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Opportunities and barriers for circular economy-business models

Comparing conditions for rental in markets dominated by sales

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Abstract

The purpose of this article is to describe motives, opportunities and barriers, and their similarities and differences, for firms that rent out products in markets dominated by sale firms. This is empirically investigated by interviews with representatives of six firms operating in different markets. The theoretical framework is general economic sociology and in particular "new institutional" theories about markets and fields combined with agency theories. What is similar between the firms is that they try to establish rental in their market, they do not have role models and they experience rental as unknown or "strange" for prospective cooperators and consumers. Differences are mainly dependent on their type of customer, the products, and whether they base their business model on rental or do it as a "side project". This article identifies that firms that mostly sell products, but also develop rental services, have a particularly interesting position, providing possible tensions between accounted motives, perceived opportunities and actual strategies to spread rental.

Introduction

The global economy is based on consumption that requires constant extraction of finite natural resources. This causes major environmental problems, partly because most material flows are “linear”: natural resources are used to make products that ultimately are disposed of. Many products are not designed for refurbishment or recycling without degrading their material quality. Globally, 2.5 billion tons of consumer waste is created every year which mostly goes to landfills, or are burned in incarnation plants that provide less energy than needed to produce products and releases polluting toxins (Taherzadeh & Rajendran 2015:67ff, Hjelmgren, Salomonson & Ekström 2015:187).

Maybe Beck is right in stating that: “the hardcore sociological question is: where is the support for ecological changes supposed to come from” (Beck 2010:255). Linear production cannot continue but solutions are unclear. One answer to Ulrich Beck’s question is that the private sector will promote sustainability through innovations, but most business models are not designed to decouple consumption from resource extraction and waste generation. However, the ideas of a *circular economy* combine profitability with sustainability by decoupling economic development from resource extraction (Ellen MacArthur Foundation 2015:5). Circular products are designed without a mixture of biological and technological materials, which make them easier to disassemble for composting and recycling. Products, resources, and materials are intended to circulate in closed loops without generating waste (Ellen MacArthur Foundation 2015:15).This article is limited to circular business models: whereas linear business models are designed to increase sales of items circular ones are based on so-called Product Service Systems (PSS), making only “the performance” of products accessible by offering services or rental. When products are worn out, sellers or producers takes the responsibility to reuse or recycle them (Ellen MacArthur Foundation 2015:7).

The problems with a linear economy and the opportunities with circular business models constitute the societal context that makes this study relevant. This article focuses on a more theoretical, *sociological problem*, which will now be discussed.

Sociological problem, empirical case and purpose

The sociological problem in focus is what factors that promote or hinder actors to use business models that deviate from what is regular in their markets. It is thus related to general economic sociology, as well as particular "new institutional" theories of markets and fields and competition between dominant and challenging firms. This is addressed empirically by information from firms that rent out similar products to those their competitors sell, and therefore challenge the institutionalized business models and ways to consume that competitors and consumers are used to and regard as normal. Previous research has discussed institutional barriers to rental (Mont 2004, Bastein et al. 2014), but there is little research on motives for rental and on comparisons of both opportunities and barriers in different markets. *The purpose* of this article is twofold: firstly to describe rental business models and motives and secondly, to describe and compare opportunities and barriers for firms in different markets. The aim is also explanatory in the sense that empirical findings are connected to structural arrangements by using sociological theories of markets and fields. The theoretical ambition is not only to apply existing theories, but to further elaborate the applicability of these theories for further research in the empirical field of study. The empirical analysis is oriented by the following *research questions*:

In what ways do the firms work with rental? What type of products do they rent out, and to what type of consumers?

What motives to conduct rental do the firms report? In what ways are they similar or different for firms on different markets, and how do they correspond with actual practices to spread rental?

What opportunities and barriers do the firms experience in conducting rental? In what ways are they similar or different for the firms, and what contextual factors are important to consider when explaining these differences?

Previous research

Circular economic ideas emerged systematized in the 1970s, gained prominence in the 1990s (Ellen MacArthur Foundation 2015:5) and recently entered the political discourse:

> The transition to a more circular economy […] is an essential contribution to the EU's efforts to develop a sustainable, low carbon, resource-efficient and competitive economy (European Commission 2015).

Whether rental is "environmentally good" is beyond the scope of, but important as a background and rationale for, this article. Rental does not provide reduced environmental impact per se, since this depends on to what degree it affects consumption, distribution and production (Mont 2004: 151, Intlekofer, Bras & Ferguson 2009: 2). However, rental have the potential to be a sustainable alternative: it can make more consumers use fewer product items (Ellen MacArthur Foundation 2015:10); firms can control product flows, facilitating remanufacturing (Ellen MacArthur Foundation 2015:3); technological development can make it environmentally beneficial to update products (Intlekofer, Bras & Ferguson 2009:3); and renters can enable consumption of high-quality products to lower prices (Belk 2015:208).

How consumers perceive alternative consumption is important in order to understand conditions for rental firms, and there is little knowledge on this subject (Gullstrand Edbring, Lehner & Mont 2015:6).Some important aspects to consider in consumers attitudes towards rental are ease of access, trust in sellers and type of products. Attitudes towards renting often-used products long term often are most negative (Gullstrand Edbring, Lehner & Mont 2015:6, 10). The prevailing institutions that affect consumption patterns are in conflict with rental, since ownership is a strong norm and consumers are hesitant to alternative consumption (Mont 2004:137ff). Rental is associated with low socio-economic status and sacrifices in personal freedom (Mont 2004:149).The values associated with consumption are deep-seated and the success to institutionalize new ways to consume will depend on the social and cultural context (Mont 2004:152).

Some studies come closer to the aim of this article by taking firms perspectives on alternative consumption. Firms are most keen to rent out high-quality products (Desai & Purohit 1999:44f). But firms can be reluctant to change into selling services, with risks of high transaction costs, and face barriers related to lack of demand for rental services from consumers (Bastein et al. 2014: 35). Further barriers are connected to regulatory frameworks; financing; technology; firms culture; managers conviction in new strategies, their expertise and attitudes, and that personnel are used to work with sales and can lack the competence to conduct rental (Bastein et al. 2014: 40, 45). Firms can also have difficulties accessing and implementing necessary technology, which also include risks (Bastein et al. 2014:50). There can be tensions inside firms between cultures in selling or renting out products, in which rental requires more interaction with customers, so firms must work on their "infrastructure" for delivering the service rental requires (Kindström & Kowalkowski 2009: 3, 18). There are also barriers for firms to change norms and values so that customers appreciate rental (Kindström & Kowalkowski 2009: 12).

One case study of baby prams provides an empirical example of rental in markets dominated by sales. There are certain costs involved in initiating the rental scheme, the first time in business can result in slow revenue streams. Baby pram retailers have strong market positions vis-à-vis producers and might be negative against rental. They can earn less money per rented product than with sales, lack competence and have trouble handling storage needs (Mont, Dalhammar & Jacobsson 2006).

