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# Access Over Ownership – Trust and Sustainability in Evolving Consumer Preferences

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ABSTRACT

**Background:** The sharing economy (SE) has transformed traditional consumption patterns, emphasizing access over ownership. Digital platforms have expanded the scope of sharing beyond close social circles, creating an ecosystem where trust and sustainability play a crucial role. While prior research has explored the economic and technological drivers of the SE, there is a growing need to understand the psychological mechanisms influencing consumer participation. Self-Determination Theory (SDT) and the Mindset Theory of Action Phases (MAP) offer insights into the motivational and cognitive factors driving individuals toward shared consumption.

**Purpose:** This study examines the interplay between trust, sustainability, and consumer attitudes toward the sharing economy, exploring how intrinsic and extrinsic motivations shape participation. Specifically, it investigates how psychological needs and mindset shifts influence engagement in SE platforms and whether sustainability concerns act as a moderating factor.

**Methods:** A quantitative research design used structural equation modeling (SEM) to analyze survey data from respondents. The study develops and tests a conceptual framework linking trust, sustainability, and consumer motivation, incorporating latent constructs derived from SDT and MAP.

**Results:** Preliminary findings indicate that trust significantly mediates consumer willingness to participate in SE platforms. Sustainability considerations also enhance participation, particularly among consumers with strong intrinsic motivation. The results further suggest that individuals with a deliberative mindset are more likely to engage in SE when sustainability benefits are evident, while those with an implemental mindset focus more on trust and economic incentives.

**Conclusion:** This study contributes to the growing discourse on consumer psychology in the sharing economy by integrating motivation theories with sustainability and trust factors. The findings have practical implications for platform designers and policymakers seeking to foster greater participation in SE models.

## 1. Introduction

Strengthening trust mechanisms and emphasizing the sustainability benefits of shared consumption can enhance user engagement and promote a more resilient SE ecosystem. Sharing is deeply embedded in social networks and daily life, encompassing various products and services (Zaglia, 2013). In Lebanon, shared transportation and power generation were widespread even before the advent of digital platforms, while in Malaysia, religious centers prepare and distribute food to the community throughout the year. The act of sharing, along with the mindset that underpins it—including both decision-making and action—gets shaped by historical and cultural traditions, economic conditions, intra-community interactions, belief systems, and social obligations (Sapkota *et al.*, 2018). For instance, indigenous communities in Malaysia uphold a strong ethic of sharing, not only habitually distributing natural resources obtained from hunting but also sharing purchased essentials such as rice, sugar, dried fish, and salt. This embedded culture of sharing fosters trust within the community, ensuring that resources are distributed fairly and efficiently.

The rise of the internet and digital technologies has transformed traditional notions of sharing, contributing to the growth of the sharing economy (SE). SE is a marketplace where individuals share and exchange underutilized assets (Koopman, 2014). With increasing internet adoption, societies are becoming more flexible, cost-conscious, and open to new digital opportunities. While sharing was once limited to family and close social circles, digital platforms have expanded to include local partners, neighbors, strangers, and distant individuals (Koen Frenken, 2017).


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This expansion has placed trust at the core of digital sharing models, as individuals rely on ratings, reviews, and platform guarantees to feel secure in exchanging goods and services with unknown parties. Businesses within the SE model recognize that building trust enhances user engagement, creating long-term sustainability by fostering loyalty and reducing perceived risk.

The burdens of ownership—something any homeowner can attest to—also contribute to a shift toward shared ownership, particularly as technological advancements accelerate (Belk, 2007). Recent studies suggest that modern sharing behavior is influenced by factors such as credibility, reliability, convenience, confidence, and economic conditions (Kong & Wang, 2020; Shiau & Luo, 2012). Government policies, changes in religious or cultural beliefs, economic incentives, and technological advancements also shape the evolving mindset of sharing (Inglehart, 2020). In addition, sustainability has emerged as a critical driver, as more consumers recognize that sharing minimizes waste, reduces carbon footprints, and promotes more responsible consumption. The SE model promotes circular consumption patterns that align with global sustainability goals through car-sharing, co-working spaces, or rental-based fashion platforms.

While some view this shift as heralding a new era of altruism enabled by digital connectivity, others argue that such acts are primarily driven by self-interest (Belk, 2007). Regardless of the motivation, the SE model reinforces trust and sustainability, creating a system where individuals share resources for economic benefits and long-term environmental and social impact. Given the complexity of consumer attitudes toward sharing, this research aims to identify key factors influencing the sharing mindset while assessing how trust and sustainability shape the evolution of modern consumption behavior.

