

**PERCEPTION OF CONSUMERS ABOUT “ONLINE RENTING SERVICES”: AN
EMPIRICAL STUDY**

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Abstract: -

The sharing economy is an emerging sector in today's Era. The philosophy of ownership has been outmoded by the desire to gain better experiences by sharing resources. Currently, people are revolving to renting everything i.e. Furniture, Fashion Apparels, Agricultural Equipment & Machinery, Medical Accessories, Properties, Pet Animals and Home appliances are no exception. It gives you access to various utilitarian products, without the burden of buying and maintenance. Due to exponential growth in the Indian economy, most people prefer to migrate to developing metro cities to explore new job opportunities, higher education, business needs, etc., and it becomes very difficult for them to carry their possessions. There are many factors which play a vital role in creating overall perception regarding online Renting services. India is an emerging market for these online renting services. According to the Internet and Mobile Association of India (IMAI), internet users in India are expected to reach around 900 million till the end of 2025. (Economic Times). As online renting business is a part of the service sector, aesthetics and utility of products are key roles in creating perception. Due to the large number of service providers, consumers are ambiguous about these online renting services. This study shades light on the perception of customers belonging to different classes and groups.

Keywords: -

Online Renting Services, sharing economy, perception, services, B2C businesses.

Introduction: -

Online renting services are one of the emerging sectors in India. Due to exponential growth in the Indian economy, most people prefer to migrate to developing metro cities to explore new job opportunities, higher education, business needs, etc., and it becomes very difficult for them to carry their belongings such as home appliances, furniture, home wares, etc. to new places. Therefore many people prefer to avail such goods on rent. Some of the companies operating in India in home appliance rental markets are Rentomojo, CityFurnish, Furlenco, Rentickle, GrabOnRent, RentOnGo, Pepperfry, Fabrento, Guaranteed, etc. In the last few years, electric appliance rental market has witnessed the emergence of several new start-ups such as RentOnGo, Fabrento, among others. Additionally, customers from tier one cities are witnessing significant adoption of electric appliance rental. After the success of electric appliance rental in tier one cities, companies are eyeing tier 2 and tier 3 cities in order to increase their share.

India's rental industry may be highly shattered, but it forms around ten percent of the global figure. A bunch of online rental start-ups have come up, in popular categories such as furniture, electronics, home appliances, cars, and fashion, to cater to the burgeoning demand. Sidhant Lamba established a firm in 2016 in New Delhi named Fabrento provides rental services of furniture for rent at reasonable prices with free delivery, setup, and installation. (Times of India dated – Dec 2022). The company received funding from Continental Group, a multinational group having various business units under its flagship with a presence in more than 15 countries. Traditionally, people in India always wanted to own things and renting was considered as wastage of money. This mind-set of Indian customers however, has started to take a drastic turn as online rental platforms have started to crop up at a rapid pace. The explode in this industry can be attributed to the fact that in the last four years, around more than hundred online rental service providers have come up to cater to the wide range of demands from

bikes and cars to books, clothes, and even household commodities such as table lamps and beds. However, on the other side of this emerging rental economy is the monumental slump that the manufacturing sector is experiencing. Manufacturing rates went down to a dismal growth rate of only 0.6 percent in the first quarter of the year 2019 from 3.1 percent during the fourth quarter of the year 2018. Though the rental economy is still much smaller than the manufacturing sector, the shift in traditional habits of owning assets to renting them can be attributed to the average age of India's population and the migration patterns among the youths to move to tier I cities for better job opportunities. Thousands of such youths are now using online renting and sharing services to hire an array of products – furniture, consumer appliances, vehicles (two wheeler, four wheeler, and passenger vehicles), designer wear, and even art pieces. (<https://www.theindustryoutlook.com>).

Koufaris, Kambil, and LaBarbera (2002) state that consumer perception is significant for businesses because when it comes to online marketing, consumers' use the website as their information system and also regard it as a full representation of the store. Due to the large number of services provider's apps and websites, consumers are having ambiguity in their minds related to online renting services. Working class, Migrants and Students prefer to avail rental services like Furniture, Home Décor and Home appliances, Clothes, Vehicles and Pet animals through various apps and websites. It is the basic need of customers to have a user friendly interface of websites and mobile apps with clear and authentic information about rental services. There are many online renting services available in the market. Customers are always in search of cash back or money saving offers and discounts. Hence to provide the right offer at right is the biggest challenge that these firms face. As this is an emerging sector, a lot of new things are expected to come where consumers will be delighted by new innovative and creative ways.

