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The attitude of young German consumers towards rental fashion platforms:
A qualitative study

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Abstract

The sharing economy is a socio-economic system that we encounter in many areas of today's everyday life. It is supposed to allocate resources more efficiently through sharing instead of owning. Within the German fashion industry, the sharing economy is a relatively new concept that has not yet gained great popularity. This qualitative research aims to explore young German consumer perspectives of rental fashion platforms by studying their perceived benefits, potential barriers as well as their preferred clothing categories to rent from. The research question is addressed by 24 in-depth semi-structured interviews with young female and male German consumers. The findings indicate that consumers value renting clothes for occasions, to change up their wardrobe frequently, out of sustainability aspects and because of efficiency and convenience reasons. However, there remains a high entry barrier through a lack of awareness and information, as well as price and high demand issues. The results give future studies a base for deeper quantitative research and managers helpful insights for implementing successful marketing strategies.

Keywords: Sharing economy, rental fashion platforms, consumer perceptions, alternative fashion consumption, qualitative research

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1 Introduction

Climate change is an indispensable issue of today's society. Without industries and consumer behavior changing rapidly, greenhouse gas (GHG) emissions will rise, and our planet will face an increasing number of severe environmental crises like overflowing, heatwaves, fires, storms, and rising sea levels due to global warming (Berg et al., 2020).

The fashion industry is supposed to be the second most polluting segment of our economy right after the oil industry (Chaturvedi et al., 2020). It is responsible for high water usage, water pollution, GHG emissions, and landfill. The production of one single cotton t-shirt requires 2,700 liters of water. The same amount of water is sufficient for one person to drink over the time span of 2.5 years. Dyeing, finishing, and washing textile products is estimated to account for 20% of the global clean water pollution and is responsible for 35% of primary microplastics released into the environment. (European Parliament, 2022).

According to McKinsey & Company and the Global Fashion Agenda (2020), the fashion industry produced 2.1 billion tons CO₂eq in 2018, equaling 4% of the total global greenhouse emissions. The same report states that by 2030, this number is expected to rise to 2.7 billion if companies and consumer behavior remains unaltered (Berg et al., 2020). The European Parliament states that clothing and footwear is already responsible for up to 10% of the total global carbon emissions, which is more than all international flights and international maritime shipping combined (2022).

In recent years, the constant provision of new fashion styles at low prices has won great popularity and led to an increase in the quantity of not only clothes produced and purchased, but also of clothes thrown away (Sajn, 2019). Only one percent of the clothes we wear today is getting recycled, leaving the planet with nearly 11kg of clothes per person that are thrown away every year in Europe, of which around 87% are getting incinerated (European Parliament,

2022). Sadly, around 95% of discarded clothes that end up in landfills could have been reused, e.g., repaired or recycled (Lu and Hamouda, 2014).

With the Circular Economy Action Plan as part of the European Green Deal of the European Commission, a theoretical plan was laid out to follow the urgent goal of becoming climate neutral by 2050. The essence of this plan is to build a sustainable growth in the EU by on the one hand side changing the way we produce and on the other the way we consume. One major aim is to ensure that products last longer, are easier to repair, recycle, and reuse. (European Commission, 2021).

The sharing economy within the fashion industry including buying second-hand, swapping, and renting clothes, is one approach of helping to maintain clothes longer in our economy. Renting offers the consumer the opportunity to change up their wardrobe frequently, without the production of new clothes. Rental services are counteracting overconsumption and a throwaway culture, forecasted to gain importance in the next years in business reports such as “The state of fashion 2022” (Imran et al., 2021). However, there is still a need to better understand the consumer acceptance of these new platforms. Until now, the consumers’ attitude towards rental platforms has only been examined in few specific markets, mostly outside of Europe (e.g., Lee and Chow, 2019; Mukendi and Henninger, 2020; Lee et al., 2021). This research is aimed to fill the gap in the German market. As it is Europe’s largest fashion market (Statista Research Department, 2021) and one of the most polluting countries in Europe (Vourvoulias, 2021) implementing more rental services could be a reasonable alternative to buying clothes here, reducing the negative environmental impact of the industry and leading by example for the rest of the EU. Through investigating the side of the consumer, the readers will be provided with a deep understanding of the current attitude of young German consumers towards rental fashion platforms, the practicability of plans like the Circular Economy Action

Plan will be put to test and significant insights for fashion e-commerce businesses as well as researchers can be obtained.

In the following chapters, the required theoretical background on rental platforms is presented. After that, the applied methodology is explained, and the captured data analyzed. Finally, the results are discussed and the limitations and recommendations for future research are outlined.

2 Literature review

The current literature specifically addressing the topic of rental fashion platforms is limited. In the following sections the reader will be provided with an introduction to the term *Sharing Economy*, followed by an explanation of the various structures of the *Sharing Economy within the fashion industry* with a focus on rental platforms, and the state of today's research on the *consumer attitude towards rental fashion platforms*.

2.1 Introduction into the Sharing Economy

The original idea of the sharing economy, which today has spread into many sectors of our society, is to create a way of using our resources in a more sustainable way (Belk, 2014; Geissinger et al., 2019; Mi and Coffman, 2019). Sharing involves “the act and process of distributing what is ours to others for their use as well as the act and process of receiving something from others for our use.” (Belk, 2007, p. 126). Other related concepts that sometimes function as a substitute to the term “sharing economy” are “access-based consumption,” or “collaborative consumption” (Lee and Chow, 2019).

Today, digitized platforms make peer-to-peer exchanges easier and endorse sharing the consumption of goods and services through collaborative consumption (Hamari et al., 2016). Some prime examples for this are platforms such as Airbnb, offering shared rooms, flats or houses, the collaborative online encyclopedia Wikipedia, and Uber, an app that makes sharing rides possible. By reducing the total amount of required resources and creating synergies, the

sharing economy is supposed to have a positive environmental impact through the act of sharing (Belk, 2007; Mi and Coffman, 2019). Recent research questions though if all of these platforms still comply with the original sustainability purpose behind the sharing economy or if the importance of profitability has taken over (Wang and Zhang, 2012; Geissinger et al., 2019). For the purpose of this research, we will rely on the original approach and trust in the potential of the sharing economy to positively impact our environment (e.g., Berg et al., 2020).