## 2. Literature Review

### *2.1. Theoretical Background*

At the heart of understanding human behavior in the sharing economy lies the Self-Determination Theory (SDT), a robust framework developed by Deci and Ryan in 1985. SDT suggests that people are driven by three core psychological needs: autonomy (the desire to feel in control of their choices), competence (the need to feel capable and practical), and relatedness (the longing to connect with others). These needs shape whether our motivations come from within (intrinsic) or are influenced by external factors (extrinsic). For instance, someone might use a car-sharing service because they value sustainability (intrinsic motivation) or because it is cheaper than owning a car (extrinsic motivation). Complementing SDT is the Mindset Theory of Action Phases (MAP), developed by Peter Gollwitzer, which breaks down how people pursue goals into four stages: pre-decisional (weighing options), pre-actional (planning), actional (executing), and post-actional (reflecting). MAP highlights how our mindset shifts from being open and exploratory during the motivational phase to focused and goal-oriented during the action phase. SDT and MAP provide a holistic lens—SDT explains why people are motivated to participate in the sharing economy, while MAP reveals how they move from considering an idea to taking concrete steps.

When applied to the sharing economy, these theories illuminate the intricate combination between motivation and action. SDT helps us see how digital platforms cater to our needs—offering flexibility (autonomy), ease of use (competence), and a sense of community (relatedness). Meanwhile, MAP shows how consumers navigate these platforms, from deciding whether to use them to actively engaging with them. For example, a person might initially consider renting a bike through an app because it aligns with their values (SDT's intrinsic motivation) and then meticulously plan and execute their rides (MAP's actional phase). Similarly, societal shifts, regulations, and trust play pivotal roles—SDT explains how trust fosters a sense of connection, while MAP shows how trust influences goal-setting and follow-through. By weaving together SDT and MAP, this research offers a comprehensive understanding of how societal changes, fueled by digitalization, social trends, and evolving regulations, reshape ownership and consumer attitudes in the sharing economy.

The sharing economy model is dynamically extending and continuously expanding due to the ever-growing development of digital technology and changes in customer behaviors. In order to understand the changing mindset and consumer behavior driving the changes in business models, a "Research Framework" was introduced. As a result, the paper will focus on six possible and distinguishable factors, namely, digitalization, social changes, sharing of information, regulations, perceived trust, and environment, and identify the benefits that these societal changes can have to the environment, organization (businesses/government) and society.

### *2.2. Research Framework & Hypothesis*

The rise of the sharing economy reflects broader societal trends, including the increasing importance of sustainability, the desire for community-driven experiences, and the preference for access over ownership. These changes are amplified by digitalization, which has made it easier for individuals to connect, share resources, and access

information. However, the growth of the sharing economy is also influenced by regulatory frameworks and the level of trust consumers place in these platforms. Understanding these dynamics is critical for businesses, policymakers, and researchers seeking to navigate the opportunities and challenges of this evolving landscape.

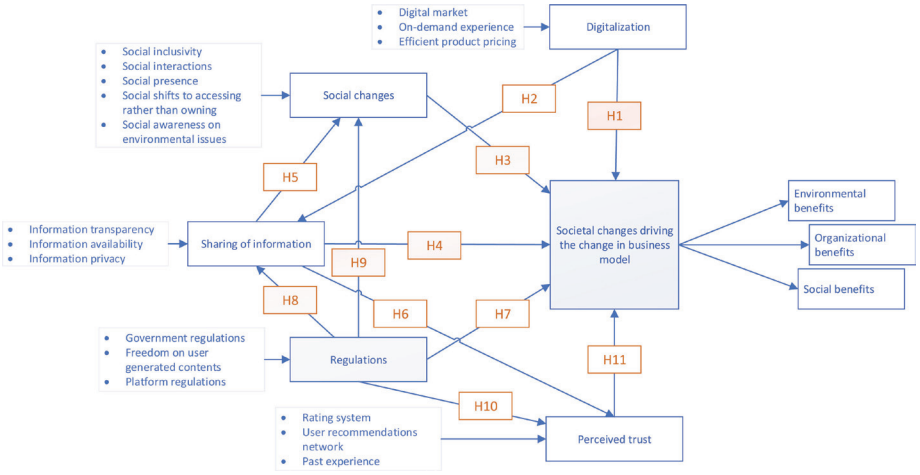


**Figure 1:** Research Framework

### *2.2.1. Digitalization*

ICT is the driver behind the development of a technology-based economy, fueling consumer awareness and increasing social commerce through the development of digital markets; it enables the rise of a new way of consumption, consumption through online platforms. Such consumption encourages renting, trading, and swapping (Juho Hamari, 2015). These activities are essential to the sharing economy, giving rise to businesses such as Airbnb, eBay, and Uber.

As businesses build online services, they become more integrated into the consumer's daily life. The development of a versatile platform permits two parties to meet up at whatever point effortlessly and in any place they wish. This significant increase in value-focused interactions and the flexibility for a direct exchange anywhere from the comfort of a smartphone has driven the sharing economy into numerous individuals' daily lives, changing consumers' consumption patterns (Anthony Quinones, 2015).