In summation, *there is little research on firms that rent out products*, particularly in markets dominated by sales. Existing research show several sources of barriers but there is little knowledge of accounted motives behind rental and differences in opportunities and barriers on different markets, to which *this article contributes by connecting analyses to contextual factors with sociological theories*. For societal relevance, this article contributes by distinguishing differences that can inspire strategies, customized to context-specific circumstances, in order to enable development of alternative business models.

Theory

As a philosophical starting point, there are no observations without preconceptions. Science starts with problems generated from theories. There are seldom necessary conditions in social science, and many theories can explain one phenomenon (Aspers 2011:273). Theories are thus regarded as arguments on how sociological problems can be solved, developing through critical assessment in a never-ending debate (Popper 2002:67). The goal for sociologists is thus to generate and develop theories by using empirically based arguments.

Central concepts and theories will now be presented and related to each other in order to connect empirical findings to structural arrangements. *Markets* are defined as structures for exchange where sellers compete for customers that evaluate offers. For a market to be “ordered”, agreement on what is traded and an institutional framework structuring exchange must exist (Aspers 2011: 4-7, 9). *Niches* are market-segments, where sellers differentiate products or the context and condition for sales to attract specific consumers, which tend to be reproduced over time in ordered markets (Aspers 2011:127,137).

Markets as fields

Ordered markets, where large actors reproduce their positions over time, can be defined as *fields*, which are social structures where actors share a number of fundamental interests and compete over field-specific resources (Bourdieu 1988). One common perspective in field-analyses is the *new institutionalism* in sociology, recognizing the instinctive push towards conformity: organizations watch and copy each other as responses to uncertainty, which strengthen survival prospects (Powell & DiMaggio 1991:151). Actors can increase legitimacy by mimicking others, decouple sectors to communicate strategically and use formal certifications and accreditations (Powell & DiMaggio 1991, Meyer & Rowan 1977, Scott 2014:73).

The new institutionalism provides insights on fields focusing on formal and informal rules, culture and frames of reference (Scott 2014:51). Fields are upheld by *Institutions*: enduring, widely transmitted and accepted social structures, providing meaning and stability to social life (Scott 2014:56ff). Institutions can analytically be divided into three elements, moving from conscious rules, values and norms to unconscious taken for granted assumption. The regulative element includes formal and informal rules. The *normative* element includes what is perceived as right and reasonable: values are conceptions of what is preferred and desirable and norms of how things should be done, making actors evaluate what are appropriate actions, given the situation and their positions in it (Scott 2014:64f). *Cognitive-cultural elements* include taken for granted assumptions, shared conceptions of reality and frames for meaning. The Structure of a field is reproduced partly because of habits, and since "how things are done" is un-reflected: other behavior is perceived as inconceivable (Scott 2014:67f). Culture influence behavior, from shared conceptions of the local, to field-specific and global conceptions. The concept of *conception of control*, closely related to cognitive-cultural elements, focus on firms interpretations of efficient and reasonable strategies. This concept recognizes that firms interpret their fields and act accordingly (Fligstein 2001:18). It refers to a local understanding and "worldview", making firms interpret situations from a given perspective, providing cognitive frames for reasonable actions that impede some actions and empower others (Fligstein 1990:19).

Agency, Power and Institutional entrepreneurship

Research on institutions focuses on structure and conformity and research on entrepreneurship on agency and change. As Garud, Hardy & Maguire (2007:958ff) do, this article argues that a juxtaposition provides a promising starting point for analyses. Therefore *structural field theories will be combined with agency theories*. Actors on fields are not as embedded as new institutionalism gives an impression of (Hardy & Maguire 2008: 201): the institutional context provides room for agency. Institutions provide stability but also undergo change (Scott 2014:58).

One fundamental assumption in this article is the Weberian view on agency: social action is understood related to how actors interpret their social environment. Actors are not determined by or independent from their environment. Their embeddedness in, and position in, their fields gives varying room to make interpretations to act upon (Scott 2014:220). One important source of tension on fields creating agency, is that competition is structured by the dynamic between *dominants* and *challengers*: the largest, most stable, resourceful and often oldest firms dominate and reproduce the structure of the market, and smaller and newer firms are challengers that try find a position in, or even change the structure of the market (Bourdieu 2005:201f, Fligstein 2001: 29).

Dominants and challengers can engage in *institutional entrepreneurship*, which refers to activities of actors with an interest in transforming institutions or creating new ones (Garud, Hardy & Maguire 2007: 957). Challengers are least embedded in institutional settings and most prone to develop new ideas (Hardy & Maguire 2008: 202). The problem for challengers is to summon resources to change fields, which make it necessary to cooperate with others and frame actions strategically (Garud, Hardy & Maguire 2007:962). Institutional entrepreneurs' activities can be enabled in times of field-external changes like technological development or crises or when new fields emerge, with a conception of control under development (Leca, Battilana & Boxenbaum 2008:7, Fligstein 2001:9).

Connected to institutional entrepreneurship, and important to consider when studying markets, is that products seldom are "standardized" but have qualitative differences associated with brand, style, identities or values. Firms can actively create demand and changes in consumption behavior, through marketing and skilled sales staff, who have crucial positions in matching offered product with consumer (Bourdieu 2005:169). Differences among products are defined through "*qualification of products*" (which can be regarded as one strategy to practice institutional entrepreneurship), referring to the process in which products are positioned in contexts of other product and associated with certain favorable characteristics that differentiate them (Callon, Méadel & Rabeharisoa 2002:198f). Products are qualified to provide a unique value for consumers and thus competition advantages for firms. Identity is reflected by consumption, especially new products provide status (Bauman 1998, Campbell 2015). Markets have an institutional framework and metrics to "evaluate" products, which however are changeable. Many actors in markets are naturally negative against products that require other metrics for evaluations since they are favored by the prevalent ones (Doganova & Karnøe 2015:22f).

I will now discuss how theories and concepts are used and interconnected in this article. Markets are seen as embedded in other markets ordered downstream (towards consumers of the traded product or service); instream (the firms and their competitors) and upstream (towards providers and producers). The field-concepts provides a tool box of concepts to connect reported motives, opportunities and barriers to structural arrangements. It will be used to analyze spaces for competition on different levels: from several embedded markets seen as one field to one single firm as a field. Fields are regarded as upheld by institutions which (focusing on normative and cognitive-cultural aspects) are used to analyze all levels of embedded markets from that some things generally are regarded as given to that breaking with institutions can make actors experience strong emotions. The concept conception of control will be used to analyze instream and upstream-actors willingness or reluctance to cooperate. Dominants (and many small firms) on a field are regarded to have strong incentives to maintain the order, in many aspects seen as counteracted to the interest of renters. The concepts institutional entrepreneurship and qualification of products will be used to analyze the ways in which the firms take varying opportunities their fields gives to establish rental by targeting against niches or broad consumers segments.

Method and materials

The empirical material was retrieved through *interviews* with firms selected on particular criterions (Blaikie 2009:178): they rent out similar products as those competitor's sell and thus deviate from the common way to offer products in their markets. Their position is different from actors in markets where rental is established (like renters adjacent to ski resort) where an institutional structure around rental is already established, making rental "normal" for other market actors. Firms with differences in size, market, and dependence on rental are selected in order to make comparisons and to broaden the group to generalize the empirical and theoretical arguments to.