2.2 Sharing Economy in the fashion industry

One of the many industries which apply the concept of sharing economy is the fashion industry. As it is one of the most polluting segments in our economy (Berg et al., 2020), it only seems to be reasonable to apply a system that is providing a more efficient division of resources through collaborative consumption here, shaping a yet linear economy more circular. As consumers are starting to raise concerns about the environmental impact of their fashion choices (Joy et al., 2012; Ritch, 2015), the sharing economy is facing a growing demand.

At this point it is important to draw a clear line between this socio-economic system and sustainable fashion. The UN defined sustainability as a development which “meets the needs of the present without compromising the ability of future generations to meet their own needs” (1987, p. 8). Sustainable fashion combines green and ethical dimensions according to Shen et al. (2013). It can be defined as clothing incorporating fair trade principles with good labor conditions, which do not harm either the environment nor workers by using biodegradable and organic cotton (Fletcher, 2008; Joergens, 2006). Sustainable fashion is designed to last longer, produced of eco-labeled or recycled materials in ethical production systems and results in no or little environmental impact (Fletcher, 2008; Joergens, 2006). Today, the biggest issues concerning sustainable fashion are that it is often perceived as the non-stylish (Joergens, 2006) and the more expensive option (Joy et al., 2012) to common or fast fashion. Additionally, there are multiple internal barriers such as the actual value and the decision-making process

(Neumann et al., 2021). Implementing the concept of the sharing economy into fashion e-commerce gives the consumer the possibility to still access ‘new’ clothes regularly, which brings joy and pleasure to the consumer (Niinimäki, 2010) and is a crucial way of self-expression as well as creating multiple identities (Valor, 2007) without the frequent production of new clothes that is polluting our planet. Even if the clothes which are being shared might not be sustainably produced, they stay longer in our economy, aligning it partially to the sustainability approach of the UN, stating resources should be fairly distributed within and across today's and future generations (UN, 1987; Gladwin et al., 1995). By the year 2030, one in five fashion pieces need to be traded through a circular business model, either through fashion rental, re-commerce, repair or refurbishment to meet the 1.5-degree goal, addressing 21% of the necessary emission savings through encouraging sustainable consumer behavior (Berg et al., 2020).

Overall, there are two main different forms of the sharing economy in fashion. There is the opportunity to acquire individual ownership (e.g., gifting, swapping or second hand) or to use clothes owned by others (e.g., sharing, lending, renting or leasing) (Iran and Schrader, 2017). The next paragraphs serve as a comprehensive basis for the third section, explaining three trends of the sharing economy within the fashion industry currently emerging in Germany in more detail and demonstrating how they differ particularly regarding the ownership transfer.

2.2.1 Second-Hand

The first and probably most prominent way of ‘sharing’ clothes is by buying second-hand. This means buying pre-owned clothes at flea markets, second-hand stores or online through websites such as “*vinted.de*”, “*ebay-kleinanzeigen.de*”, “*vestiarecollective.com*”, or “*Mädchenflohmarkt.de*” (all currently operating in Germany). On these platforms mostly private individuals are selling their old clothes, shoes, and bags that are still in good condition to other private individuals instead of throwing them away. The online platform mostly works

as a matchmaker between seller and buyer (e.g., vinted.de). Nevertheless, there are also websites and stores that buy second-hand products to re-sell them to individuals (e.g., asos-marketplace.com). In more recent years, second-hand shopping has won great popularity around the world because of the increasing consciousness of consumers with regards to global warming and because of the rising trend of buying vintage (Cassidy and Bennett, 2012). In the case of second-hand shopping, the ownership of a product is completely transferred to the buyer after the purchase.

2.2.2 Swapping Clothes

Another way of implementing the idea of the sharing economy into the fashion industry is by swapping clothes. What has been done privately at home with friends and family for many years, has been implemented in a larger scale by websites specifically built for this purpose (e.g., swapsociety.co) or as an additional feature on second-hand platforms today (e.g., also available on vinted.de). Swapping clothes can still the constant urge of consumers to have something ‘new’ in their wardrobe. Whilst the consumption of new items is reduced, a new life is given to old items (Lang and Zhang, 2019). Interesting about this approach is the fluidity of the market roles as the boundary between supply- and demand-side blurs when consumers turn into suppliers (Henninger et al., 2019). Some consumers prefer this approach as in exchange of giving up the ownership of one item, they will directly receive the ownership of another item (Becker-Leifhold and Iran, 2018). Thus, ownership is permanently exchanged in this case (Park and Armstrong, 2017).

2.2.3 Renting Clothes

The third concept, and focus of this paper, is the approach of renting clothes, a relatively new addition to fashion market. One definition of renting is “a transaction in which one party offers an item to another party for a fixed period of time in exchange for money and in which

there is no change of ownership” (Durgee and O’Connor, 1995, p. 90). The fashion rental platform “Renttherunway.com”, “the largest shared designer closet”, was launched in the US in 2009 and is a pioneer in its field (“The Closet”, n.d.). The company received a great deal of popularity since then and was valued at \$1.7 billion after the IPO in October 2021 (Nishant, 2021). The main source of income of Rent the Runway are three different options of subscription models, differing in the number of shipments and pieces of rentable items per month, starting from \$89 to \$199 per month (“Our Memberships”, n.d.). Other companies like Urban Outfitters, the department store Selfridges and even brands like Ralph Lauren, with “The Lauren Look”, have stepped into the rental fashion game. A recent report of Bain & Company states that within the luxury fashion segment, rental could potentially represent 10% of the revenue of a thriving and sustainable luxury brand by 2030 (D’Arpizio et al., 2021) showing its economic potential. The big difference between second-hand shopping, swapping, and renting is that in the process of renting clothes the ownership of the items is not given to the customer (only if the opportunity to purchase the product after the rental period exists). Instead, the renter only possesses the clothing, which implies temporary use (Jenkins et al. 2014), whilst the ownership stays with the company. Collaborative consumption encourages consumers to concentrate on temporarily using instead of permanently owning clothes (Bardhi and Eckhardt, 2010). A consumer trend that is leading from ownership towards user-ship (Fletcher 2012; Petersen and Riisberg, 2017).

