

RENTAL FASHION: CREATION OF NEW OPPORTUNITIES FOR SUSTAINABLE FASHION CONSUMPTION BY INTEGRATING CONSUMERS INTO THE BUSINESS STRATEGY

Sustainable Entrepreneurship Project

June 9, 2021

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ABSTRACT

Rental fashion has emerged as a new business model that offers fashion consumers to satisfy their demand for new trends and quickly changing wardrobes while considering aspects of sustainability. This study aims at finding out how new opportunities for sustainable fashion consumption can be created by integrating consumers into the business strategy through the service of fashion rental. Based on existing literature discussing the consumer's role in sustainable fashion as well as the circular economy and collaborative consumption, opportunities how sustainable consumption can be facilitated are identified. A cross-sectional research design, using semi-structured interviews, was chosen in order to explore the context of rental fashion businesses to answer the proposed research question. The results indicate that by integrating consumers into the business strategy, rental fashion is able to use market barriers of the linear fashion system as advantage to satisfy the consumer's demand for novelty and variety in their wardrobe while considering sustainability in their consumption behavior.

INTRODUCTION

It is hard to imagine a world without clothing. We are constantly in contact with clothing, whether it is in magazines, on billboards or just people on the street. Consuming and wearing clothing is part of our identity and provides symbolic, immaterial and hedonistic value to consumers beyond the functional need (Belk, 1988; Dobers & Strannegård, 2005; Meyer, 2001; Peattie, 2001). Unfortunately, the clothing industry has developed into the second largest polluter in the world and can be held accountable for severe problems in society, environment and economy (Global Fashion Agenda & Boston Consulting Group, 2018). Furthermore, it is currently one of the world's largest consumer industries and fashion consumption is estimated to increase 60% by 2030 (Global Fashion Agenda & Boston Consulting Group, 2018). There is an urgent need for more sustainable practices to implement in the industry. The circular economy has been presented as a promising solution to prevent and tackle current issues by creating a closed-loop system that allows resource efficiency and waste reduction (Bürklin & Wynants, 2020). Compared to the linear fashion system (design-manufacturing-sales-disposal) the circular economy aims at "extending the use-time of garments" (Niinimäki, 2018: 17) by maintaining their value as long as possible and then reintroducing them as raw material into the cycle after they can no longer be used (Niinimäki, 2018). Present attempts of integrating circularity into the fashion industry mainly focus on innovative solutions through technological advancement such as circular design approaches (e.g., using recyclable materials) or building a recycling infrastructure (Bürklin & Wynants, 2020). These technologies are based on the idea of technological advance and product innovation being the only solution to the problems the industry has created (Kemp, 1994). Nonetheless, addressing the consumer's role within the circular economy is currently missing in both practice and literature (Fashion for Good & Accenture Strategy, 2019; Gallaud & Laperche, 2016; Ghisellini, Cialani, & Ulgiati, 2016; Lieder & Rashid, 2016; Repo & Anttonen, 2017).

An emerging disruptive way of integrating sustainability more sufficiently into the fashion industry are business models concentrated on changing consumption behavior by enabling sharing, renting, swapping or lending of clothing (Niinimäki, 2018). Transactions like sharing gardening equipment, furniture or maternity or children's wear have long been part of social interactions but take place in a rather informal manner, without monetary exchange (Benson, 2007; Gregson & Beale, 2004). Along with such activities, a number of new concepts and terms have emerged within research and practice. The sharing economy, collaborative consumption or access-based consumption have all been studied increasingly in both a general and a fashion context (Amed, Balchandani, Beltrami, Berg, & Hedrich, 2019; Bardhi & Eckhardt, 2012; Belk, 2014a, 1988; Botsman, 2013, 2015a, 2015b; Botsman & Rogers, 2010; Hamari, Sjöklint, & Ukkonen, 2016; Netter, 2016; Niinimäki, 2018). It is argued that these concepts transport “alternative ideas and approaches into the mainstream and [develop] a more comprehensive and stronger vision for sustainable development than we have used thus far” (Heinrichs, 2013: 231). The trend of renting clothing, for instance, has not only become center in the discussion about new consumption patterns but also about possibilities to make the fashion industry more sustainable (Becker-Leifhold & Iran, 2018; Mukendi & Henninger, 2020). Rental fashion is still a niche business model and has not reached the mainstream (Becker-Leifhold & Iran, 2018). However, young generation's interest for newness and innovation while considering aspects of sustainability enables rental fashion to thrive (Amed et al., 2019). Fashion consumption will most likely not decrease as consumers' mentality is still focused on trends and variation of items (Global Fashion Agenda & Boston Consulting Group, 2018). By renting and sharing items among consumers the demand for trends can be satisfied while environmental impact such as waste creation or overuse of virgin materials can be reduced.