Literature Review:-

Sabine Moeller and Kristina Wittkowski (2010) Investigated the purpose of German people for renting the goods and services and explored the different elements of renting like, Demand of the people for premium and up to date products, great desire to Experience the new variety of products and awareness about the Environment. These three determinants are the driving force towards renting rather than buying goods as well as services. Through the factor analysis and structural equation modeling found various determinants of a preference for non-ownership modes of consumption and also evaluated these determinants and explored the changes in consumer preferences that are likely to impact upon the existing business models of transaction-based retailers and service providers. Importance of possession, experience orientation, price consciousness, convenience orientation, trend orientation and environmentalism are the determinants of consumer perception. Through this study researchers concluded that the price-conscious, experience-oriented, or environmentally aware consumers are specifically not ready to clinch the non-ownership of goods and services.

Consumer perception about online shopping is biased on the five dimensions of online shopping convenience and these five dimensions are: access, search, evaluation, transaction, and possession/post-purchase convenience. For consumer convenience the user-friendly websites, Very simple and flexible methods of payments and supply of goods and return policies plays a crucial role in developing consumer perception. Marketers should identify the gap in between consumers' expectations about online shopping and the services provided by the online retailers. Hence to improve performance of online shopping the consumer expectation and perception monitoring is indispensable. Ling (Alice) Jiang, Zhilin Yang and Minjoon Jun (2013)

Stacy H. Lee and Ran Huang (2020) Online fashion renting, one of the types of collaborative fashion consumption, is not fully explored in the various economies. To explore the motive behind the online fashion renting Reasoned Action TRA and Innovation Diffusion theories are more effective. Attitude of consumer and subjective norms are the main positive forces behind online renting fashion. There are some other factors like environmental awareness, personal innovativeness and fashion consciousness having a positive influence on online fashion renting. Price conscious consumers not

actively participating in collaborative consumption, because they feel that the consumption will not provide the financial benefit. Consumers are more conscious about personal innovativeness and fashion so that the service providers should incorporate some features in their communication plan to create a positive image in the market.

Hyejune Park and Min-Young Lee (2022) studied the impact of COVID 19 Outbreak on Online Apparel Rental consumption. Identified and Evaluated the various determinants of Online Apparel Rental services during the COVID 19, these are shopping convenience, special occasion, affordable access, never wear the same dress twice, try before you buy. They suggested that retailers can use the OAR Model as a tool for understanding the consumer perception about Online Apparel Rental services.

The TAM theorizes that two important beliefs about latest technology consist of perceived ease and perceived usefulness determining a consumer's attitude and/or intention to adopt new technology (Davis, F.D 1983.) Belk observed the concept of the sharing economy by differentiating it into pseudo and pure sharing. Habibi, M.R. Davidson, A. Laroche, M (2017) lengthened this to the sharing/exchange continuum. This was done to present exact strategies to companies that have experienced many failures by executing undifferentiated sharing economy marketing approaches without an accurate understanding of the sharing economy. The sharing/exchange continuum helps to efficiently employ marketing funds based on pure understanding by learning the characteristics of real noble sharing, economy exchange and the middle concept of dual mode. Akbar, P. Mai, R. Hoffmann, S. 2016 According to This study commercial sharing economy service, or rental service, is a diversified system of both consumption and consumption control which fulfill the aspiration for consumption although providing the means to use one's personal resources to a minimum.

Yupal Shukla, Sita Mishra, Ravi Chatterjee, Vibha Arora (2023) Explored experiences of "rental consumption," and studied the concepts of consumer understanding and unfussiness, apparent reputation, ascription responsibility, and perceived consumer effectiveness with the moderating role of consumer skepticism.

Consumers can experience the benefit of fashion rentals by participating in collaborative consumption. This phenomenon of renting allows consumers to try new fashion also to change the looks and stay updated with modern Fashion. (Lang and Armstrong, 2015; Peterson and Riisberg, 2017)

Objectives of the Study:

- To study the perception of consumers about online renting services.
- To study the demographic profiles (Gender, Age, Income, Education) of consumers with respect to online renting services

Research Methodology-

Heterogeneous samples that prefer to avail rental services through website and mobile apps are considered in this research. Survey was conducted and questionnaires were circulated among the people who use online rental services frequently. Research was conducted in Pune city (Maharashtra state) and nearby areas where the educated crowd is having a strong presence. Most of the respondents were working professionals, migrants and students. A self-structured questionnaire was developed to collect quantitative data comprising different parameters of perception. The objective of this research is to study the perception of consumers regarding online renting services.

Data Interpretation/ Analysis-

Demographic Profiles- Comprise of gender, age, income, education qualification and occupation.

Profile of respondents-

Sr. No	Characteristics	Frequency	Percentage (%)
1.	Gender Male	117	78

	Female	33	22
2.	Age		
	18 to 24 years	53	35
	25 to 34 years	84	56
	35 to 44 years	13	9
3.	Educational Qualification		
	Doctorate	2	1
	Post-graduate	102	68
	Graduate	39	26
	Under Graduate	5	4
	Others	2	1
4.	Monthly Income		
	Less than 10,000	57	38
	10,000 to 25,000	17	11
	25,000 to 35,000	21	14
	35,000 to 45,000	34	23
	More than 50,000	21	14
5.	Occupation		
	Student	63	42
	Employee	75	50
	Self-employed	5	3
	Businessmen	4	3
	Others	3	2

Reliability Analysis- This test is usually taken to measure the overall consistency of sample size. Sample size is 150. Test was conducted using SPSS.