Inspiration for this study came from an interest about resource efficiency and how problems are framed in the circular economic discourse. An internship on a firm lecturing and consulting on circular economy provided knowledge on the subject, but the choice of the subject of this article was made without involvement of stakeholders. Personal relation to circular economy was nearly a prerequisite to evaluate what is worth addressing and access information, and not regarded as biasing interpretations and conclusions since reflexivity about my own position and guidance by sociological theories been central in designing and conducting the study.

My connection to circular economy also provided opportunities to detect cases to investigate from Facebook groups with news on circular economy. Selection of cases begun with reading articles about renters and two firms was selected and asked via e-mail to participate in an "empirical study of opportunities and barriers of rental on sales-markets" (more information was shared when they showed interest). Other firms were contacted after posting in one Facebook group about "advice on firms renting out similar products as competitors sell" That generated 20 suggestions, and firms of interest were contacted. All firms except one, which did not have time, agreed to participate.

Collection and analysis

Interviews have been conducted with leading persons, regarded to have extensive knowledge and capacity to provide an “overall view” of their firms (Marshall & Rossman 2011: 155). The empirical material consisted in twelve interviews with representatives of six firms. Eight interviews lasted 60-80 minutes, two 30 minutes and two were e-mail interviews. The interviews were recorded, transcribed verbatim and printed. The interview-guide was semi-structured and identical open-ended questions were shared in advance via e-mail and asked in the same way and order to respondents. Follow up questions was asked to expand reasoning and make clarifications. Data triangulation was done through interviews with different representatives of the same firms, corroborating reliability through multiple sources (Marshall & Rossman 2011:252).

Analyses have been intertwined with the material collection, with theoretical memos compared and reworked throughout the research. The interview transcriptions were initially coded to sort information in themes of firms background, rental, motives, opportunities/barrier. An in-depth coding was thereafter conducted to compare and refine themes (Aspers 2011: 164ff). Interpretations were throughout the research checked with original codes, transcriptions, and memos.

Deductive and inductive research strategies have been used in this article (Blaikie 2009:81). Analyses started deductively, with theories and concepts regarded as resources that was allowed to be revised or reformulated during data analysis (Layder 1998:26). Included firms was regarded as “cases”, more as a choice on “what to be studied” than a methodological choice (Blaikie 2009:187f). To enhance generalizability categories was constructed and empirical argument was tied to theories (Marshall & Rossman 2011:252), which can provide arguments transferable to other fields. Other researchers can examine to what extent and to where arguments can be transferred to by tests and refinements.

This study in have been conducted in accordance with ethical codes of the Swedish Research Council (Vetenskapsrådet 2002). It has been important to protect firms and representing individuals from negative effects of research (Yin 2014:78). They have been informed that participation is voluntary; that the firms will be anonymized; that they can choose to quit the interviews; that interviews are recorded, transcribed and ultimately deleted. But ethics is more than following strict rules and the article was conducted with ethical considerations throughout the research in a reflexive way (cf. Marshall & Rossman 2011).

Limitations

Interviews are limited since they provide *interpretations in turn interpreted* by researchers. Particularly concerning motives to conduct rental it is important to stress that the interviews provided reports of what motives respondents say they or other key actors in firms have - not “actual” motives. Reports of motives are further affected by discourses important for the firms, as some firms that are largely concerned by sustainability and interested in circular economy are likely to report motives accordingly.

This article also included material, used to analyze reported motives, opportunities and barriers, of *how informants interpret other field-actors, in particular consumers, behavior*. Conclusions about these actors’ behaviors are since they are not firsthand sources limited. However, firms interpretations was regarded to affect their behavior, so firms strategies can be explained by firms interpretations of the behaviors of actors downstream, instream and upstream. This was considered useful data with a theoretical perspective where actors’ interpretations of their fields are central (Fligstein 2001:18). Interviews access interpreting subjects reports and the “truth” must be put in parentheses. Interviews can, however, provide empirically based arguments for others to test and refine.

Interviews are further built on mutual trust: respondents must be willing to share information of interest but, anyhow, answers can be misunderstood. To corroborate findings e-mails with central empirical descriptions have been sent to respondents for approval (Marshall & Rossman 2011:40). Interviews were conducted in Swedish but the text and quotations were translated. Risks of changed nuances in language and corrupted interpretations was minimized by accuracy in translation and checks from supervisor.

The interviews have not been supplemented by other sources, such as documents, surveys or observations. There have not been suitable documents available. To make surveys with more firms are difficult because the number of firms that meets the selection criteria is rare. Access to make observations has not been possible. To only make interviews have been done since it has been most accessible and regarded as most efficient in answering the research questions, which also have been molded by the choice of method. To interview consumers have been dismissed since it would be too time-consuming and hard to get a representative sample.

The firms business models and motives

This chapter analyses business models and reported motives to conduct rental. Even though all firms work with rental, there are important differences in terms of their history, size, product, distribution and dependence on rental. The firms report motives to promote “sustainability”, make profit and survive on a business model based on rental. This chapter begins presenting the six firms, in which four of them has mainly private consumers as customers, so called “business to consumer firms” (B2C), while two have firms as customers, i.e. “business to business firms” (B2B).

SportRE and ToRent are B2C firms with their most revenue from rental. SportRE is a sports chain founded in 2010 with annual sales of 10 MSEK. They rent out a variety of sports products such as alpine equipment and kayaks and sell products second hand and, products like underwear, in mint condition. ToRent was founded in 2014 and has 1.0 MSEK in annual sales. They rent out clothing and outdoor products, from long underwear to tents, particularly many products as one “package”. Both firms have customers of all kinds and compete against sports chains and local actors.

Outdoorers and AnnE are B2C firms with rental as a small part of their revenue. Outdoorers was founded in 1993 and has annual sales of 100 MSEK. They sell robust outdoor clothing of own brand in mint condition and second hand and rent out shell jackets. They describe their customers as “active” and “conscious” and compete against outdoor brands and sports chains. AnnE was founded in 2009 and has 1 MSEK in annual sales. They sell and rent out jewelry of own brand. They say they have customers with niched preferences and do not regard other jewelry sellers as competitors:

> You buy the whole idea of sustainability, it makes us very niched. The big jewelry firms are not competitors because we don’t have the same customers. We are doing different things and communicate in different ways (AnnE).

Their customers are mostly women, of all ages, interested in fashion. These firms have an interest in circular economy and have strong focus on, and many consumers that are conscious about, sustainability.

