



WASHINGTON STATE UNIVERSITY

College of Agricultural, Human,
and Natural Resource Sciences

Apparel Rental Service: A solution to wasteful consumption?



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Background

- Demand for apparel **ever increasing**
 - Bought averagely 40 garments in 2000
 - averagely 67 garments in 2014
 - averagely 68 garments in 2018
 - 4% of global population consumed 20% of apparel (AAFA, 2020)
- Consumers buying apparel beyond actual need
- Fast fashion has become popular since the late 90s



<https://retailleader.com/heres-how-win-gen-z-shoppers>



Background

- **Fast fashion:** a highly profitable and exploitative business model based on replicating catwalk trends and high-fashion designs, mass-producing them at low cost and short lead time. (Saxon, 2020)
- Consumers noticed apparel quality decline (Cotton Inc. 2013)
 - 63% thinner,
 - 55% synthetics instead of cotton,
 - 59% said clothes broke faster
 - 50% all fast fashion items discarded annually



<https://australianstyleinstitute.com.au/shopping-habits-say-fast-fashion-ethics-sustainability/>



<https://rebellion.global/blog/2021/07/26/fast-fashion/>



Background

- 10 million tons of textile waste in the U.S. annually (EPA, 2019).
- 85% of all textile waste dumped in the landfill (McFall-Johnsen, 2019).
- **Consumer environmentalism movement:** an environmentally responsible behavior characterized by advocating nature and protecting the ecology.
 - Responsible shopping
 - Donation of used products
 - Recycling/repurposing



<https://www.wsj.com/articles/the-high-price-of-fast-fashion-11567096637>



<https://co.pinterest.com/pin/286963807478338737/>



2019 CGS U.S. Consumer Survey

WHEN MAKING A PURCHASE, IS PRODUCT SUSTAINABILITY IMPORTANT TO YOU?



68% rate sustainability important, regardless of age and gender





2019 CGS U.S. Consumer Survey

CONSUMERS WILL PAY MORE FOR SUSTAINABLE PRODUCTS



Although over 1/3 of consumers are willing to pay 25% more for sustainable products, **Gen Z is more willing to pay 50-100% more compared with other age groups.**



According to Bloomberg, in 2019, **Gen Z will surpass Millennials in 2019, comprising 32% of the global population of \$7.7 billion.**



2019 CGS U.S. Consumer Survey

WHAT MAKES CONSUMERS BRAND LOYAL?



For brand loyalty, **Gen Z** was more likely to prioritize sustainability, brand name and company mission/purpose compared with other age groups



2019 CGS U.S. Consumer Survey

WHAT PRODUCTS ARE MOST CRITICAL FOR SUSTAINABLE AND ECO-FRIENDLY OPTIONS?

PAPER GOODS



44%

TOILETRIES, PERSONAL CARE



40%

APPAREL, FASHION, FOOTWEAR



26%

HOME FURNISHINGS



19%

FURNITURE



18%



Background

- Fast fashion → **ownership burden**
- **Collaborative consumption**: provides consumers with the ability to focus on **using product** instead of **ownership** and is gaining popularity in recent years (Lang et al., 2020).
- Apparel rental business model