Cronbach's Alpha	No of Items
.849	15

Table-1

As per reliability test, (Table-1) value is more than 0.5 ($0.849 > 0.5$). Hence the data collected for research is reliable for further research.

Normality Test- This test is performed to test the distribution of collected data. Skewness and Kurtosis value is considered to validate the equal distribution of data.

Valid	150
Missing	52
Skewness	-.191
Std. Error of Skewness	.198
Kurtosis	-.257
Std. Error of Kurtosis	.394

Table- 2

Value of Skewness = $-.191$ and Value of Kurtosis = $-.394$. Since the value is between $+1$ and -1 data is considered as normally distributed.

1) Hypothesis 1

H0: There is no significant difference in the perception of gender about online renting services

H1: There is significant difference in the perception of gender about online renting services

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Total	Equal variances assumed	0.695	0.406	1.269	148	0.203	2.18611	1.72207	-1.2169	5.58913
	Equal variances not assumed			1.356	59.803	0.18	2.18611	1.61223	-1.0391	5.41126

Table -3

The output of T- test explains that P value 0.206 (table- 3) is greater than 0.05 ($0.05 < 0.203$), Therefore we use EVA (Equal variances assumed) that is 0.203. Hence we fail to reject the null hypothesis H_0 . Therefore we can state that there is no significant difference in the perception of gender about online renting services. H_0 .

2) Hypothesis 2

H0: There is no significant difference in the perception of customers about online renting services with respect to different age group.

H1: There is a significant difference in the perception of customers about online renting services with respect to different age group.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1779.9	3	593.3	8.762	0.0
Within Groups	9885.84	146	67.711		
Total	11665.7	149			

Table-4

As per the ANOVA test conducted with reference to different age group, significance value is less than 0.05 that is 0.0 ($0.05 > 0$), (table- 4) hence we reject the null hypothesis H_0 . Therefore we can state that there is significant difference in the perception of consumers about online renting services with respect to different age groups H_1 .

3) Hypothesis 3

H0: There is no significant difference in the perception of customers about online renting services with respect to income.

H1: There is a significant difference in the perception of customers about online renting services with respect to income.

ANOVA

Total					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	353.294	4	88.323	1.132	0.341
Within Groups	11312.4	145	78.017		
Total	11665.7	149			

Table-5

As per the ANOVA test conducted with reference to income, value 0.344 (table-5) is greater than 0.05 (0.341>0.05), therefore the test fails to reject the null hypothesis H(e)3. Hence there is no significance difference in the perception of consumers about online renting services with respect to income.

4) Hypothesis 4

H0: There is no significant difference in the perception of consumers regarding online renting services with respect to educational qualification.

H1: There is a significant difference in the perception of consumers regarding online renting services with respect to educational qualification.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	983.131	4	245.783	3.336	0.012
Within Groups	10682.6	145	73.673		
Total	11665.7	149			

Table- 6

As per the ANOVA test conducted with reference to educational qualification, value 0.012 (table-10) is less than 0.05 (0.012<0.05). Hence we reject the null hypothesis H(g)4satisfies the test. Therefore there is a significant difference in the perception of consumers regarding online renting services with respect to educational qualification H(h)4.

Conclusion / Findings

As the study was conducted in the Pune city and nearby areas, findings and conclusions cannot be generalized. Study revealed the fact that there is no significant difference with respect to gender, hence it can be assumed gender will not play a vital role while considering the perceptual mapping with regards to online rental services. Age is also an important element of demographics while studying the rental services. This research proves that there is a significant difference with respect to age regarding online rental services. Hence online rental service providers should consider age as an important variable while formulating marketing strategies. As the younger generation is more attracted towards such services, they are also price and quality conscious about renting services. Proper age wise segmentation will definitely drive these companies to earn high profits. Customers prefer to pay more attention to aesthetics, quality and durability of the products. Hence there is no significant difference in the perception of consumers about online renting services with respect to different income groups. When educational background was considered for the research it was found that there is a significant difference with respect to online rental services. Hence Educational background plays a vital role because most of the millennials do not prefer preminent ownership of the product and services as they frequently relocate for employment opportunities.

Scope for Further Research

As this research covers only a small geographical part, further study can be broadened by covering a large part of the area where more hidden areas will be discovered to study. As this is an emerging sector there is a lack of awareness among the general population so further study can be conducted on awareness of these services. As various products and services are available on rental basis, customers are ambiguous about the packages and return policies assigned by the providers. As this research is restricted only for the B2C market further research can be done on B2B Market. Further research can be conducted on psychographic profiles which comprise Lifestyle, attitudes, personality, social status, Opinion, Interests and activities of Consumers.

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