Lifelightning and TILE are B2B firms with rental as a small part of their revenue. Lifelightning was founded in 1930 and have 600 MSEK in annual sales. They have a long history of selling (recently also renting out) long-life-lightning to final consumers, which make them niched in the lightning industry. Their customers are in retail, industry or public sector and they compete against large firms like Phillips. TILE was founded in 1972 and has 40 MSEK in annual sales. They sell multifunctional floor-tiles of organic plastic composites, with customers like cruise ships and restaurants. They have a unique product and thus compete against other flooring solutions. The firms characteristics are summarized in Table 1:

		”B2C Challengers”		”B2C Niche Expanders”		”B2B firms”	
		SportRE	**ToRent**	**Outdoorers**	**AnnE**	**Lifelightning**	**TILE**
Market and size	*Product*	Sport	Outdoor/sport	Outdoor	Jewelry	Lightning	Floors
	Customer	B2C	B2C	B2C	B2C	B2B	B2B
	Total turnaround	10 msek	1 msek	100 msek	1 msek	600 msek	60 msek
Business model	*Dependent on rental*	Yes	Yes	No	No	No	No
	Started as renters	Yes	Yes	No	No	No	No
	Started rental	2010	2014	2012	2014	2016	Not yet
	Short term rental	Yes	Yes	Yes	Yes	No	No
	Long term rental	Yes	Yes	No	No	Yes	Yes
Distribution	*Own stores*	Yes	No	Yes	Yes	No	No
	Online	Yes	Yes	No	No	No	No
	Resellers	Yes	Yes	No	Yes	No	Yes

The firms can first be classified based on their type of customers, which is a distinction between B2C-and B2B inspired by the empirical material and market theories. Second, after dependence on rental, inspired by the empirical material and new institutional theories. The classifications will show to be connected to reported motives, opportunities and barriers.

Motives

All firms started with rental to establish it in their markets but further report different motives. The first difference, based on their type of customer, is that all B2C firms, unlike the B2B firms, have strong motives to promote sustainability through rental. The ”B2C Niche Expanders”, which started as sale firms with sustainability pervading all activities, report that they use rental to “inspire” and increase sustainability awareness among competitors and consumers, and that this is the main reason for starting with rental:

> Sustainability is the base (for rental), and a fun way to take our sustainability work further. To sell second hand is one way, rental is another way. It's about prolonging products life, if you want it for a short time you can rent it" (AnnE).

They also regard rental as "one step away" from unsustainable consumption patterns they want to change but regard their competitors as not motivated to change, as accounted for in this quote where one firm give their main motive and how they view competitors sustainability work:

> We wanted to play a part in influencing the view on consumption […] many use their stuff one week per year or so, than it's strange to buy […] many make a small part. They hang up clothes and say 'this is our eco-collection' then they say they work hard on environmental issues, but they don't work hard overall' (Outdoorers).

The "B2C Challengers" also report sustainability motives: "The environment was one of the reasons we started this […] we reduce unnecessary consumption. If you use products for two days you can rent good products instead of buying bad cheap ones" (ToRent).They further report visions to change consumption patterns into more sustainable ones:

> Our motive is to challenge the sports market […] whether we rent out for 10 or 100 million it's a win, our motive is to make an impression, we want to make people think differently about consumption and in this case SportRE is as much a vision as a firm (SportRE).

It can also be a motivation to change job to one regarded to promote sustainability:

> The traditional sport market is about lower margins and increased volumes. The quality is unimportant and they're bad at environmental concerns. I worked there for 15 years and wanted to do something new. I didn't think it was fun to work there. I couldn't do it with good conscience (ToRent).

The second difference, based on their type of customer, is that the B2B firms, unlike all the B2C firms, report motives to use rental as a strategy to make a fast profit and see competition advantages in that customer, that otherwise would not invest, can rent: "The economic motive is to make customers who are interested, but reluctant to make a big investment, to rent. This is the primary benefit of rental" (TILE). Lifelightnings say that their customers can finance expensive, but energy efficient, lightning through rental and thus save energy costs. All of the B2C firms do not see fast profits on rental as realistic but the "B2C Challengers" sees long-term economic potential in rental: “When loans are paid off, rental becomes a money printing press because you can rent out without making new purchases. You never get that effect with sales” (SportRE).

Differences in reported motives are also connected to dependence on rental, since the “B2B Challengers” report motives to survive in their markets on a business model based on rental (while the other firms secure survival through product sale and only conduct small-scale rental). They report strong idealistic motives but, when most revenue comes from rental, enough money must be made to survive in the market: “In the beginning when you start this kind of concept, the goal is to make it work in economic terms” (SportRE).

A difference connected both to type of customer and dependence on rental is that the “B2C Challengers” target rental towards broad consumer segments: “We want to be ‘all over’ […] our customers are of all kinds, everyone that want to use sports equipment […] I think our customers are the same as the large sports chains” (SportRE). The other firms target rental more against niched consumers: “It’s the ones who are open to new ideas who rent, who think it’s a fun thing. The others come later” (AnnE). The B2B firms believe that rental is most relevant for customers that make large investments and want to pay over time: “If they (customers) want to pay over time or up front […] such things are part of it in large investments, rental allows customers that don’t want to pay up front to invest” (Lifelightning).

Firms have a limited amount of resources to distribute between activities. The “B2C Challengers” fully focus on rental while the other firms restrict the resources rental are allowed to take from the core business. In the following quote one firm answer a question about if they see opportunities to actively spread rental by reasoning about that they have ideas but cannot let rental take too much resources from the core activities:

> I think so even without a lot of money, you can cooperate with someone, we can rent out jackets where people rent skis, take other ways... it is more the ‘working ours’ we have to put in that costs, the ideas aren’t lacking, we only have to find time to do it (Outdoorers).

To conclude accounted motives, the firms report various motives with the differences being connected to their type of customers and dependence on rental. The B2B firms report intent of using rental mainly to make a fast profit, in line with assumptions in economic theory (cf. Bourdieu 2005). They do not report such sustainability motives as all the B2C firms do. The “B2C Niche Expanders” do not regard a fast profit as realistic while the “B2C Challengers” sees opportunities to make a profit in long terms but, since they survive on rental they accordingly before intent to make fast and large profits, report motives to make their business model work economically. The “B2C Challengers” can be regarded as the purest “challengers” since they depart from the dominants in their markets by basing their business model on rental. Thereby they have an interest in changing the sales-centered institutions in their fields (cf. Garud, Hardy & Maguire 2007: 957). All of the other firms secure survival on product sales and make rental as a “side project”, which is not allowed to take too much resources. Thus they have time to experiment with and develop rental, without income requirements before ramping up or ending it.

Downstream opportunities and barriers to rental

This and the following chapters focus on the firms accounts of opportunities and barriers to rental, starting at the downstream level, which refers to towards consumers of the traded product or service. *A first* consumer related opportunity with rental is the possibility to offer high-quality products at low prices, which is a way of expanding the products markets. Long-term rental of high-quality products can provide customers low monthly cost and short-term rental can, according to some firms, and be an alternative to buying cheap products of low quality. Consumers are thus given opportunities to use the best products at low prices, including products the value of which depends on status aspects:

> We have all jewelry for rental, but the bigger ones are best suited. They’re more expensive and have a style you perhaps don’t wear every day but are fun to try, more of ‘statement pieces’ (AnnE).

Rental can also be economically beneficial for B2B customers because they can rent expensive products and save liquid assets for other investments. One B2B firm says they can offer cheap deals without lowering their prices:

> Instead of having to take a large investment in new sustainable LED lighting customers can rent. The economic consequence is that they get lower monthly costs because of energy savings, so the investment is paid by the energy savings” (Lifelightning).