“Unown-fashion.com” can be seen as the German equivalent to Rent the Runway. Founded in 2019, it is currently offering one time leasing as well as two membership models for either 39€ or 69€ per month (“membership”, n.d.). Other examples on the German market are “clothes-friends.com” or “fobe.me” (bag rental only). The rental platform acts like a dry-cleaner, as the company washes, dries and irons the returned clothes before sending it to the new renter. If there are minor flaws to a piece, these are usually fixed as well. Through the

whole cycle of renting, returning, cleaning, and renting out again, the ownership stays with the company and with that its responsibilities. The guarantee of quality and hygiene is why this service is preferred by some consumers (Becker-Leifhold and Iran, 2018). What has become increasingly popular in the U.S., especially for designer clothing and fashion accessories (Lang and Armstrong, 2018), has despite the existing offer not yet found comparable success in Germany.

2.3 The current state of research on consumer attitude towards rental fashion platforms

According to partner and global leader of Bain & Company's Fashion and Luxury vertical, D'Arpizio, young people believe secondhand and rental fashion is the future (Paton and Maheshwari, 2021). The trend of second-hand shopping and the rise of vintage clothes has been acknowledged in research since years now (Cassidy and Bennett, 2012). However, there has only been little research on rental fashion specifically and why sharing clothes has not yet achieved the same level of acceptance in some markets as compared to the US for example. Not surprisingly, most research on this topic has been conducted in the US (e.g., Johnson et al., 2016; Lang and Armstrong, 2018; Lee and Chow, 2019). Armstrong et al. (2016) studied consumers from the US and Finland. They showed that reduced consumption and desire for change are important positive evaluation factors, whereas the lack of trust in the provider and ease of use are negative ones when it comes to renting apparel (Armstrong et al., 2016). Interestingly, Lang and Armstrong (2018) found that not only inner characteristics, but also self-interest and social values play a part in the intention to engage in collaborative consumption.

In the UK, Mukendi and Henninger (2020) asked 20 interviewees about barriers, needs to engage in fashion rentals and what spectrum of clothes consumers are willing to rent. Their findings indicate that considerations around fashion rentals are mostly utilitarian, focusing on functional benefits rather than hedonistic ones (Mukendi and Henninger, 2020). Another

interesting survey was conducted in South Korea to research the conceptual constructs of the benefits and perceived risks of female consumers of online fashion rental services and their impacts on usage intention (Lee et al., 2021). Some of their observed benefits were reasonable cost, wearing at right time, place and occasion, space saving, entertaining, product variety and style conformity, whereas perceived risks were mainly of financial, performance and social origin (Lee et al., 2021).

Becker-Leifhold (2018) studied the role of values in collaborative fashion consumption in the German market through a quantitative study amongst female Germans showing that attitude, subjective norms and perceived behavioral control are most important when it comes to the intention of engaging in collaborative fashion consumption like renting clothes. In Finland, researchers found that rental service-systems are best suited for young-consumer, because of its experiential, innovative and social characteristics (Armstrong et al., 2015). Additionally, some researchers focused on the luxury fashion segment within online rentals (Mishra et al., 2021; Ruan and Xu, 2018) or baby clothes (Peterson and Riisberg, 2017). Nevertheless, within the European market, where fashion rental is still a relatively new service, there has not been sufficient research on consumers' perceptions on this topic yet. As it represents one of the most polluting countries in Europe (Vourvoulias, 2021) and the country with the largest fashion market in the EU (Statista Research Department, 2021), this study will focus on the German market. In this market, there is a huge need for change in consumer behavior as well as high potential demand. However, rental fashion still has a very low profile here and not enough research has been done to better understand why this is the case. Young Germans, who are best suited for this topic according to Armstrong et al. (2015), have the opportunity to set a positive example for other European countries that are part of the New Circular Economy Action Plan following its goals by expanding the life cycle of clothes through renting clothes. The overarching research question of this paper will be: *What is the*

current general perception of young German consumers of rental fashion platforms? More specifically, the following two sub research questions will be addressed during the interviews:

RQ1: *What makes renting fashion attractive to young German consumers?*

RQ2: *What prevents young German consumers from renting fashion online?*

By asking these questions and their preferred categories to rent from through a qualitative study a deep understanding of young German potential rental consumers, their thoughts, and opinions as well as a better idea of why rental fashion platforms have not yet been as successful as in other countries will be provided. These findings function as a base for later discussed theoretical and managerial implications.

3 Methodology

3.1 Research Method

The purpose of this research is to understand consumers' perceptions of and attitudes towards rental platforms, a field within the sharing economy that has not yet been covered for the German market. Therefore, a qualitative approach was chosen as the appropriate research method. The in-depth semi-structured interviews (Legard et al., 2003) seek to find comprehensive and detailed information about young Germans' opinions and views. In one-to-one conversations reasons for renting as well as barriers that might have prevented consumers from renting fashion online in the past have been inquired.

A pre-questionnaire ensured that only suitable interviewees, who are, firstly, interested in fashion in general and, secondly, have at least previously heard of the term "rental fashion", were interviewed. Before the interview, a guide was designed to lead the conversation loosely into the anticipated directions (see Table 1). The interviews always started with a short introduction of the purpose of this research and asking for the approval to record the conversation for later analyses. The interview started with a broad open-ended question to initiate a conversation, continuing with more specific questions. The questions followed the

four key steps of a typical customer decision journey, being *Attention*, *Consideration*, *Purchase* and *Post-Purchase*. Through this, the perception of the interviewee was explored during the whole purchase process and a complete picture of the consumers attitude could be gained. With the slight guidance of the interview guide, interviews were structured whilst enabling an open conversation and spontaneous answers with a flexible flow, combining “structure with flexibility” (Legard et al., 2003, p. 141). The in-depth format allows the interviewer to occasionally ask for explanations and reasons behind answers, encouraging the interviewee to elaborate on their answers and bringing real underlying opinions and views to light.