serviceshttps://www.wikiwand.com/en/Rent_the_Runway



<https://co.pinterest.com/pin/286963807478338737/>



Background

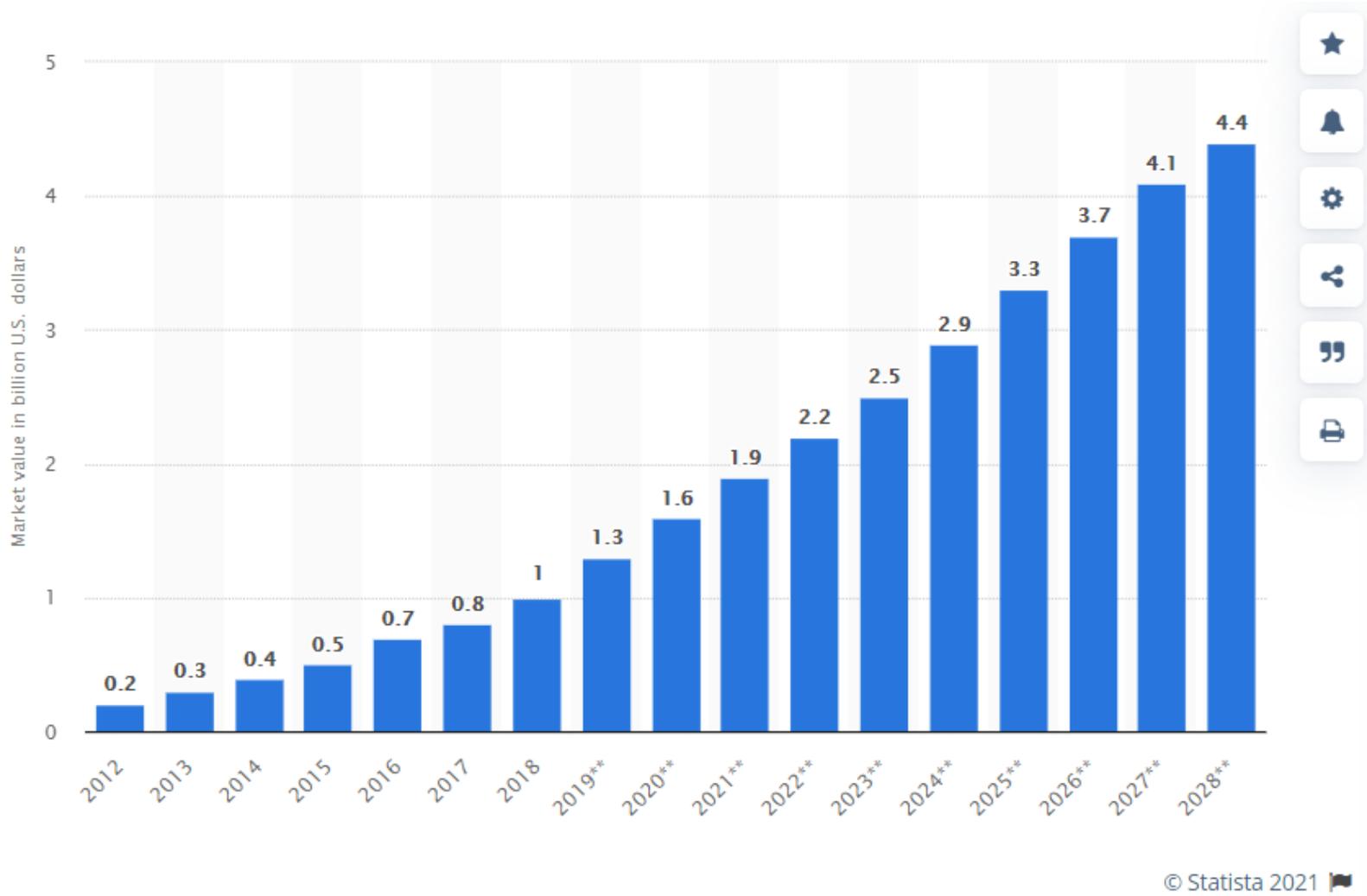
- Apparel renting **maximizes apparel usage** and reduces impact of goods thrown away after limited use (Botsman & Rogers, 2010)
- **Slows down production speed of apparel**, each clothing item can be used more times before disposal (Zamani et al., 2017)
- **Reductions in excessive consumption** of raw materials, supplies, energy, and water (Alonso-Almeida et al., 2020)
- **Carbon and water footprint reduction** up to 5%-10% by extending clothing lifespans from one year to three years (Rick, 2019).



<https://seattlerefined.com/fashion-beauty/armoire-like-your-friend-the-fashionista-gave-you-the-keys-to-her-closet>



Value of the rental apparel market in the United States from 2012 to 2028 (in billion U.S. dollars)





Background



Rent the Runway IPO
On Oct 27, 2021



<https://www.forbes.com/sites/aubriepagano/2021/10/28/rent-the-runways-ipo-the-good-the-bad-the-ugly/?sh=6b37b5be5231>



Rent the Runway

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PLANS DISCOVER CLOTHING ACCESSORIES DESIGNERS CLEARANCE OCCASIONS

Sign in

MEMBERSHIPS
FROM \$69

Most-Loved Plan: 8 Items for \$99 [EXPLORE](#)

Up to
4 items per month

For a monthly pick-me-up with versatile essentials and statement pieces.

- ✓ 1 shipment/month
- ✓ [Basic closet access](#)

[Try Now](#)

\$69 trial month
\$89/month after

Most Loved

Up to
8 items per month

For outfit updates and special occasions, including work and weekend looks.

- ✓ 2 shipments/month
- ✓ [Full closet access](#)
- ✓ Rent 4 items at a time

[Try Now](#)

\$99 /month for 2 months
\$135/month after

Up to
12 items per month

For multiple monthly refreshes for work, weekends, special events and more.

