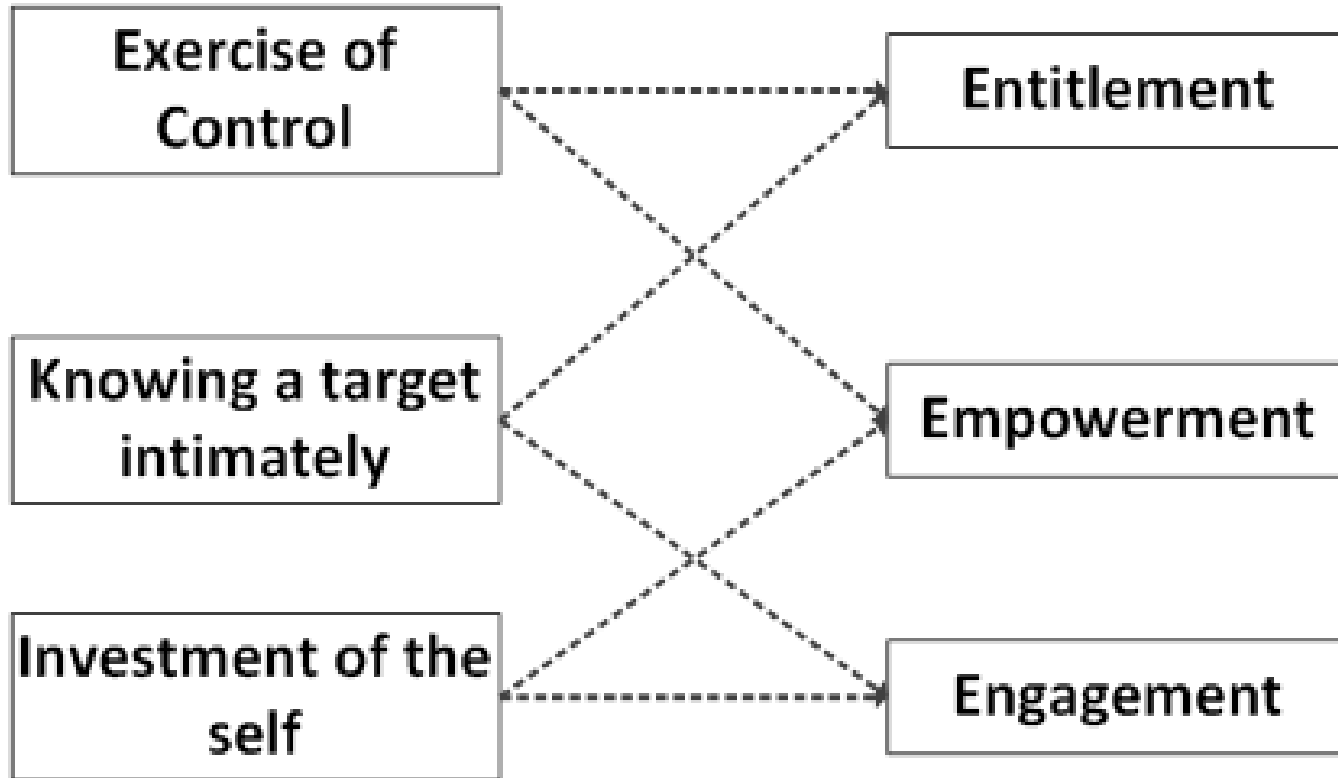
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- Ownership of Value Initiation (OVI) is grounded on Psychological Ownership (PO) literature.

Definition: “a psychological state of mind consisting of entitlement, engagement, and empowerment emerging from a co-creation relationship, system, or environment.” (Chen et al. 2015)

- **Entitlement** is an affective and motivational imperative psychological-cognitive state.
- **Empowerment** is a psychological-cognitive state of mastery and control.
- **Engagement** reflects a psychological-cognitive state of effortful and active cognitive processing and involvement.

Experiential Routes



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What is OVI



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The conceptualisation of OVI contains several properties of the construct:

- (1) OVI is a psychological state of mind that occurs most frequently in the contexts of co-creation.
- (2) The psychological state of mind is shaped by an amalgamation of the environment, personal traits, and relationships. Thus, OVI represents psychological-cognitive state of mind as opposed to stable personality traits.
- (3) The facets of OVI suggest the construct is situational and developmental such that consumers' ownership will vary in different situations such as experience and timing. Under distinct situations, each element assumes different significance to influence consumers' sense of ownership. For example, consumers who develop a stronger relationship with other actors may develop psychological ownership via higher levels of engagement and empowerment.

OVI Outcomes

- Share
- Own
- Access

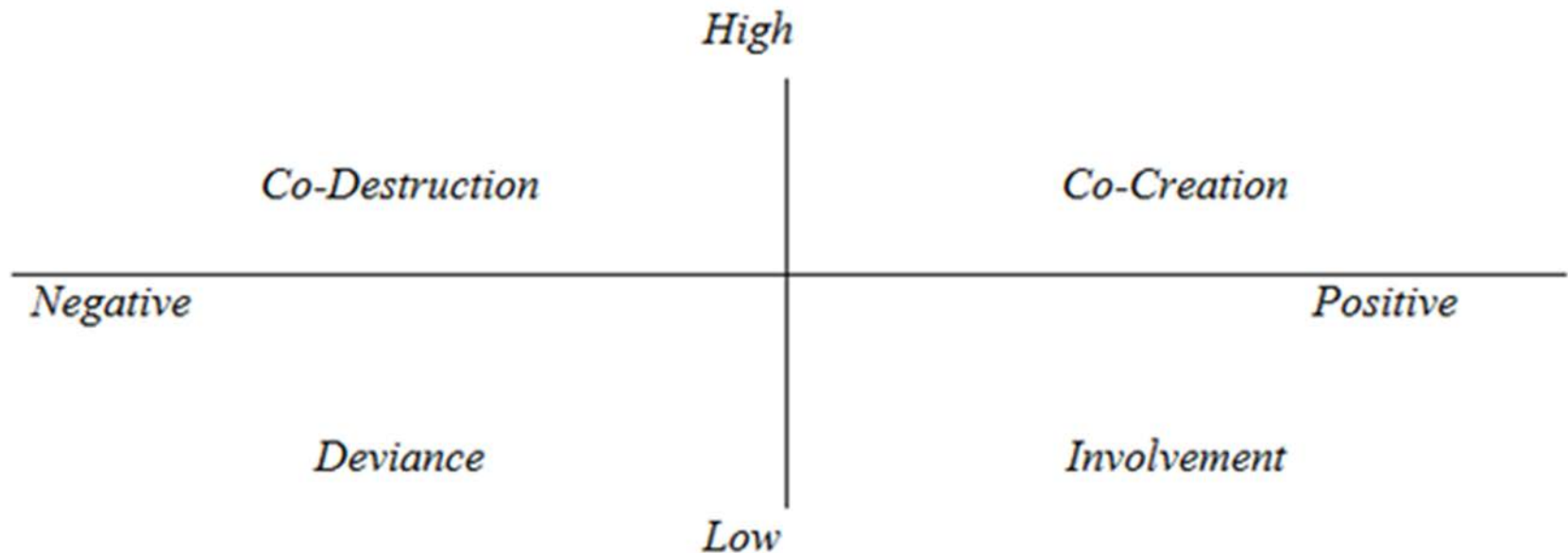


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Driverless Car Issues: Mine or ours?

- Control: Who has the control?
 - Liability: Who is accountable when there is an accident?
 - Privacy: What data is shared? And with whom?
 - Responsibility: Car maintenance
- ... etc



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