These progressions gave rise to a new business model where businesses operate on a single online platform, supporting the meeting of demand and underutilized limited supply. It supports an equal collaboration between individuals for demand and supply to be efficient and effective (Ritter & chanz 2019). A shallow barrier to entry and exit attracts anyone to enter and exit, coupled with perfectly informed participants through the support of IT, prices develop immediately with the conditions of supply and demand and provide services for more favorable pricing. (Buda *et al.*, 2019) researched the impact of the sharing economy on consumer behavior and concluded that favorable pricing is the main argument in a basket of other factors that contribute to using the sharing economy goods or services. Such factors are flexibility, simplicity and transparency, credibility, trendiness, traceability, and reduction in intricate cash movement. Its consumption is usually considered cheaper than non-sharing, and price criteria are decisive for sharing (Moeller & Wittkowski 2010).

### *2.2.2. Social Changes*

Society plays an ever-important role in fostering localness, inclusivity, and sustainability, creating an environment that encourages interaction within and between communities. It is essential to encourage the participation of marginalized and excluded groups, including minorities and individuals with disabilities, to ensure a more equitable and sustainable social structure. Juho Hamari (2015) suggests that communal consumption of underutilized resources in the sharing economy attracts consumers seeking social inclusion. This aligns with sustainability principles by maximizing resource efficiency and reducing waste. Businesses, therefore, aim to create a sense of social and environmental embeddedness by cultivating a strong identity and a shared sense of responsibility among users (O'Regan, 2013).

Airbnb's "community" model exemplifies this approach, promoting social and environmental consciousness through its motto: "One less stranger at a time." The platform builds on values such as kindness, sustainability, responsibility, collaboration, and cohesion (Oates, 2015). Through Sociological Presence, online platforms can enhance

warmth, intimacy, and trust, which are crucial for fostering sustainable consumer behavior (Lombard, 1997). As David Gefen (2004) highlights, trust in online businesses significantly encourages responsible sharing and reduces overconsumption.

The transformation of consumer roles in defining private space, ownership, and sharing behavior has led to an emerging trend where users prefer temporary or shared access to assets rather than sole ownership (Morewedge *et al*., 2021). This shift significantly contributes to sustainable consumption patterns, reducing unnecessary production and waste. People share practices while balancing internal cultural values (autonomy and non-aggressive behavior) and external cultural expectations (shyness and cautiousness in unfamiliar settings). However, in conservative societies where sharing is often limited to within-community interactions, businesses like ride-hailing services tailored for specific user groups have successfully navigated cultural norms while promoting sustainable mobility.

The sharing economy model provides access to goods and services at a lower cost and with a reduced environmental footprint (Sacks, 2011). Hars and Ou (2001) highlight that intrinsic and extrinsic motivations drive participation in shared platforms, with economic and environmental benefits as strong incentives. Luchs *et al*. (2011) suggest that peer-to-peer networks encourage sustainability by optimizing resource use and minimizing waste. Additionally, Schor (2017) emphasizes that a significant driver of participation in the sharing economy is the pursuit of sustainable living practices, such as reducing carbon footprints through resource-sharing and collaborative consumption. As societies increasingly prioritize decarbonization and climate action, businesses that align with sustainability goals, such as circular economy models and carbon-neutral initiatives, are gaining traction.

The sharing economy, when integrated with sustainability principles, not only fosters social inclusion and economic efficiency but also plays a vital role in reducing overproduction, minimizing waste, and promoting responsible consumption. As businesses and consumers shift toward more environmentally conscious choices, the sharing economy's role in achieving a more sustainable and inclusive future becomes even more pronounced.

### *2.2.3. Sharing of Information*

The lack of transparency in sharing economy models compared to traditional models has been one of the chief concerns among users, regulators, and businesses. Traditional business models must provide business files and report activities, allowing for ease of regulations, urban zoning, and taxation (Mathias Lecuyer, 2017). Data released by Airbnb about the impact of its services on communities and cities was criticized as photo-shopped, and it was argued that the company intended to resort to painting a flattering picture (Elliot, 2016). The impact of Airbnb on local house pricing is transparent and significant (Gerdeman, 2018). However, a different paper discussed that the actual impact of Airbnb's market entry to rents remains unknown as it only suggested that Airbnb is responsible for a 4% increase in rents (Segú, 2018). Such discrepancies in data need to be overcome to allow proper regulations to occur. The sharing economy model expects members to put more trust in strangers invited into their personal space, such as a room or car. Therefore, providing complete information on each transaction member will improve the users' decision-making process.

The interpretation or information-collecting stage occurs once users become aware of the sharing economy business. In the mindset theory of action phase, this is called the pre-decisional stage, where Peter (2016) suggests that informativeness in businesses positively impacts trust as it encourages quality, feasible information to be obtained. Gao Y (2010) found that users' perceived trust also increases as the website becomes more informative, and he further relates that informativeness contributes to the customer's change in perception of the vendors' competency, benevolence, and integrity.