During the interview, the qualitative technique of free associations was applied (Keller et al., 2008). In the process of the interview, participants were asked to state their very first thoughts when they hear the term ‘rental fashion platform’ and name three adjectives that describe rental fashion platforms in their opinion for example. This way the initial views of the consumer about the topic was revealed and then further explored.

Due to logistical reasons, all interviews were carried out via phone calls. To prevent language barriers, to make the interviewee feel as comfortable as possible to express emotions freely, and to speak out suddenly occurring thoughts, the interviews were held in the participants’ native language, German, and transcribed into English afterwards. This way, a natural conversation was enabled without forcing the participant into a specific direction. The overall interview duration was between 20 and 35 minutes, depending on how much the interviewee knew about the topic and wanted to share.

3.2 Data Sample

A detailed overview of the participants’ demographics including name, gender, age, education, and occupation can be found in Table 2. In total, 24 interviews have been held during the month of April 2022. The initial four interviewees were chosen by the interviewer and the following participants were selected through snowball sampling (Biernacki and Waldorf,

1981), guaranteeing a diverse sample with people from a variety of backgrounds who live in different regions of Germany. The number of interviews occurred, as after 24 interviews the results started to stagnate, and a data saturation was achieved. Thereafter, there was no need to continue with the process (Willig, 2001). Through the pre-questionnaire the selection of suitable young German consumers belonging to either Gen Y or Z was guaranteed and a close to 40:60 gender split with 9 males and 15 females was achieved. This is adding value to previous research that solely focused on females (e.g., Lee et al., 2021; Mukendi and Henninger, 2020; Becker-Leifhold, 2018; Lang and Armstrong, 2018). As male fashion sales are predicted to continue growing faster than female fashion sales (Statista, 2021), the importance of their shopping behavior will increase over the next couple of years and should not be neglected. The focus was set to consumers born after 1980 and a minimum age of 18 as generational cohorts tend to have similar motivations behind their actions through shared experiences in their lives (Parment, 2013). Consumers belonging to Gen Y and Z have been growing up with technology around them, are immersed in online activities such as e-commerce (Lester et al., 2005) and at least slightly familiar with the topic of climate change. These characteristics and their high market share lead to great potential for the rental fashion market. The average age of the interview participants was 24.5, ranging from 19 to 31.

3.3 Data Analysis

The analysis of the research has been done after the recording, transcription, and translation of the interviews as during those the interviewer focused solely on listening and responding (Legard et al., 2003, p. 144). The interview scripts represent the raw data, which was investigated sentence by sentence to then be coded accordingly. The goal behind this process is to discover common parts of the interviews that lead to answers to the research questions (Creswell, 2013). The qualitative analysis software NVivo was used to facilitate the

analysis through categorizing the interview answers and finding these common categories in the program.

4 Results

This section presents and analyses the results of the interviews of this study. Each interview naturally differed as individual personal opinions and perceptions were revealed. Nevertheless, some shared concepts could be aggregated. Excerpts of the answers are quoted below to support and explain these specifically.

4.1 Motivation

Figure 1 shows the main benefits that were aggregated from the mentioned first-order concepts making renting fashion attractive to young German consumers. In the following sections, those will be explained one by one.

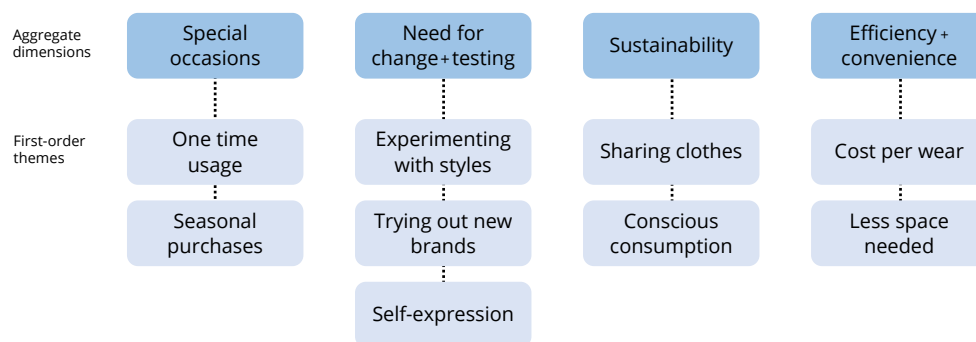


Figure 1: Data Structure (First-order themes and aggregate dimensions: Motivations)

4.1.1 Special occasions

A major advantage that participants see in renting fashion compared to buying new clothes or buying second-hand is the use case of one-time occasions: *“I associate rental fashion with one-time events or occasions, where I want to wear something special, and I either can't afford it or won't be able to use it in my everyday life in the future, so I don't want to buy it.”* (Richard, 26, Interview 14). In this case the consumer perceives that it is not worth buying a specific piece of clothes when only using it once or a few times. Thus, renting makes more

sense as the cost per wear when renting is lower than the purchase price. *“I wouldn't buy everyday clothes, but maybe like winter jackets, so really seasonal pieces I could imagine or also for events like weddings.”* (Chiara, 22, Interview 1). This shows that for some renting everyday clothes is still perceived as unattractive as the items used regularly consumers want to own, whereas when it comes to special events like balls, weddings, and graduations, they are fine with not owning the pieces as they save money this way.