- ✓ 3 shipments/month
- ✓ [Full closet access](#)
- ✓ Rent 4 items at a time

[Try Now](#)

\$129 /month for 2 months
\$174/month after



Renting with Armoire

An endless wardrobe + exclusive membership perks. [How it works >](#)



Take our Style Quiz

Help us learn your unique style — it takes less than 3 minutes!



Let Us Style You

We'll curate a selection of styles with help from our algorithm and professional stylists.



Rent Your Favorites

Select your favorite styles and have them delivered to your door. The more you rent, the more our



Exchange + Repeat

Return each item at your convenience, or purchase favorites at a discount. Shipping is always free

4 ITEM CAPSULE

4

Items per month

- ✓ 4 items per case
- ✓ 1 case per month
- ✓ \$1,000+ of clothing/month

TRY 4 ITEM CAPSULE

\$39.50 trial month
\$79/month after

7 ITEM CAPSULE

7

Items per month

- ✓ 7 items per case
- ✓ 1 case per month
- ✓ \$1,750+ of clothing/month

TRY 7 ITEM CAPSULE

\$59.50 trial month
\$119/month after

Most loved

UNLIMITED

Unlimited

Items per month

- ✓ 6 items per case
- ✓ Unlimited cases/month
- ✓ \$5,000+ of clothing/month

TRY UNLIMITED

\$124.50 trial month
\$249/month after



How It Works

Vince Unfold is a subscription service that gives you access to the latest styles for a flat monthly fee

1

BROWSE

Discover new styles every week and maintain 10+ items in your Edit

2

RENT

Receive 4 items at a time. Wear as often as you'd like

3

RETURN

When you're ready, send back all items in the pre-paid bag



REPEAT

Exchange at your pace all month. Always enjoy free shipping and returns

OR



KEEP

Own your favorite styles for a discounted price

[New Arrivals](#) ▾
 [Women](#) ▾
 [Men](#) ▾
 [How To](#)
[Give a Gift](#)

SHOW < 1 2 3 4 > SORT BY ▾

SIZE

00	0	2	4	6	8
10	12	14	16	18	20
22	24	25	28	29	30
31	32	33	34	36	38
XXS	XS	S	M	L	XL
XXL	XXXL				

CLEAR

COLOR

Black	White	Blue	Green	Rainbow	Pink
Purple	Red	Orange	Brown	Grey	Dark Orange
Yellow	Dark Blue				

CLEAR

CASHMERE



Lightweight Cashmere Scoop Neck Long Sleeve in Chalet



Shrunken Cashmere Mock Neck in Champagne Pink



Cashmere Donegal Double Slit Crew in Cherry

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GET STARTED ▶

SORT BY DEFAULT

ALL DRESSES

SIZE

- | | | | |
|----|-----|-----|----|
| 0 | 2 | 4 | 6 |
| 8 | 10 | 12 | 14 |
| 16 | 14W | 16W | 18 |
| 20 | 22 | 24 | 26 |
| 28 | 30 | 32 | |

COLOR





WINTER GEAR LIVE NOW! ORDER TODAY AND RETURN IT AT THE END OF THE SEASON.

INS HOW IT WORKS ABOUT US TAKE THE QUIZ

rent a romper

LOG IN



BECAUSE THEY OUTGROW SO FAST

Rent a curated wardrobe that grows with your child. Keep items as long as you want, or swap anytime you need.