Privacy is a fundamental human right; however, its meaning and limits have evolved along with society's development (Solove, 2008). As individuals began to interact online, their 'right to left alone' (Warren, 1890) has evolved into a more nuanced tradeoff, in which the risks related to user data are evaluated against the benefits of participating in the interaction (Egelman, 2013) Both consumers and providers try to achieve an optimal sharing of privacy when they reach a solution that allows both of them to take part in the sharing economy by corresponding to a desired level of exposure to peers and organizations to gain access and allows for an exchange to take place (Giulia Ranzini, Privacy in the Sharing Economy, n.d).

### *2.2.4. Regulations*

The world is a safer and more reliable place because regulations exist (Sundararajan, 2016), making users and service providers feel safer; however, at the same time as a new way of doing business, the administrative mechanisms cannot be the same for companies that have been around for a long time. The lack of norms, standards, customer protection, and government regulation is a genuine concern and could lead to the adjustment of the sharing economy. Today, there is a regulatory debate in New York, Paris, India, and Barcelona on dealing with the negative externalities of communal sharing where the sharing is taking place

(Heimans, 2014). A strict response by the municipality to regulate the home-sharing platforms to prevent unauthorized accommodation is believed to be the solution to social and communal problems (Woolf, 2016). Because the boundaries between the person and the professional are complicated and sometimes not precise enough (Molly & Sundararajan, 2015), all the actors feel a blurring situation that requires a new approach compatible with the vocation of this new economy.

Online participation is "the creation and sharing of content on the Internet addressed at a specific audience and driven by a social purpose." (Lutz, 2014). Verba, Schlozman, and Brady 1995 define participation as an "activity that is intended or has the consequence of affecting, either directly or indirectly, government action." Several conflicting theses on online participation can be distinguished, with most focusing on political participation (Alberta Andreotti, n.d). The critical role of content creation and sharing in online participation is associated "with relatively low barriers to artistic expression and civic engagement" and "strong support for creating and sharing one's creations with others" (Jenkins,2016).

The sharing economy platform put in place a regulation to l*et al*l participants in the sharing have a standard behavior within the platform (Juho Hamari, 2015). Sharing economy platforms have also tightened the participation barrier, as evidence shows that enhanced background checks on participating members and the adoption of additional security measures such as security certificates and safety insurance build a typical behavior among participating members. Based on a survey on willingness to participate in sharing cars and rooms, the most frequently mentioned factors include risk of physical harm (31%); the survey also suggests that the propensity to participate increases relative to understanding that the platform regulations are respected and customers will behave to a standard set of behavior (Kamal, 2016).

### *2.2.5. Perceived Trust*

Participation in the sharing economy means placing trust not in 'strangers' but in the rating system's functioning and the platform and broader platform ecosystem. (Botsman, 2010). An increase in the motivation for online participation may be obtained through gaining a reputation among like-minded people, which has been shown to motivate sharing in online communities and open-source projects (Parameswaran & Whinston, 2007; Raymond, 1999). Therefore, a strong network of users would likely attract like-minded individuals, and the ripple effect of this attraction has contributed considerably to the adoption of social-centric business models.

Reputation can motivate active participation in SE (Donath (1999); "individuals are more likely to gain self-based achievement rather than enjoyment in the process of sharing knowledge." (Yang, 2010). Self-marketing and reputation-building are the most vital indicators of the likelihood of collaborating online (Hars, 2001). Trust in each member forms an integral part of the sharing economy system, and since services must be consumed first to verify their quality, members' perceived reputation and trust in each other form the foundation of the sharing economy (Ert, Fleischer, and Magen, 2015). This early assessment of the sharing economy platform is a factor in encouraging the adoption of the consumers and maintaining a long relationship between the business and the consumer in the context of the sharing economy. Based on a community trust model, recommendations from related communities and peers can increase the perceived reputation of a user. It is concluded that recommendation from user's direct acquaintances (family or friends) plays a vital role in trusting other users, which in turn increases the reputation of the agents in the network and the sharing economy system (Jin, 2005)

Sustainability also plays a key role in shaping trust within the sharing economy. Platforms prioritizing sustainable practices—such as reducing waste, promoting resource efficiency, and encouraging eco-friendly behaviors—tend to build stronger trust with users who value environmental responsibility. This alignment of values enhances the perceived reputation of users and platforms, creating a virtuous cycle of trust and sustainability.

Nielsen (2013) studied the factors that encourage consumer trust in current online businesses. His findings revealed that sharing, referring, and word-of-mouth recommendations increase business trust by 92%, and consumers are 77% more likely to subscribe to a business when learning it from friends and family. This natural cycle of creating sociological presence through referral creates an environment of a known community that develops social intimacy and warmth, and this continuous recommendation process spreads to friends, acquaintances, and family members. (Buda Gabriella, n.d)

Positive and consistent service has placed the sharing economy as the best alternative when making important decisions, especially during times of need. This is due to the credible evaluation system and the established user network. Empirical research by Buda Gabrielle (n.d) summarizes that because of the positive experience, people naturally consider these shared services as an alternative when their need arises next time, and they choose these alternatives in most cases.

### *2.2.6. Hypothesis*

Hypothesis H1: Digitalization significantly influences the transformation of traditional business models, enabling the adoption of innovative and technology-driven approaches.