4.1.2 Need for change and testing

The need for change in consumers' wardrobes is an additional motivation that was mentioned during the interviews. *“I could also imagine renting really trendy pieces to skip buying fast fashion pieces and still have those up to date or on trend pieces in my wardrobe.”* (Mira, 25, Interview 10). Through renting fashion regularly consumers do not feel like they miss out on new upcoming trends. They can switch out parts of their wardrobe every month, enabling them to wear new pieces, whilst not feeling the need to buy new clothes. *“You can kind of extend your wardrobe indefinitely and you have much more flexibility in your outfits, you can try out new styles without committing to something, without investing much money.”* (Marten, 25, Interview 12). Trying out new materials, new brands, and new styles was frequently mentioned as well as stepping out of one's comfort zone (e.g., Tobias, 26, Interview 23). This is connected to the need of self-expression, existing especially amongst younger generations. This also includes trying out higher priced items when platforms offer the option to buy the product after the rental period: *“If there's something I would like to have but I can't afford right now, this would be a way of first trying it to then be sure that it's really worth the money.”* (Luigi, 19, Interview 18). The rental period is then perceived as a trial period of the product. In case the product convinces the customer, the product might be purchased in the end. This business model, combining rental and retail, is not new and called “rentailing” (Knox and

Eliashberg, 2009). It is questionable though if this approach complies with the original idea of the sharing economy.

Whilst speaking about the advantage of having a flexible closet and trying out new clothes regularly, the option of subscription models and receiving monthly packages was often mentioned. *“I think the subscription model makes a lot of sense in this system, it makes it more diverse, exciting and kind of inspirational as well.”* (Richard, 26, Interview 14). One way of making renting fashion even more inspirational and increasing the perceived value for some consumer would be through the option of a subscription model which sends a specific number of clothing pieces that have been selected for the customer based on her/his previously made style specification.

4.1.3 Sustainability

Many interviewees associate rental fashion directly with sustainability and would describe rental fashion with the word “sustainable” (see Table 3). *“I think it's cool as it's more sustainable and I knew that once I send it back, I give it another life.”* (Leonie, 26, Interview 5). The consumers are aware of rental fashion platforms’ benefit of transforming the fashion industry into a more circular one. Most participants know that there is a need for consumers’ shopping behavior to change in Germany and people are starting to get more and more interested in alternative ways of shopping: *“I think it's a cool system and I'm a fan of new, innovative approaches when it comes to shopping clothes as I think there's a big change necessary in today's consumer behavior.”* (Lisa, 31, Interview 22). Having a look at the participants evaluation factors when buying clothes, one can see that sustainability is an often-mentioned criteria (see Table 4, in green). With this interest more and more questions regarding sustainability arise. Today’s consumers request to know how exactly rental fashion platforms work and how exactly their value chain is more sustainable than other online shops. *“I see why rental platforms are claiming to be sustainable, but I am not 100% sure if I believe them. I think*

through sending clothes back and forth you also pollute the planet a lot even if the clothes are getting worn more often.” (Carolin, 26, Interview 9). If the platforms succeed to convince consumers that renting is more sustainable than buying new clothes, this is an important motivation for young German consumers to try the service.

4.1.4 Efficiency and convenience

A more efficient and convenient use of clothes is an additional factor motivating consumers to rent fashion. The majority of interviewees consider the price of clothes before the actual purchase of a product (see Table 4, in blue). Within rental systems they see the cost-efficiency aspect as an advantage compared to buying clothes mostly in combination with other advantages. *“(..) so you don't have to spend a lot of money on clothes you only need to wear once, and you can do something good for the environment at the same time.”* (Lara, 26, Interview 7). As we are focusing on young German consumers who are partially still studying and do not have a stable income or are at the very beginning of their careers, the limit in budget does not come by surprise. Moreover, the space-saving aspect comes in beneficial for students as well as consumer who are traveling frequently or only have little space. *“I think as a student it could actually be quite interesting as you would save some costs maybe and you could skip the shopping part and save time as well (...).”* (Richard, 26, Interview 14). *“It's saving money as well as space in my wardrobe, which is perfect as I'm traveling a lot.”* (Lisa, 31, Interview 22). Participants perceive renting fashion as a possibility to spend less money on their fashion purchases and to create a more diverse wardrobe, whilst not needing more space. Thus, they are valuing the fact that rental fashion platforms establish a more convenient shopping experience. Interviewee 21 for example stated she used a rental fashion service during her semester abroad, as she was not able to bring many clothes (Rebecca, 26).

4.2 Barriers

After coding the raw data, this research shows the following first-order concepts and aggregate dimensions. Figure 2 visualizes these results and shows the main barriers that have prevented participants to rent fashion online in the past.

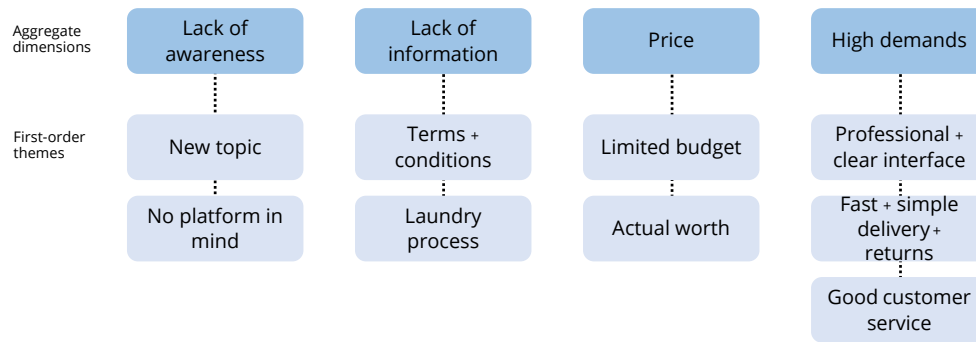


Figure 2: Data Structure (First-order themes and aggregate dimensions: Barriers)