Secondly, rental can provide good marketing both for rental and product sales, partly because rental is uncommon: “We don’t make money from rental, but it has led to marketing. We got a lot of media attention […] because it was something new.” (AnnE).

Thirdly it provides opportunities to market rented products niched to “conscious consumers” and thus actively work on adding qualities to “rented products”, in order to separate them from bought ones, and thus create a niche. The “B2C niche expanders” claim that some of their customers more easily than others start to appreciate rental:

> It’s the ones that are open for new ideas […] we have only to win about rental. Some like the holistic approach. Some think it’s an added value and fun that we try something new. Things like this built loyalty towards our brand” (AnnE).

But the renters say they need to work on communication to reach out: “If we can package rental so it’s the coolest thing you can do... there is so many users that don’t need to own products” (Outdoorers).

Also, the B2B firms have opportunities in niching by reaching certain consumers. Besides that some customers want to pay investments over time, Lifelightning believes that rental can be communicated as “sustainability work” and thereby be interesting for firms. The “B2C challengers” do not have a specific group of customers but want to be “all over” concerning type of consumer, type of product and sports season: “Our customers are everyone from lawyers to newly arrived immigrants […] we want to reach out to everyone […] we have tried to pin-point who our customers are but we cannot do it because it’s too large width” (ToRent). Rental can also provide strong relationships with customers:

> The biggest difference from competitors is that we have a relationship with customers. We have contact with them during the rental period, we can say ‘next time you want skates you can come to us’ and ‘in the summer you can rent a kayak here as well’ (SportRE).

Lifelightning also believes rental strengthens relationships since it entails that renter and customer go into a “partnership over time” throughout the rental period. *Finally,* some firms say their customers appreciate *the convenience* to not carry, store or have responsibility for products.

Downstream barriers

The first downstream barrier according to the firms is that consumers have not been exposed to rental and do not know that it exists: “People don’t know about it […] we had signs in the window of the store one week about rental, and people came in and asked ‘what is this, can you rent clothes'" (Outdoorers). Renters need to spread information about rental in order to expand their rental-niche and reach out broadly. But it is not easy to reach out with new concepts, or change broad consumer segments expectations on products:

> You can see on Twitter that it pops up about our rental. But things tend to stop at the 'already converted'. Especially social media is quite limited. The question is who's actually reached by the message. In my feeds, there're almost only people that care about circular economy, outdoor enthusiasts and so. I don't reach far from those (Outdoorers).

It is hard to differentiate oneself in the flow of information that consumers are exposed to. Some firms say that they have to "stand out" somehow, or rely on others to spread rental, since they lack the marketing budget. Some say that it is not only hard to reach consumers but also to make them "take in" and understand how rental works, which requires arguments on why rental is a good alternative: "The most challenging thing is to make people understand the concept. When they have understood they often want to continue with rental. That's the big thing, why it's good to rent" (SportRE).

One common strategy to reach out with information is to pay for advertisement in magazines or radio. However, if firms do not believe customers will understand the information advertisements are seen as meaningless:

> We cannot design ads so people understand it easily. We cannot explain this in 20 seconds, people would not react. But when large sports chains say they have 10 percent discount people run to them. We have to reach people in other ways" (ToRent).

Renters find other ways than the traditional advertisement to reach out. ToRent say they use sales as a strategy to attract new customers by highlighting sales on their webpage, so consumers that are interested in buying products make contact with them, and can be inspired to rent instead of buying. They say their product sales is a marketing strategy and nothing they invest in or want to do in the long term. They also had an own store in order to attract new customers:

> We had a store planned to disappear. It was a way to reach out to people and get direct contact with customers, get some input and be able to explain to them….it gave us a chance to catch up customers who did not understand but thought it was the classic buy and sell store (ToRent).

If consumers have learned that rental exists and understood how it works, this does not mean that all barriers are overcome. A second barrier is, according to some firms, that some customers do not like the idea of renting products. Many firms believe that it takes some time to change consumers behavior and that the thresholds to start renting some products are higher than for others: ”It takes some time to change thinking, you are used to owning. There is no question that you can share books, but jewelry or clothing becomes strange for people” (AnnE). The firms believe many consumers regard some products as too personal to rent:

> I believe it’s much more difficult for people to rent clothes closer to the body. I can only speak for myself that I would not like to use undergarments if strangers have used them. In that case, it would be someone I knew that have used them (Outdoorers).

Outdoorers compares renting clothes with using cutleries on restaurants: both are washed between users but somehow only the sharing of clothes is regarded as strange. All the B2C firms believe that rental of their product generally can be regarded as “strange” and have also experienced consumers reluctance: ”It’s not generally accepted to rent in this way. Once customers have come to us, it’s not strange. But some have a problem with this, not many though” (SportRE). Some consumers go further in expressing negative opinions about rental, particularly about “clothes closer to the body”:

> You can rent everything from us, even socks and undergarments. But we consciously talk less about renting that stuff. Some people get negative. Some people are in general negative about that we rent (ToRent).

ToRent has specifically experienced some “men above middle age” as genuinely negative about the fact that they conduct rental. They refer to these people as “the classic negative ones”: “They can send e-mails, call or visit us just to say that what we are doing is idiotic and not possible to make money on and such” (ToRent).

As we have seen, rental can be convenient for private consumers, but the opposite is most common for the B2B firms in this study. The third barrier is thus that rental can bring added transactions costs for B2B customers since it is a long-term contract instead of one transfer at a specific point in time. Lifelightnings say that their customers need a “long time to learn” what new lightning technology can offer, why rental is favorable and that they generally have complicated procedures to purchase through rental, including involvement of lawyers and financial staff and changes in accustomed procedures:

> It's a challenge to find the roles initially, who's responsible for what […] with sales we sometimes talk to someone who works practically with lightning, like a janitor. Now we talk to financial staff, which's much more interested in saving money on lightning. That's different for both for us and our customers (Lifelightning).

TILE are developing a concept to rent out product through a financial intermediary but have problems in that intermediaries categorize them as "other products", i.e. have not developed standards to evaluate them.

To conclude both opportunities and barriers downstream, we have seen that rental can be economically favorable and convenient for private consumers. Unique concepts can provide positive marketing and firms have potential in niching, especially towards environmentally aware consumers. This can be explained by that these consumers probably have interest in sustainability, and perhaps alternative consumption, which combined can make rental regarded as a sustainable choice: and acting in accordance with shared values and norms can, as Scott write (2014:66), provide status, respect and individual satisfaction. The need to reach out with rental and "explain it" is facilitated by that rental can increase interaction with customers, and thus influence cognitive-cultural elements connected to consumption (Scott 2014:70), making consumers through interaction with renters get used to, learn to appreciate and develop confidence in renting the offered products.