Hypothesis H2: Digitalization significantly enhances information sharing by facilitating seamless communication, data accessibility, and real-time interactions.

Hypothesis H3: Social changes, such as evolving consumer preferences and cultural shifts, significantly influence the adaptation and evolution of business models.

Hypothesis H4: Information sharing significantly transforms the business model by enabling data-driven decision-making and fostering collaboration.

Hypothesis H5: Information sharing significantly contributes to social changes by increasing awareness, shaping attitudes, and influencing collective behavior.

Hypothesis H6: Information sharing significantly enhances perceived trust by promoting transparency, accountability, and interaction reliability.

Hypothesis H7: Regulatory frameworks significantly influence the evolution of business models by establishing guidelines, standards, and compliance requirements.

Hypothesis H8: Regulatory frameworks significantly impact information sharing by defining data privacy, security, and accessibility protocols.

Hypothesis H9: Regulatory frameworks significantly shape social changes by influencing societal norms, behaviors, and expectations through policy interventions.

Hypothesis H10: Regulatory frameworks significantly affect perceived trust by ensuring legal protections, ethical practices, and consumer safeguards.

Hypothesis H11: Perceived Trust significantly influences the adoption of the sharing economy by fostering consumer confidence, reducing uncertainty, and encouraging participation.

## 3. Research Methodology

In order to reach the objectives of this paper, a qualitative survey method was conducted, and each construct was measured on a base 5-point Likert scale, where one strongly disagreed and five strongly agreed. Each construct is obtained through an extensive literature review and within the scope of the sharing economy, gig economy, collaborative economy, and communal consumption. Five primary constructs were obtained: Digitalization, social changes, information sharing, regulations, and perceived trust. The primary research technique was structural equation modeling (SEM). SEM can provide multivariate, multilevel path analyses and permit a complex model compared to traditional regression analyses. In-depth questionnaires from each construct have been sent to the respondents within this framework.

The questionnaires were distributed only through online platforms such as Facebook, LinkedIn, WhatsApp, Twitter, and Telegram. Subsequently, a questionnaire pre-test was used, and the questionnaires were modified based on the feedback received. The final form of the questionnaire includes 34 questions, which excludes demographic information.

A total of 282 clean responses were obtained, where vague, inaccurate, and randomly answered responses were removed accordingly. Only 24 out of 34 questions were accepted to improve the responses' quality and the model's predictability power. About 71% of the respondents are female, while 29% are males. 71% of the respondents are 20-29, while 19% are from the age group of 17-19, and the balance 10% are in the age group of 30-59. Respondents included students and working professionals, along with a few young entrepreneurs. 27.8% of the respondents are from Southeast Asian countries, 29.2% are from India, and the remaining respondents comprise Egyptian, Pakistani, European, and other nationalities. 95.2% of the respondents are aware of and have tried platforms such as Uber / Airbnb / Grab / Couchsurfing / Kickstarter / BlaBlaCar / WeWork / eBay / Fiverr / Santander Cycles, and this question was made to understand whether the respondents have realized any benefits from the sharing economy.

### *3.1. PLS-SEM Modelling*

For several years, covariance-based structural equation modeling (CB-SEM) has been used to analyze the complex interrelationship of observed and latent variables. As of 2010, the number of published articles utilizing CB-SEM was far more than partial least square structural equation modeling (PLS-SEM). Recently, the number of published articles utilizing PLS-SEM has been on top of the chart as it is now applied to several social science disciplines due to its ability to estimate complex mathematical models with many construct, complex structural models, small sample populations that restrict that sample size, and more than one structural path without imposing distributional assumptions on the data (Joseph F. Hair, 2018) PLS-SEM modeling can show higher robustness of variables interrelationship in a limited sample size as compared to CB-SEM (Sarstedt M. H., 2016) One of the statistical benefits of utilizing PLS-SEM is obtaining a higher degree of statistical power. This characteristic would hold even when estimating a standard factor model. A great statistical power means that PLS-SEM is closer to identifying a relationship as significant as when they are present in the population (Sarstedt M. a., 2019). PLS-SEM is also preferred in formative measurement models where models are evaluated based on convergent validity, statistical significance, indicator collinearity, and relevance of the indicator weights (Hair, 2017). ADANCO 2.1.1 will be utilized as the preferred tool for analysis due to its availability and ability to perform PLS-SEM on the obtained data, evaluate the statistical model, and perform several hypothesis tests.