4.2.1 Lack of awareness

The lack of awareness is one of the most severe barriers of young German consumers. All the respondents had previously heard of the term “fashion rental platform” as this was ensured by the pre-questionnaire before the interview. When they were asked to explain what they understand under this term, everyone was able to describe the key characteristics of a fashion rental platform: *“I understand that it's a platform online that gives the consumer the possibility to rent clothing pieces and accessories like sunglasses or handbags for a specific time period from different brands.”* (Teresa, 24, Interview 3). Moreover, they were able to draw a clear line between second-hand shopping, swapping clothes, and renting clothes. They mostly even acknowledged the difference in ownership: *“First of all the difference is that if I rent something, I won't own it, it's about sharing my clothes, which isn't really the case if I buy something second-hand, or swap clothes, because then I will own it and only I am going to actually wear it.”* (Marten, 25, Interview 12). However, when asking about specific examples on the German market, most interviewees were not able to name any (see Table 5, “awareness”). Instead, they stated that they are not aware of such platforms on the German

market: “[I haven’t rented fashion yet,] because I don't really know any platforms and I haven't heard of it that much yet. That's the main reason. If I knew a good platform, I would also consider renting clothes for sure.”. Later in the interview Emilia also adds: “I would say I'm a high potential consumer of rental platforms, as I really like the sustainability aspect of them, but even I haven't heard of any platforms until now.” (Emilia, 25, Interview 4). This barrier is supported by further participants who stress that the very first problem they see regarding renting fashion is the missing awareness amongst German consumers, even though they know platforms in other countries. This is the main reason why further in their customer journey, the interviewees do not consider renting fashion and decide to buy clothes instead.

4.2.2 Lack of information

Closely related to the above, consumers do not know enough about rental fashion platforms as they have not yet been in contact with them. Consumers nowadays want to be more involved and educated about the processes of the company they shop from. During the interviews, they seemed very concerned about the terms and conditions which the platforms are applying. “What happens when something breaks or I put a stain on the clothes, would I need to then buy the piece?” (Max, 26, Interview 15). They request very clear communication about those special cases as they fear having to take over costs for example for staining the pieces or other minor damages. Only if the services are clear and perceived as fair, they will feel confident whilst wearing the clothes without constantly worrying about breaking them. Additionally, consumers are concerned with the cleanliness of the products as they do not know how many people have worn the piece before: “I have some concerns about the quality and condition of the clothes as well as some hygiene concerns, as I would expect the clothes to be perfectly clean.” (Ivonne, 25, Interview 20). Even though consumers know that they rent second-hand clothes, they expect even better quality on those platforms as if they would buy second-hand products. Some state they expect clothes coming from rental fashion platform as “close to new”.

Rental fashion platforms need to educate their consumers about their terms and conditions as well as their laundry process to guarantee hygiene expectations and to overcome this barrier.

4.2.3 Price

The price of renting has been voiced as another concern by the interviewees. As stated before, the price was a very important evaluation factor amongst participants when they were asked to imagine a clothing purchase situation (see Table 4, in blue). They are not convinced that renting fashion is “worth it” (Leonhard, Interview 13) and believe that in many cases it makes more sense to simply buy an item. *“For me, I think for what you get, it is too expensive, and I would rather like to own it.”* (Elisabeth, 24, Interview 19). Even when it comes to the key advantage, renting fashion for special occasions, participants seemed to be very price sensitive and questioned the cost-efficiency here: *“Also I'm not sure how big my willingness to pay would be for a dress that I will only wear once.”* (Mira, 25, Interview 10). This shows nicely that the cost per wear is crucial in the evaluation process of the participants.

4.2.4 High demands

Young German consumers have been growing up with the internet and shopping online. They are used to ordering clothes online, have made many experiences through that and hence are very certain about their demands towards those online platforms. If those high demands are not met, this might be a reason for young consumers to not rent fashion through those platforms. Most importantly, they look for great design and a very user-friendly interface when they shop online. *“If it does not look like a nice and trustworthy platform, I would directly go to another one.”* (Johanna H., 24, Interview 6). Interviewees stated the importance of high-quality pictures, seeing the clothes on actual people, and knowing the exact dates when items are available to rent. Additionally, they expect the platform to have an excellent customer service that is available at any time and capable of answering questions rapidly and preferably through real persons instead of chat bots. Receiving and returning items needs to be as convenient as

possible with return packages and labels already provided. After the rental process many interviewees would like to receive personalized suggestions, based on their previous purchases: *“If I have already ordered I think suggestions on my previous orders and inspiration boards from influencers for example.”* (Chiara, 22, Interview 1).

4.3 Categories

During the *Purchase* part of the interview, every participant was asked to name the three clothing categories that she/he would most likely rent from out of a list of the most common online fashion shop categories. The three most named categories by females were occasion-wear, designer, and handbags. For males the most named were occasion-wear, designer, and outerwear/everyday-wear (see Table 6). These findings fit the before analyzed main motivation special occasions as here occasion-wear, designer and handbags can be worn. What is interesting is that men seem to be more likely to rent everyday clothes. The least or not at all chosen ones were unsurprisingly underwear, pyjamas, and swimwear because in these categories the interviewees rather want to own their clothes, mainly out of hygiene reasons.

5 Discussion

The above presented results add to existing literature by delivering a better understanding of young consumer attitudes towards rental fashion platforms in Germany. By adding males to the sample and structuring the interviews along the steps of a consumer decision journey, a more complete picture of the attitude of young German consumers could be gained. While some of the study’s findings match previous research, several new insights into German consumers’ perceptions, especially regarding the entry barrier and preferred categories to rent from, are gained and will be discussed in the following.

5.1 Theoretical Implications

Renting clothes for special occasions as well as to experiment with one’s style has been mentioned as a motivation by researchers in the past (Mukendi and Henninger, 2020; Lang and

Armstrong, 2018; Armstrong et al., 2016; Peterson and Riisberg, 2017). Contrary to Mukendi and Henninger (2020) and Lang and Armstrong (2018), young German males seem to be more willing to rent everyday-wear which might show a slight difference in the use cases of rental fashion of consumer depending on gender. Moreover, in this research the wish for an additional subscription model that contains pre-selected clothing pieces and individual suggestions based on previous rents has been voiced as a possibility to increase the benefit of experimentation.