The most important downstream barrier, according to the firms, is that consumers do not know that rental exists. Consumers face a massive information flow, if they are exposed to rental they might not notice it or be uninterested. This can be explained by the fact that rental is uncommon, thus breaking cognitive assumptions of what is ”taken for granted" in the market, making other behavior than the accustomed be regarded as "inconceivable" (Scott 2014:68). Customers develop expectations on consumption through repeated interaction in the market (Fligstein 2001:69). Sale firms have the advantage of acting in accordance with institutions in their markets, and have established networks of customers that through repeated interaction develop expectations on sales. Perhaps are renters disadvantaged by that consumers do not know what to expect from and how to evaluate rental, thus acting in accordance with the commonly accepted is safe and associated with emotions of confidence, while breaking with it associates with confusion (Fligstein 2001:27, Scott 2014: 70).

We have also seen that renters can regard advertisements as meaningless if they do not expect consumers to understand how rental works anyway. This corroborates that interpretations of situations constitutes baseline for action. If renters dismiss advertisements they have to reach out in other ways. The “B2C Challengers” are interested in changing consumer behavior but ToRent uses sales as a strategy to survive even though promoting sales goes against their interest as a challenger in relation to sales firms. However, as Fligstein (2001:74) discuss, using multiple strategies to receive revenues can increase survival prospects. The interest to only rent in order to establish rental has to be weighed against strategies that are regarded as efficient to ensure survival, and chosen strategies will depend on actors’ interpretations of their fields and their position in it (Fligstein 2001:16, 19).

If consumers learn about rental normative barriers remains. This article, along with previous research (cf. Mont 2004: 139, Campbell 2015:29), indicates that general consumers do not associate rental with positive values while ownership is positively connoted. This particularly apply to “new” things. Rental is most often associated with low status and deviating from norms of what is desirable, arguably particularly concerning “personal products”, can be associated with shame (Mont 2004:149, Scott 2014:66). The reactions of “the classic negative ones” further indicate that rental breaks strong consumption- related norms.

Instream opportunities and barriers to rental

On the instream level, referring to the firms and their competitors, there are *firstly* strong opportunities connected to niching in the sense that rental firms get branded as environmentally friendly. Even if "general consumers" chooses rental for price and convenience, some firms argue that they can see sustainability as an "added value" that also can provide media attention:

> We have had good response from customers, being climate smart is a value you can't dislike […] it's like organic food, people pay a little more and it's better for the environment. But with rental, people pay a little less, and it's better for the environment […] the climate card is strong. Besides the economic card it's the strongest card we have and we can stress that for profiling. We bring up the climate card in every interview. It's important that we are associated with it. The sale firms are absolutely not associated with being climate smart, some of them are profiled to be, but none of them change business model (SportRE).

Secondly, how easily firms are able to start with rental can be connected to their history and particularly if they are small or have an alternative culture that facilitates cooperation internally and with other market actors. The "B2C Challengers" started as renters and did not have to change their business model. Lifelightning believes that their history of working with long life lightning to end consumers is an advantage, since rental requires durable products and trust between renter and customers. The "B2C niche expanders" believe they have particular conditions enabling entrepreneurship:

> We have worked with sustainability from the beginning and are our own master. We are not a big dragon with a shadowy ownership structure. We rent out for one week but if you want to rent two weeks, that's fine. This is the luxury when you are your own master and when it's a pilot project, it's easy to be flexible (Outdoorers)

Renters can cooperate with others. AnnE gets advertisement by sponsoring and providing cloth renters with jewelry. A bike seller rents out SportREs products at winter times when their own sales are low. Outdoorers sees opportunities in renting out shell jackets where other products are rented. TILE had difficulties in finding financial intermediaries to work with them but are, at the time of the interview, close to create cooperation with a small intermediary, which can be projected to be significant in their future business.

Thirdly, rental can open up flexibility and adaptability towards technological development of products, which can change the balance of power in a market and create new opportunities. As an example, it changed conditions for competition in the lightning market:

> It was static for many years, then LED came and 'stirred the pot'. Now we have rapid technological development that opens up opportunities. With rental, the customer can update lighting in pace with technological development (Lifelightning).

Instream barriers

The first barrier instream, closely related to opportunities of exploring new niches, is that renters do not get help from more successful competitor to develop demand for their products. As we have seen, solitude as renters can entail advantages as media attention, but the firms want competitors to start with rental in order to expand consumers demand:

> I think we will have more renters in the market, I hope so. It's much easier if we are many talking about the same thing. Then we educate the market faster […] maybe we lose some customers in the short perspective but we will win many more in the long perspective (SportRE).

Some firms discuss sale-firms interest, believing they are reluctant to mix sales with rental because rental is regarded as competition with sales. The sale-firms thus not help to "educate the market" about rental and the firms in this study lack resources to do it themselves: "it's hard to reach out with rental. We are not a large firm that can tell the whole world by advertisement" (Outdoorers).

A second problem, connected to the first, is that the firms argue that they do not have anyone to imitate on their specific market in order to develop a successful business model. The firms emphasize that this is problematic for them: "Rental is unbroken ground. There is no one to lean on, no one to look at. We need to find out how to do everything ourselves, it can be really hard to know that you're on the right track" (Outdoorers).

All the B2C firms further regard their competitors as bad "role models", doing poor sustainability work:

> In environmental concern competitors goes in the complete wrong direction. It's just to sell more and cheaper stuff, they force producers to make cheaper and inferior stuff, and they have fewer storage days, increased volumes and lowers margins (ToRent).

Competitors are accused to only use sustainability "surface values":

> It's strange that the market does not work enough with environmental issues - because we are dependent on the existence of nature. Many brands have stopped using fluorocarbons, but it doesn't always feel like it's their choice, but after campaigns by Greenpeace or so (Outdoorers).

Thirdly, the environmental niching can be a double-edged sword since some firms mean it draws attention to "what is still lacking" in environmental concern in these firms:

> As soon as you say 'we are trying to do something good', you are criticized for doing some things bad. But those who don't say that they try are not scrutinized. They just continue to be bad. It's little backward logic there (Outdoorers).

At the same time, the dominants support "environmental friendly labeling" providing certain surface values and, according to the firms, market themselves as sustainable, gaining ecolabels not saying much on actual sustainability work. One firm give the example that a shirt can be labeled as recycled when it contains five percent recycled material, which makes one firm wish customers had tools to differentiate between those who work hard and those who say they do:

> I wish customers could read the good examples to get a chance to make good choices, it's impossible without knowledge. You have no chance to know which one of two red tomatoes that's good or bad" (Outdoorers).

Some firms believe it can be hard for especially large firms to start sustainability work because it risks challenging many relationships and acquiring resources for a long time. Lifelightning had some advantages to change, but in other aspects, both of the B2B firm account for themselves that rental requires organizational changes:

> If we look at the whole deal about the product, installation, service and so, it's about what will be included and not in the rental deal. It's a bit of a process to get things right. It's about making it work internally, to make sure we have the right organization and the right communication internally. There're challenges to switch from one type of sale to another (Lifelightning).

To conclude both opportunities and barriers instream, renters can have media attention by being unique. Firms different changeability can be explained by analyzing firms as fields (Bourdieu 2005:205, Fligstein 2001:69), that choose strategies after intern competition between departments, with different cultures and rationales, which compete over influence. Larger firms have naturally longer processes to change than smaller. The "B2C niche expanders" have advantages by having internal cultures promoting sustainability and, as for one firm, being small.