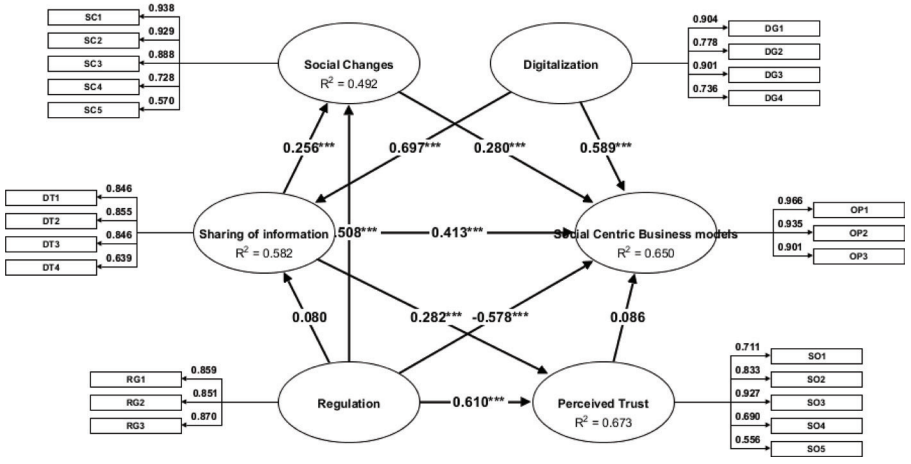


**Figure 2:** Graphical Representation of the Model with Path Coefficient.

## *3.2. Measurement Model*

The Measurement model focuses on the association between the latent and observed variables. While the structural model showcases the relationship between the constructs, the measurement model relates and observes variables (manifest variables or indicators) to their factors (latent variables). This paper will utilize the reflective measurement model or the standard factor model to analyze and synthesize the data collected in the study. The PLS framework suggests that one observes variables that can be related to only one factor, where if all manifest variables are related to a latent variable, it is then known as a block (Francis, 2018). Based on the framework, there should be at least one manifest variable in one block, which can be reflective or formative.

## *3.3. Structural Model Assessment*

Once the measurement model assessment is satisfactory, the structural model is assessed to evaluate the PLS-SEM result. Structural model assessment helps evaluate the strength of the coefficients and the endogenous construct to allow for a better judgment in identifying that the constructs are significantly important (Naveed, n.d). The standard assessment criteria include the consideration of the coefficient of determination (), the blindfolding-based cross-validated redundancy measures () and the relevant of path coefficient and the statistical significance. The coefficient of determination measures the variance, which is explained in the respective endogenous constructs, and therefore, it should be more than 0.7 to explain the explanatory power of the model (Rigdon, 2012). The value ranges from 0 to 1, where higher values indicating a greater explanatory power. A simple guideline suggests that values of 0.25, 0.50, 0.75 can be considered as weak, moderate, and substantial.

**Table 1:** Overall Structural Model Assessment

| **Construct** | **Coefficient of determination (R2)** | **Adjusted R2** |
|---|---|---|
| Social-Centric Business models | 0.6498 | 0.6436 |
| Sharing of information | 0.5821 | 0.5791 |
| Social Changes | 0.4924 | 0.4888 |
| Perceived Trust | 0.6734 | 0.6711 |

### *3.3.1. Construct Reliability*

Construct reliability measurement assists in explaining and indicating the degree to which the research instruments consistently tie up with a measured construct. The approximate measurement of construct reliability usually lies between Cronbach's alpha and the composite reliability (Dijkstra, 2015). This approximation has been considered one of PLS-SEM's most consistent construct reliability measurements, known as the Dijkstra-Henseler's rho (Francis, 2018). The value of rho is expected to be more than 0.7 for a construct to be considered; a value above 0.8 is considered good, and if it is more than 0.9, it is considered excellent (Francis, 2018). While the value of Cronbach's alpha of a construct is the least suitable of all the construct reliability measurements for PLS-SEM, its value should be at least 0.6 to be acceptable, and any value above 0.7 will be considered highly reliable (Francis, 2018)

**Table 2:** Overall Reliability of Variables

| **Construct** | **Dijkstra-Henseler's rho** (ρA) | **Jöreskog's rho** (ρc) | **Cronbach's alpha**(α) |
|---|---|---|---|
| Social-Centric Business models | 0.9442 | 0.9536 | 0.9271 |

| | | | |
|---|---|---|---|
| Digitalization | 0.8616 | 0.9001 | 0.8521 |
| Sharing of information | 0.8055 | 0.8765 | 0.8087 |
| Regulation | 0.8323 | 0.8953 | 0.8253 |
| Social Changes | 0.9063 | 0.9105 | 0.8726 |
| Perceived Trust | 0.8392 | 0.8650 | 0.8021 |

### *3.3.2. Convergent and Discriminant Validity*

Formerly known as the redundancy analysis, convergent validity was assessed by the correlation of the construct with another measure of the same concept. In order to execute such analysis, the research is designed to include alternative indicators of the same concept in the questionnaire, which would capture the essence of the same construct under sufficient criterion validity (Sarstedt M. D., 2016). The correlation between the measured and single-item constructs and the same measured concept should be 0.70 or higher (Hair, 2017). In other words, convergent validity measures the extent to which the constructs converge to explain the variances of their construct, and convergent validity is measured using the metric of average variance extracted (AVE) for all the items on each construct. AVE is calculated by squaring the loading of each indicator on a construct, and the mean value is calculated; an acceptable AVE value is 0.5 or higher where the construct is accepted to be at least 50 percent of the variance of its items (Joseph F. Hair, 2018), a loading value of 0.7 is also acceptable. The discriminant validity test evaluates the systematic error that needs to be minimized, measuring the correlation of different constructs to show that the construct is theoretically and systematically unrelated in the structural model (Naveed, n.d). Both discriminant and convergent validity tests help assess whether a model is acceptable and can be used for the research.