The fact that the environmental benefits of a rental platform contribute to the positive perception of consumers was mentioned in the study of Moeller and Wittkowski (2010), Armstrong et al. (2015) and supported by Mukendi and Henninger (2020) more recently. This study showed that the interviewees are aware of the need for change in their shopping behavior and perceive the sustainable aspect of sharing clothes as an important benefit. They communicated that they are open to trying new ways of shopping to create a more circular consumption if the price for it is reasonable. This indicates that consumers today might be more open to and ready for the idea of renting fashion than found in past research (e.g., Moeller and Wittkowski, 2010).

Interestingly, the aspect of the price of renting fashion was named as both, a benefit as well as a barrier, in the conducted interviews. Saving money by only paying a fraction of the actual purchase price and creating a more efficient wardrobe was frequently mentioned during the conversation, agreeing to past research (Armstrong et al., 2015; Mukendi and Henninger, 2020). However, participants of this study also stated that they are concerned with the price of renting, emphasizing that the cost per wear is a crucial evaluation criterion.

In past research the non-ownership aspect has frequently been analyzed as one of the key concerns of consumers and a factor that has been preventing people to rent fashion online (Mukendi and Henninger, 2020; Armstrong et al., 2016; Peterson and Riisberg, 2017; Piscicelli et al., 2015; Moeller and Wittkowski, 2010; Mont, 2004) as it takes away the pleasure of buying

and/or owning a piece. The lack of ownership is what especially concerns consumers who highly value materialism when it comes to renting fashion (Lang and Armstrong, 2018; Johnson et al., 2016). In this study, though, the consumers did not directly state this as a barrier. They rather voiced other closely connected concerns like hygiene aspects and how confidently they would be able to wear clothes they do not own (Armstrong et al., 2015; Mukendi and Henniger, 2020). The option to buy a rented piece after the rental period is a crucial service of the platform as it was named to be one reason why non-ownership was less important to the interviewees (Mukendi and Henniger, 2020; Piscicelli et al., 2015; Armstrong et al., 2015; Peterson and Riisberg, 2017). This finding could also indicate that actual possession of things and materialism is getting less important amongst younger generations which would make renting even more popular according to Moeller and Wittkowski (2010). Other interviewees also mentioned that a good selection of clothes on the website and knowing that they can rent trendy pieces next month again, makes returning the items at the end of the rental period easier for them.

5.2 Managerial Implications

To increase the acceptance of rental fashion platforms by young German consumers, barriers need to be taken down, benefits highlighted, and trust gained. Results of this research have shown that only a few of the interviewees have been aware of a specific German fashion rental platform (see Table 5). Still, many of them consider renting fashion in the next step, even though they stated they are not familiar with any platform on the German market. Managers need to make consumers more aware of existing platform to prevent losing customers at the very beginning of their purchase journey. As social media is where young German consumers spend a lot of their time, this is the right point of contact. One way to attract their attention would be to directly advertise the perceived benefits by telling stories through influencers: Promoting fashion rentals for events, to experiment with new styles, whilst highlighting its

convenience and its positive environmental impact. Through communicating that less clothes also mean less needed space and the money saving aspect, young Germans could be convinced of this new way of consuming. This could be supported by emphasizing the fact that the platform takes over “the burdens of ownership” by taking care of the clothing pieces through guaranteeing high quality and cleanliness, especially amongst convenience orientated consumer, as well as the option to buy the rented pieces (Moeller and Wittkowski, 2010). As consumers specified occasion-wear as their preferred category out of which they would rent, this category should be focused on at first to further lower the entry.

Even though sustainability has been found to be an important perceived benefit of fashion rentals, practitioners must be careful here. Focusing on environmental aspects to motivate consumers to rent has shown to only have little effect on consumer purchase intention in previous research (Rexfelt and Ornäs, 2009). Within this context, there tends to be a gap between attitude and actual behavior of consumers (Wiederhold and Martinez, 2018), which should not be neglected when implementing an advertising strategy. The opportunity to experiment with a broader variety of styles can be used to spread the message that sustainable fashion options are stylish indeed counteracting previous attitudes towards sustainable fashion.

5.3 Limitations and Future Research Suggestions

This study adds value to past literature by presenting the current state of mind of young German consumers towards fashion rental platforms. Nevertheless, there are some limitations that need to be highlighted, offering an opportunity to be addressed in future research papers.

Firstly, the procedure of a qualitative study through semi-structured interviews targets personal views and opinions. Individual perceptions of a small number of people out of a specific focus group cannot easily be generalized to a wider population. This study’s implications refer only to a sample of young German consumers, aged 19-31. However, the

exhibited findings can present the base to formulate hypothesis for future quantitative research that explore certain perceptions, views, and their correlations in more detail.

Additionally, future research should explore perceptions of other generations and compare those results with this study to gain insights to the complete German market. Interesting to explore would be if perceptions of this topic differ amongst older generations and younger generations and if genders are equally likely to rent today. Another possible research question would be if younger generations value possessions less than older ones and if that consequently makes them more likely to rent. Moreover, an interesting direction for future research within the field of rental fashion platforms, but no part of the consumer behavior area, would be to explore the business models behind those platforms in detail and check each step for common sustainability requirements. This approach might find insights helping to convince consumers who are skeptical about the sustainability of rental platforms.

6 Conclusion

Implementing the structure of sharing economies into the fashion world and offering German consumers to utilize fashion collaboratively might be one measure to counteract potential future environmental crises which are partially caused by humans' overconsumption. This qualitative research was conducted through 24 in-depth semi-structured interviews following a typical customer journey with females and males. It became obvious that there is high interest in the topic of alternative fashion consumption, but most interviewees get already lost at the beginning of the customer decision journey. For rental fashion platforms to become an impactful alternative way of consumption in Germany, firstly the awareness needs to be increased among consumer and secondly more information about these platforms needs to be provided to take down the first entry barriers.