Small firms need cooperation to improve positions and impact institutions on a field in order to find a place for new products (cf. Fligstein 2001). Not unexpected, the firms experience small actors, which are less embedded in relations with dominants and easier develop challenging interests, as willing to cooperate (Hardy & Maguire 2008: 202).

Concerning instream barriers, it is hard for small firms to change consumer behavior alone. Sellers are not inclined to start with rental because institutions are formed to favor them, so they accordingly reproduce them of interest and habit (Bourdieu 2005). Most small firms are unmotivated to challenge the logic of sales because the structure of the field enables them to survive. The renters are too small to change consumers taken for granted assumptions, values, and norms on consumption themselves. Firms often reproduce the proven business models and prevalent institutions, which is safe answers to uncertainty (Powell & DiMaggio 1991), but the renters do not take the safe choice but do alone develop a new business model and challenge institutions, making them experience a lack of role models to imitate in their markets.

Few competitors are according to the firms motivated to promote sustainability but escape criticism, maybe because sustainability is not important enough in most markets: consumers have probably not been molded to account, evaluate and make distinctions between firms sustainability work. Firms can gain legitimacy by incorporating sustainability formally, rather that in practice, through communication, sustainability policies and ecolabels (Scott 2014:73). If interest to change is genuine, it can be troublesome internally and externally, connected to that firms are embedded in networks of stakeholders.

The firms report themselves differences in how easy or hard it is to start with rental. "The B2C Challengers" started as renters and the "B2C Niche Expanders" are small or have a common culture to promote sustainability. This can provide advantages, compared to most firms, favoring initiatives that deviate from their markets. This indicates that both size and culture matters: small firms can naturally take new initiatives without working hard on anchoring them internally, and firms with a common culture can avoid internal conflict of interest. The B2B firms have presumably more complex procedures to make changes that involve change of task between staff members, and new ways to communicate with and cooperate with customers that also have more complex procedures.

Upstream opportunities and barriers to rental

On the upstream level, referring to providers and producers, there are few firms experiencing that rental provides certain opportunities. One firm reports positive experiences with *banks*: "The advantage is that purchases remain as assets. If we went bankrupt the bank can sell it [...] so the risk is not so great for the bank" (SportRE). They also account for positive experiences with providers because they buy large quantities of products (which is attractive for providers) to wear out in long terms. Outdoorers have few *providers*, which enables dialogue and cooperation. In some business models, there are however other ways to approach the upstream level, as in the case of AnnE, by not working with providers but instead have own production and design. Another example is ToRent, who did not get financing from any bank but instead solved their financing by approaching the providers directly:

> We found new ways. We worked with as many providers as possible and included them to ensure that they were involved in this. They lend products to us, customers could test and if they wanted to buy the products we send them to the provider. Providers has been easier than convincing banks that we have been a safe investment (ToRent).

Upstream barriers

A first upstream barrier is that it can be difficult to get providers because of quality requirements when renting products. SportRE can purchase products designed for alpine renters. But on other products providers do not offer robust items, like roller skis that do not get scratched easily. Outdoorers want to have durable and sustainable products for both sale and rental and have therefore few choices:

> We have few products to choose from with our demands. On exhibitions, there are producers with hundreds of fabrics but when we say that we are only interested in the recycled or recyclable, there's suddenly three fabrics to choose from, and all are in black (Outdoorers).

Secondly, some firms claim that providers are reluctant to cooperate since rental is regarded as competition with their own sales and relationships with sale firms. Providers attitudes towards cooperation seem to be connected to their market-position: "It has been difficult to convince especially the large providers. It's the attitude from the beginning. It has set if they have been interested working with us" (ToRent).

Thirdly, there may be problems with financiers, which some firms believe is a general problem for renters: "With regular sales, you can compare with competitors and assess how it will go. With rental, there is nothing to compare with. Bank has been easy for us but then there are certainly other renters that have not had it easy" (SportRE). ToRent has not succeeded to persuade a bank to give them loans, despite repeated attempts:

> Contact with banks has been like to stand and shout to a wall. They count the products we buy as costs but it is assets. If you look at how the banks count, with the economic model that exists today, this means that the better we do the worse we go in economic terms. They have not understood that it's possible to make money on rental (ToRent).

To conclude both opportunities and barriers upstream, SportRE has succeeded in getting financers and providers to cooperate. There is not much further to analyze concerning opportunities upstream. On barriers, providers do not always offer demanded products. This can be explained by that providers adapt to the dominants demands for products that are cheap and have short lifetimes, which they need for upholding consumption and to not be outcompeted by prices (Campbell 2015:33). There is probably a conflict of interest in the logic of sales, which demand planned obsolescence (Campbell 2015:33f), and of rental, where durable products can be rented out multiple times. Actors upstream are dependent on the dominant sale firms on the field and are therefore reluctant to cooperate with challenging actors. The firms that are not dependent on rental do not experience actors upstream as negative, which can be explained by that their probably being regarded as "normal", since they mostly conduct sales, so upstream actors do not have to "adjust" to them and do not regard them as strange or threatening. ToRent have had problems with banks that probably are unused to evaluate renters and can thus become passive.

Summary and discussion

The purpose of this article was to describe business models, motives, opportunities and barriers for rental and the ways they are different for firms in different markets. One research question was in what ways the firms work with rental: they rent out products but are different in size, type of customer and dependence on rental. Since this question was mainly a preparative descriptive one, I focus here on the two subsequent comparative questions.

The first was what motives the firms give to conduct rental, in what ways their accounts are similar or different, and how their motives correspond with practices to spread rental. Their main motives for rental was to increase sustainability awareness (opposed to orthodox economics assumption of only economic motives cf. Bourdieu 2005:5), to increase profit, and to survive in their market on a business model based on rental. An important difference was that firms dependent only on rental give motives to challenge "all the way", hence the designation of them as "challengers" fully focusing on establishing themselves with a, in their markets, new business model. The other firms mainly secure survival through product sales and only conduct small-scale rental, which actually can help their product sales, and restrict given resources of developing rental.

There are interesting comparison points between the firms in how their motives correspond with actual practices to spread rental. The "B2C Challengers" account for motives to survive on rental and to challenge the sales-norm in their markets. They also perceive opportunities to reach broad consumer groups and do accordingly, in actual practice, make themselves dependent on rental and thus fully commit to challenging initiatives. This is a bold strategy since few small actors succeed to change institutions in a field in a way that new products or services become established, and they risk not creating a stable consumer base by dismissing the safe strategy to target against a niche (Fligstein 2001: 29). The B2B firms also have correspondence between accounted motives and perceived opportunities to reach certain consumers, but their actual practices cannot be evaluated since their rental is a too new strategy.