**Table 3:** Average Variance Extracted (AVE) for Each Construct

| Construct | Average variance extracted (AVE) |
|---|---|
| Social-Centric Business models | 0.8727 |
| Digitalization | 0.6942 |
| Sharing of information | 0.6425 |
| Regulation | 0.7402 |
| Social Changes | 0.6772 |
| Perceived Trust | 0.5688 |

**Table 4:** Discriminant Validity for Each Construct

| Construct | Social-Centric Business Models | Digitalization | Sharing of information | Regulation | Social Changes | Perceived Trust |
|---|---|---|---|---|---|---|
| Social-Centric Business models | 0.8727 | | | | | |
| Digitalization | 0.4516 | 0.6942 | | | | |
| Sharing of information | 0.5044 | 0.5799 | 0.6425 | | | |
| Regulation | 0.1795 | 0.6591 | 0.4166 | 0.7402 | | |
| Social Changes | 0.3269 | 0.4039 | 0.3416 | 0.4541 | 0.6772 | |
| Perceived Trust | 0.2806 | 0.4831 | 0.4564 | 0.6270 | 0.5777 | 0.5688 |

### *3.3.3. Indicator Multicollinearity*

Near-linear dependence, or multicollinearity, is a statistical measurement in which two or more predictor variables are correlated in a multiple regression model. Multicollinearity can be observed in cases where significant changes in the estimated coefficients when a new variable is added or removed or a significant change in the coefficients when a data point is dropped or altered (Daoud, 2017 ). We use the variance inflation factors (VIF) to detect the multicollinearity of the data sets. VIF measures and quantifies how much the variance is inflated. A VIF value between 1 and 5 is moderately correlated, and a value larger than 5 is highly correlated. The indicator of multicollinearity for each construct was measured by Variance inflation factors (VIF), and all the values were below 5.

## 4. Findings and Analysis

To test the hypothesis, t-values, and p-values from the direct effect inference are used to understand the impact between the constructs. Bootstrapping is used to measure and assess the parameters of the unknown population as it is an appropriate and simple statistical method. The significance level used in this paper is 5% (0.05).

**Table 5:** Standard Bootstrap Results

| Standard bootstrap results | | | | |
|---|---|---|---|---|
| | **Coefficient** | **Mean value** | **t-value** | **p-value** |
| Digitalization -> Social-Centric Business Models | 0.5888 | 0.5836 | 7.9114 | 0.000 |
| Digitalization -> Sharing of information | 0.6968 | 0.6869 | 11.2088 | 0.000 |
| Sharing of information -> Social Centric Business models | 0.4128 | 0.4101 | 6.5652 | 0.000 |
| Sharing of information -> Social Changes | 0.2563 | 0.2517 | 6.0727 | 0.000 |
| Sharing of information -> Perceived Trust | 0.2820 | 0.2739 | 5.8653 | 0.000 |
| Regulation -> Social-Centric Business Models | -0.5776 | -0.5727 | -6.9508 | 0.000 |
| Regulation -> Sharing of information | 0.0797 | 0.0789 | 1.3170 | 0.094 |
| Regulation -> Social Changes | 0.5084 | 0.5067 | 9.6717 | 0.000 |
| Regulation -> Perceived Trust | 0.6098 | 0.6149 | 18.1288 | 0.000 |
| Social Changes -> Social-Centric Business Models | 0.2801 | 0.2840 | 5.5542 | 0.000 |
| Perceived trust -> Social-Centric Business Models | 0.0860 | 0.0731 | 1.2518 | 0.106 |

The model has a Coefficient of determination () of 0.6498, and each construct has Jöreskog's rho ($\rho\chi$) and Cronbach's alpha($\alpha$) of above 0.8, indicating that the constructs are highly reliable.

Of the 11 hypotheses, 2 obtained a low significance level, while 9 obtained a high significance level. The most important hypothesis is H9 (t-value 18.1288; p<0.01); regulations implemented to protect society's well-being and safety will significantly impact the perceived trust. Thus, H1 is an accepted construct. All constructs contribute to the overall changes in the business models, and the output measures the benefits of the business models to society regarding social, environmental, and organizational factors. The model's output measured by OP1,2, and 3 indicates how each construct may change a business model favoring society, organization, and the environment. Therefore, these changes would align with the current interest and demand from these three aspects, and the fulfillment of this aspect indicates that the business model is changing into a model that is favorable to society.