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Appendix

Table 1 - Interview Guide

Opening Questions

- Please, describe the last time you bought a piece of clothing. Where did you go, was it online or in-store, what was it and what was the reason for your purchase?
 - Can you tell me how many pieces of clothes do you buy per month in average?
-

Awareness/Knowledge

- What do you understand under the term rental fashion platform?
 - What are your first thoughts when you hear 'rental fashion platform'?
 - What are the three adjectives you would describe fashion rental with?
 - How does it differ to second-hand shopping/swapping clothes to you?
 - Do you know any specific examples?
 - o Yes: Where have you heard about it?
 - o No: Where would you like to see advertisement about rental fashion platforms? Where do you usually get inspired on where to shop?
-

Consideration

- If you are in need of a specific piece of clothes, what ways of shopping do you consider? (online, in-store, second-hand etc)
 - What are your three most important evaluation factors before making the purchase decision?
 - Do you consider renting fashion in this step?
 - o Yes: What is attractive about renting fashion online in your opinion? What is not?
 - o No: Why do you think you do not consider renting? What is attractive about renting fashion online in your opinion and what is not?
-

Purchase/Rent

- Have you ever rented fashion online?
 - o Yes: How was your experience, what did you like and what could be improved?

- No: Why have you never rented fashion online? What could be improved so that you would rent?
- What would be reasons for you to rent fashion online?
- What piece of clothes/category would you most probably rent online and why? (Pick 3 from list)
- Would you rather rent single pieces or subscribe and why?
- Under which circumstances would you be more likely to rent fashion?
- What would be the three most important characteristics of the platform for you to rent fashion?

Post-Purchase/Re-Purchase

- If rented before:
 - How was your post-purchase experience?
 - Are you still renting fashion? Would you do it again?
 - Are you recommending it to others?
- If not:
 - What would you specifically desire post-renting fashion for you to rent again?

Table 2 - Participants' Data

Name	Gender	Age	Education	Occupation
Chiara	female	22	Master	Student with job
Johanna B.	female	23	Master	Student
Teresa	female	24	Master	Student with job
Emilia	female	25	Master	Student
Leonie	female	26	Bachelor	Marketing Manager
Johanna H.	female	24	Master	Student with job
Lara	female	26	Bachelor	Marketing Manager
Julia	female	20	Bachelor	Student
Carolin	female	27	Master	Senior Consultant
Mira	female	25	Master	Student
David	male	24	Master	Junior Consultant
Marten	male	25	Master	Student with job
Leonhard	male	22	Bachelor	Junior Consultant
Richard	male	26	Master	Student
Max	male	26	Master	Student
Seraphin	male	25	Master	Sales Analyst
Konstantin	male	25	Master	Account Manager
Luigi	male	19	Bachelor	Student
Elisabeth	female	24	Master	Student
Ivonne	female	24	Master	Student
Rebecca	female	26	Master	HR Manager
Lisa	female	31	Master	Account Manager
Tobias	male	26	Master	Engineer
Maria	female	24	Bachelor	Marketing Manager

Table 3 - Associated Adjectives

#mentions	Adjectives	#mentions	Adjectives
16	sustainable	1	efficient
4	diverse	1	environmentally friendly
3	elegant	1	fancy
3	innovative	1	inventive
2	circular	1	medium-priced
2	conscious	1	new
2	convenient	1	occasional
2	cost-saving	1	out-there
2	expensive	1	rarely usable
2	extravagant	1	seasonal
2	practical	1	second-hand
2	smart	1	shared
2	specific	1	short-term
2	trendy	1	single usage
1	affordable	1	single use
1	American	1	slow
1	brave	1	space-saving
1	cheaper	1	special occasions
1	complicated	1	unnecessary
1	digital	1	various

Table 4 - Purchase Evaluation Factors

Name	Evaluation Factors
Chiara	Price, Brand/Quality/Sustainability, Look/Fit
Johanna B.	Quality, Price, Look
Teresa	Quality, Price, Look
Emilia	Quality/Material, Price, Look
Leonie	Look, Brand trust, Price
Johanna H.	Material/Quality, Price, Brand trust
Lara	Price, Need, Will it make me feel good?
Julia	Quality, Price, Sustainability
Carolyn	Sustainable/Fairly produced, Vegan, Longevity
Mira	Need, Material/Quality, Price
David	Delivery time, Return policy, Look
Marten	Look, Price, Quality/Sustainability
Leonhard	Look/Fit, Quality/Sustainability, Price
Richard	Sustainability/Material, Price, Look
Max	Look/Fit, Price, Quality
Seraphin	Price, Quality, Fit
Konstantin	Quality, Look/Fit, Price
Luigi	Look, Material, Price
Elisabeth	Look, Quality, Price
Ivonne	Design, Quality, Price
Rebecca	Material/Sustainability, Brand, Need
Lisa	Quality/Sustainability, Brand trust, Need
Tobias	Material/Quality, Brand, Price
Maria	Look, Quality, Price

Table 5 - Customer Journey Stages

Name	Awareness*	Consideration	Purchase	Postpurchase
Chiara	x			
Johanna B.				
Teresa	x	x		
Emilia				
Leonie		x		
Johanna H.	x	x		
Lara		x		
Julia				
Carolyn		x	x	x
Mira		x		
David		x		
Marten		x		
Leonhard	x	x		
Richard				
Max		x		
Seraphin				
Konstantin				
Luigi				
Elisabeth				
Ivonne		x		
Rebecca	x (in US + UK)	x	x	x
Lisa	x (in US)	x	x	x
Tobias		x		
Maria	x	x		

*x if person is aware of a specific rental fashion platform

Table 6 - Preferred Categories

Categories	#Male	#Female	#Sum
Occasion-wear	7	9	16
Designer	5	9	14
Handbags	0	11	11
Outerwear	3	4	7
Accessories	1	5	6
Everyday wear	3	1	4
Vintage	2	1	3
Smart Casual	2	0	2
Non-Trainers (Heels/Suit shoes)	0	2	2
Activewear	2	0	2
Workwear	0	2	2
Hats	0	1	1
Trainers	1	0	1
Jeans	1	0	1
Underwear	0	0	0
Pyjamas	0	0	0
Swimwear	0	0	0