SHOP NOW >

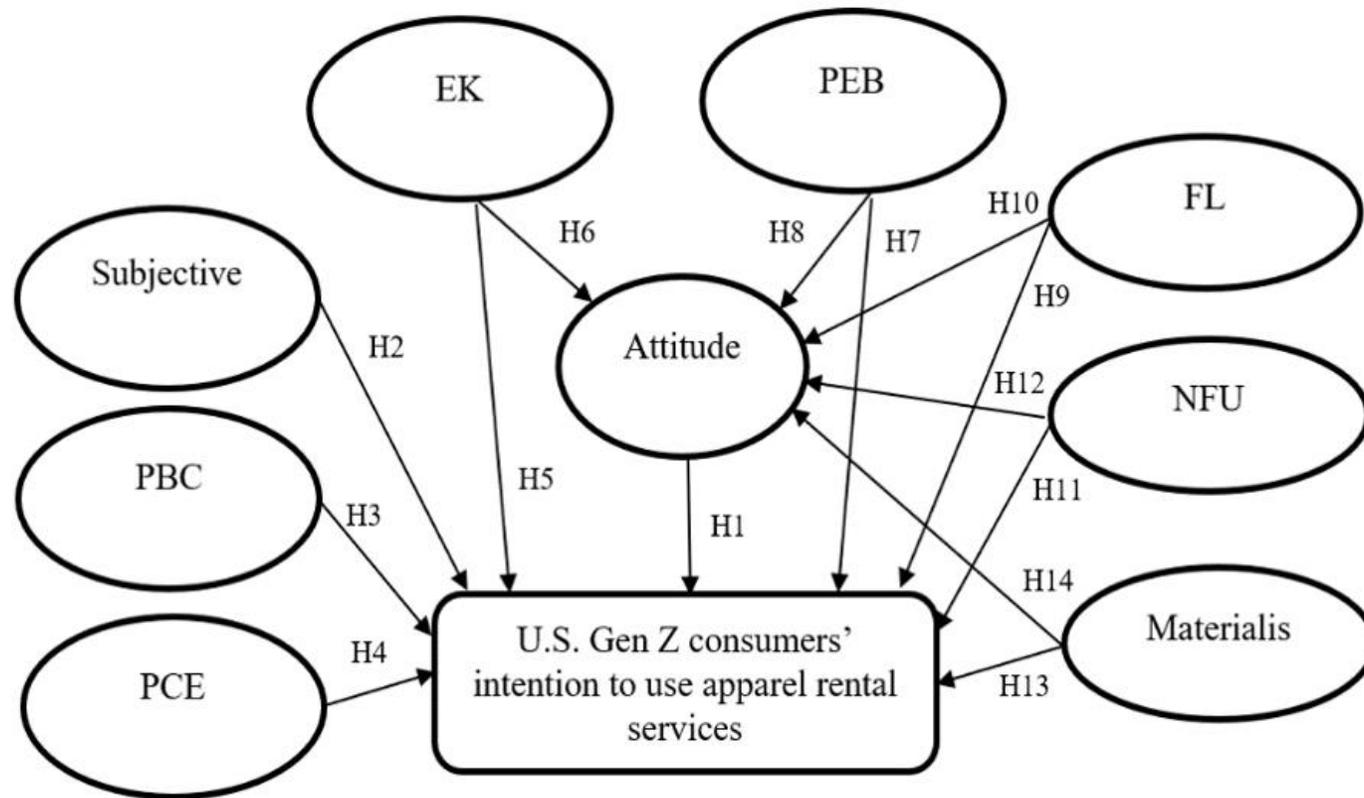


Purpose of the Study

- To better understand the emerging popularity of apparel rental services among Gen Z consumers who are becoming a major driving force for retail growth and the sustainability movement, this study aimed to identify the factors significantly influencing Gen Z consumers' intention to use apparel rental services



Proposed Research Model



SN = subjective norms,
PBC = perceived behavioral control;
PCE = perceived consumer effectiveness;
PEB = past environmental behavior;
EK = environmental knowledge;
FL = fashion leadership;
NFU = need for uniqueness

Figure 1. Proposed Model for Consumer Intention to Use Apparel Rental Services.





Data Collection

- The primary data were collected by a Qualtrics survey of US Gen Z adult consumers in March, 2020. The professional survey website used was Amazon Mechanical Turk (<https://www.mturk.com>).
- A total of 362 eligible responses were received.