## *4.1. Digitalization*

Hypothesis H1, which states that digitalization can influence changes in business models (t-value = 7.9114, p-value <0.05), is strongly supported. The findings highlight that digitalization plays a crucial role in transforming business models by enabling new forms of consumption and creating innovative market opportunities. As recent research suggests, the emergence of digital markets has paved the way for novel business structures, with the sharing economy being a prime example of how digital advancements reshape consumption patterns and drive economic success.

Similarly, Hypothesis H2, which proposes that digitalization significantly impacts information sharing (t-value = 11.2088, p-value <0.05), is also strongly supported. Digitalization enhances the efficiency, transparency, and credibility of information exchange, fundamentally reshaping how information is shared across industries. By streamlining communication channels and fostering greater accessibility, digitalization ensures that information flows seamlessly, strengthening trust and collaboration in business environments.

## *4.2. Social Changes*

Hypothesis H3: Social changes can generally influence the change in business models (t-value = 6.5652, p-value <0.05) was strongly supported. The increasing demand for social embeddedness, changing consumer roles in defining their private space, and changing social interaction with outsiders have significantly influenced business models. Giulia Ranzini, n.d, noted that as society changes into an access-based society compared to ownership, business models will change to provide services that reduce their economic costs.

## *4.3. Sharing of Information*

Hypothesis H4, which states that information sharing can influence changes in business models (t-value = 6.0727, p-value <0.05), is strongly supported. The rapid increase in consumer data usage, driven by online interactions, has allowed businesses to refine their offerings and develop new market strategies. For instance, Airbnb has effectively leveraged rental and pricing data to enter and navigate the housing market, demonstrating how information sharing enables businesses to identify opportunities and optimize their operations.

Similarly, Hypothesis H5, which suggests that information sharing influences social changes (t-value = 5.8653, p-value <0.05), is also strongly supported. In the digital economy, consumers and providers are expected to exchange information to facilitate well-informed decision-making. This mutual transparency has led to significant societal transformations, shaping new norms around information accessibility and transactional trust. As a result, information sharing plays a vital role in structuring modern social interactions and economic exchanges.

Hypothesis H6, which posits that information sharing influences perceived trust (t-value = -6.9508, p-value <0.05), is strongly supported. A business's ability to provide accessible and high-quality information directly impacts customer trust by reinforcing perceptions of integrity and competence. Transparent information-sharing practices help businesses build credibility, fostering stronger consumer relationships and enhancing their brand reputation.

### *4.4. Regulations*

Hypothesis H7: Regulations can generally influence the change in business models (t-value = 1.3170, p-value > 0.05) was weakly supported. The effect of regulations and the administrative mechanism to generally influence the changes in business models are weakly supported, indicating that business models would stick to the social activity that may be indirectly impacting government action. Lutz, 2014 suggests that the creation of new business models, such as the sharing economy, is usually oriented toward an activity that has a relatively low relation to government actions and activities.

Hypothesis H8: Regulations can generally influence information sharing (t-value = 9.6717, p-value <0.05) was strongly supported. Regulations on the platform have a significant influence on the sharing of information. Issues related to lack of information are solved by implementing regulations encouraging typical behavior among users and increasing the propensity to understand the regulations and behave accordingly.

Hypothesis H9: Regulations can generally influence social changes (t-value = 18.1288, p-value <0.05) was strongly supported. Tightening the participation barriers through security measures has built safety insurance and security certificates that motivate users to change their behavior. The implementation of regulations significantly influences social behavior, thus allowing for a favorable exchange and a sense of respect among the users.

Hypothesis H10: Regulations can generally influence perceived trust (t-value = 5.5542, p-value <0.05) was strongly supported. The lack of norms, standards, and protections is a genuine consumer concern, impacting business trust. Regulations have a significant influence on increasing the perceived trust in the business and help protect the well-being of the consumers.

### *4.5. Perceived Trust*

Hypothesis H11: Perceived Trust can generally influence the change in business models (t-value = 1.2518, p-value >0.05) was weakly supported. In the case of perceived trust, a business's reputation and perceived trust may form the foundation of a new business model. However, it is only weakly supported and may not influence business model changes. As perceived trust can be improved through credible rating systems, recommendation network systems, and word of mouth, it may not significantly influence the change to a new business model.

## 5. Conclusion and Limitation

Our findings indicate that while Perceived Trust and Regulations have a direct influence and serve as foundational elements for changes in business models, as highlighted in the literature review, their impact was not statistically significant in driving these changes. Perceived Trust was expected to play a crucial role in shaping business model transformations, with consumers carefully evaluating new businesses before making decisions. However, the results showed weak support (p-value > 0.05), suggesting that its influence may be less pronounced than anticipated.

Moreover, the study underscores that the evolution of business models is closely tied to environmental, social, and organizational benefits. The findings suggest that changes in business models contribute positively to sustainability and overall organizational effectiveness.

Conversely, the overall model highlights digitalization, information sharing, and social changes as the primary drivers of business model transformation. While some may argue that these constructs could be further refined into more specific subcategories, this study recommends adopting a more rigorous and systematic approach to analyzing the various dimensions of social change and their role in shaping business models.

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