What is most interesting is that the "B2C Niche Expanders" report inconsistencies in motives, perceived opportunities and how they work with rental. On one hand they give motives to increase sustainability awareness and challenge unsustainable consumption patterns in their market. On the other hand they perceive it difficult to reach broad consumer segments. In actual practice they thereby restrict the resources they give to rental in opposition to their motives. They see opportunities in reaching the "already converted", and in developing a rental niche to these consumers, but maybe to the price of not reaching consumers that are important in order to increase general consumers sustainability awareness and change their markets. These firms have an interesting position that will be further elaborated in a theoretical context, in order to point in the direction of developing interesting theoretical questions to address.

New institutional theories of markets mainly focus on three types of firms with two types of interest (cf. Fligstein 2001). The dominants and small conformists (not represented in this article) take the field-specific order as given and have the interest to maintain it. The challengers have the interest to change the prevalent order. In this article, they are represented by the “B2C Challengers” that account for motives indicating their interest being institutional entrepreneurs (cf. Garud, Hardy & Maguire 2007: 957) by challenging prevalent institutions in their markets and transforming them in a way to support rental of products. They are, as mentioned, challenging “all the way” and can be considered to be trying to establish a new conception of control (Fligstein 1990:19) in which rental is legitimate and normal. This in contrast to the firms reports about the dominants, indicating that rental in their conception of control is perceived as inconceivable, strange or threatening. The “B2C Challengers” are not surviving on reproducing the dominants conception of control but are rather obstructed by it since dominants influence other market actors so that renters become deviants with difficulties to find cooperation and customers. What is particularly interesting is that the “B2C Niche Expanders” and, in a sense, The B2B firms in my study, are of a fourth type, not discussed in new institutional theories. These firms conform to the dominants strategies and challenge with rental as a “side project”. Unlike the “B2C Challengers” that are dependent on rental, these firms are actually helped by the dominants to uphold demand for product sales and can be said to have one foot in each conception of control: they want to spread rental but they simultaneously contribute to the reproduction of institutions that obstruct rental, by depending on product sales. This interesting “middle position” between challenger and conformists can provide a tension in that they can be seen as both strange and normal from the point of view of other market actors. This can create possible internal conflicts if these firms lean towards developing in accordance with challenging motives, like promoting sustainability and rent out products, or if they lean towards conforming to the existing order in their markets. Firms in the middle position can presumably develop an internal conflict between accounted motives and actual practices: if they scale up rental they can lose legitimacy and actors such as eventual shareholders can become concerned about their new business model, while conforming to sales is safe but do not support challenging motives.

We will now turn to the research question concerning what *opportunities and barriers* the firms experience with rental, and in what ways they are similar or different between the firms. The problem concern what contextual factors that are important to consider explaining these differences. *First,* there are some *important differences* between the firms experiences: all of the B2C firms mean that some private consumers do not like rental, which can be explained by ownership being positively connoted and connected to identity (cf. Campbell 2015:29, Bauman 1998). The B2B are however not so concerned with such norms on consumption, which can be explained by the fact that firms are used to rental and rental-like concepts such as temporary personnel and outsourcing.

Secondly, these B2B firms report problems related to their customers having long processes in taking decisions to rent. These customers can be seen as having "internal" fields (Bourdieu 2005.205) containing many divisions with different goals and cultures providing tension in decision making. Firms have simply many aspects to consider and much money involved, compared to private consumers. The B2B firms can, however, make few large rental deals, setting a precedent for others. In contrast to this, the firms oriented to the consumer markets have to influence a large number of people, since having only a few renters does not create a stable niche, nor change the order in a market.

Thirdly, there are also differences if the firms fields are in a phase of technological change or not. Institutional entrepreneurship can be facilitated by the possibilities technological development offer (Leca, Battilana & Boxenbaum 2008:7, Fligstein 2001:9, 27). Lifelightning is the only firm that has the advantage of conducting institutional entrepreneurship in times of fast technological development in their field. The other firms fields are reported to be rather static without particular opening for entrepreneurial initiatives.

Concerning similarities between the firms experiences, their success with rental arguably depends on cognitive-cultural and normative aspects of institutions (Scott 2014:64-68) on their fields of actors downstream, instream and upstream. It is indicated, based only on the firms accounts, that actors upstream and instream regard rental as inconceivable or threatening. They have thus, as mentioned, a conception of control favoring product sales. When competitors do not rent, the firms have no-one to imitate in their particular market and consumers probably do not learn that rental exists, how it works or to appreciate it. The firms opportunities to change their fields are also hampered because they are small and lack resources. Institutions are however changeable and all fields provide varying room for agency, but it requires resource allies to survive long enough to get recognition and acceptance for new conceptions of control (Scott 2014:58, 220).

Firms have to work to create a demand for rental. The success of a new product is partly dependent on what room for new product the field gives and active work such as marketing and sales staffs skill in interacting with customers (Bourdieu 2005:169). This active work is part of the “qualification” (Callon, Méadel & Rabeharisoa 2002:198) in positioning ”rented products” in contexts of owned ones and define their unicity and superiority. This is not easy since, as discussed in Mont (2004), institutions guiding consumer behaviors favors sales. In order to be successful the firms probably need to change prevalent metrics for evaluation of products. Competitors can be negative towards new metrics since they are used to and have constructed strategies based on metrics to evaluate product sales (cf. Doganova & Karnøe 2015:23). Examples of how the firms in this article qualify rented products is highlighting sustainability as a metric for evaluation to attract niched consumers, or focusing on reaching broad consumer-segments by highlighting price, convenience or why certain firms benefit from rental.

Altogether, it is not easy for firms to succeed, or even survive, in challenging established field-specific institutions and conceptions of control. But, as has been shown in this article, it is not impossible either. There are varying motives, field-specific circumstances and strategies that together may enable establishment of circular economy-business models in the long run.

Contributions, further research, and implications

To sum up the analysis I will conclude with a discussion of the contributions of this article. Some previous findings are corroborated, including barriers connected to cognitive-cultural and normative aspects, and that rental can be demanding internally for firms (Mont 2004:137ff, Kindström & Kowalkowski 2009: 18). Concerning consumer experiences on rental, based only on the firms accounts, this article can nuance previous findings on the low status of rental (cf. Mont 2004:152). It is to a great extent dependent on the “qualification” work of the firms, and thus their mobilization of consumers who connect sustainability and status values to rental. Moreover, rental might not only be associated with sacrifices in personal freedom (cf. Mont 2004:148) but sometimes with convenience and freedom to consume high-quality products or evaluate eventual purchases. This might also be an important qualification to be made by B2B-rental firms.

This article further contributed with comparisons of contextual factors, important in order to explain differences in opportunities and barriers in different markets. The findings indicate that important differences are connected to the firms dependence on rental and type of customers. There is also a new theoretical conceptualization of a "middle position" between challenger and conformist, raising a question for further research about this strategy and its inherent tensions. There is need for further research also on how rental is assessed by downstream and upstream actors, in order to better understand opportunities and barriers for rental. This article has also provided arguments on how new institutional theories and agency theories can be combined fruitfully, for further development.

Concerning societal implications, this article can inspire to actively create networks that support PSS and particularly rental. This in order to promote and to enable renters to cooperate and mimic each other so that uprising networks and organizations can promote research on rental and create suitable standards and labels for renters.

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