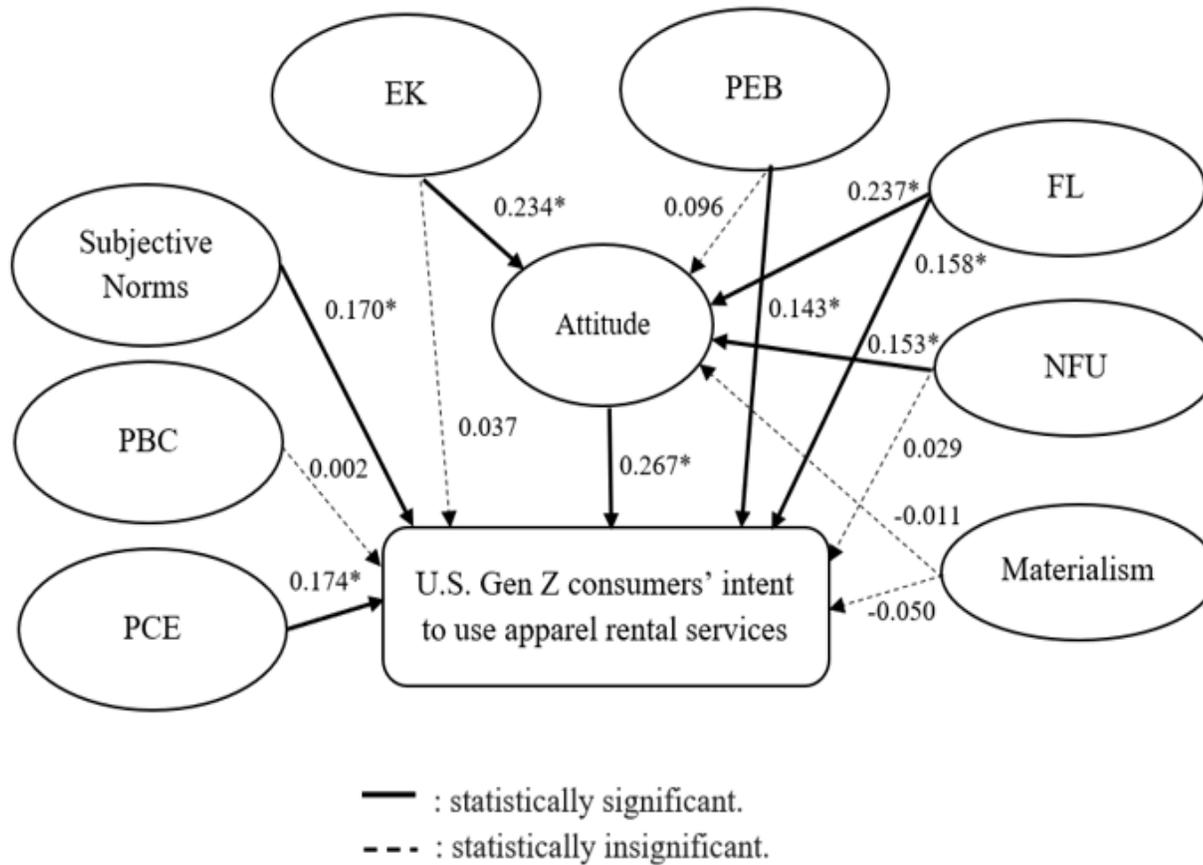


Table 1. Profile of the survey participants.

	Percent		Percent
Age		Income	
18	5%	Under \$5000	9%
19	5%	\$5000 to \$9999	7%
20	12%	\$10,000 to \$14,999	10%
21	17%	\$15,000 to \$24,999	13%
22	26%	\$25,000 to \$34,999	18%
23	35%	\$35,000 to \$49,999	15%
Gender		\$50,000 to \$74,999	17%
Male	63%	\$75,000 to \$99,999	9%
Female	37%	\$100,000 and more	1%
Ethnicity		Annual Apparel Expenditure	
White/Caucasian	66%	\$0-\$99	6%
Black/African American	14%	\$100-\$299	18%
Asian American/Pacific Islander	6%	\$300-\$499	23%
Latino/Hispanic	9%	\$500-\$699	17%
Native American	4%	\$700-\$899	12%
Others	1%	\$900-\$1099	7%
Education		\$1100-\$1499	8%
High school diploma	15%	\$1500-\$1999	4%
<u>Associate's degree</u>	23%	\$2000 and more	6%
Bachelor's degree	46%	Rented Apparel Previously	
Master's degree	16%	Yes	55%
		No	45%

Note: 362 total eligible responses.

Hypothesis Testing Results



PBC = perceived behavioral control;
 PCE = perceived consumer effectiveness;
 PEB = past environmental behavior;
 EK = environmental knowledge;
 FL = fashion leadership;
 NFU = need for uniqueness

The proposed research model exhibited good explanatory power, accounting for 58.6% of the variance in Gen Z consumers' intention to use apparel rental services.

Figure 2. Identified Relationships in the Proposed Model. * means $P < 0.05$.



Implications

- Gen Z consumers are more likely to use apparel rental services when their family and friends have positive perceptions about the services.
- They feel positively towards apparel rental services when they are educated on the sustainable benefits of using these services, perceive their contribution to environmental protection, and feel that it can satisfy their desire to try something new, be ahead of trends, and be unique.
- For apparel rental firms, their advertising and promotions should include environmental benefits and knowledge, samples of their wide style variety, highlights about how they are different from traditional apparel firms, and how they can satisfy a wide variety of consumer styles and the need for novelty and uniqueness at a reasonable cost.





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Thank You!