An increasing number of scholars has started to address rental fashion and points out how it can lead to necessary and disruptive change within the industry in regard to sustainable consumption (Amed et al., 2019; Clube & Tennant, 2020; Iran & Schrader, 2017; Mukendi &

Henninger, 2020; Netter, 2016; Niinimäki, 2018; Pedersen & Netter, 2015). Nonetheless, due to the novelty of renting fashion, studies are still inconsistent in results and the clear contribution to sustainability has not yet been identified (Becker-Leifhold & Iran, 2018). It is clear that further investigation in this topic will contribute to a better understanding of the opportunities that rental fashion poses.

Consequently, the aim of this study is to answer the research question: How can rental fashion create new opportunities for sustainable fashion consumption by integrating consumers into the business strategy?

In order to answer the proposed research question, a closer look is taken on rental fashion and the consumer's role and importance in making fashion consumption sustainable. Reviewing current literature provides the framework needed to gain a better understanding of the research field and existing findings. A qualitative research method, using semi-structured interviews with relevant businesses in the field, is selected to analyze how rental businesses engage consumers in facilitating sustainable fashion consumption.

This study makes several contributions to both literature and practice. First, the existing body of literature is bridged with current examples from the fashion industry to make a clear connection between rental fashion and sustainable consumption. Second, the results of this study provide new impetus for stakeholders, such as Non-Governmental Organizations (NGOs), entrepreneurs, consumers or the government, to evaluate the opportunities for guiding the industry towards better integration of the consumer on the one hand and fostering a sustainable transformation of the industry on the other hand. Third, this study extends current research on sustainable fashion consumption by drawing conclusions on potential opportunities that arise when recognizing the consumer's importance in sustainability. Highlighting the possibilities of rentals for sustainable consumption adds to current literature and contributes to the general discussion about sustainability implementation in the industry. Businesses concentrating on shifts in fashion consumption, propose a new way of thinking and guide us

away from the current paradigm of textile innovation and technology being the only solution to solve current issues.

In the following sections, I present the theoretical framework, methodology, results and discussion of the results. First, rental fashion is brought into the context of sustainable fashion consumption and its connection to the circular economy and collaborative consumption is made. Further on, the research design and method used for this study are described, followed by the results and the discussion of the results. In addition, the limitations of this study are presented and recommendations for further research are provided.

THEORY

Sustainable Fashion Consumption

Fashion consumption can be distinguished from other products as consuming and wearing fashion is part of our identity and provides symbolic, immaterial and hedonistic value to consumers beyond the functional need (Belk, 1988; Dobers & Strannegård, 2005; Meyer, 2001; Peattie, 2001). The act of purchasing fashion is based on emotional rather than rational needs which makes it more difficult for consumers to make decisions that consider the ethical and ecological implications of clothing production (Cao et al., 2014). The Global Fashion Agenda (2018) estimates fashion consumption to increase 60% within the next 10 years which implies that a large number of consumers will continue to consume fashion in an excessive way, resulting in both a devaluation of fashion and severe consequences for both environment and society (WRAP, 2017). While a majority of consumers maintain their behavior of mass consumption, another part has recognized its issues and pays attention towards more sustainable alternatives. The sustainable fashion market is growing as consumers seek to express their concerns for the environment and base their purchasing decisions on their values (Khandual & Pradhan, 2019; Ottman, 1993; Wigley et al., 2012). By implementing the triple bottom line (TBL) and its three categories: people, planet and profit, fashion brands try to satisfy this

demand and provide items that are produced under ecologically and socially responsible conditions (Elkington, 1998; Strähle & Müller, 2017).

Although consumers show increasing interest in sustainability and publicly raise their concerns about fashion companies' sustainable performance, their actual purchasing behavior does not reflect these concerns. This discrepancy has been identified as attitude-behavior-gap or Fashion Paradox and is a highly discussed topic in sustainable fashion consumption literature and has been presented as one of the main barriers for sustainable consumption (Birtwistle & Moore, 2007; Chan & Wong, 2012; Heiny & Schneider, 2021; Joergens, 2006; McNeill & Moore, 2015; Niinimäki, 2010; Park & Lin, 2020). Consumer behavior has been identified as the driving force for fast fashion due to the high demand for constantly changing wardrobes for an affordable price (Binet, Coste-Manière, Decombes, Grasselli, Ouedermi & Ramchandani, 2019). Elements such as price, quantity and appearance still remain prominent influencing factors in fashion consumption which creates additional obstacles for sustainable fashion brands to reach the mainstream consumer (Binet et al., 2019; Heiny & Schneider, 2021; Joergens, 2006; Khandual & Pradhan, 2019).

Conventional as well as sustainability-oriented fashion brands increasingly concentrate on product innovation and development that is aimed at making the industry more sustainable and provide consumers with a growing number of sustainably produced items in every product segment which allows them to make more ethical and environmentally conscious choices (Buzzo & Abreu, 2019). Nonetheless, they have failed to recognize the consumers' importance in their attempt to make fashion more sustainable by only concentrating on the production side of the fashion industry. New concepts like the circular economy have been presented as promising solutions to make fashion more sustainable and gain increasing attention from both scholars and practice (Ellen MacArthur Foundation, 2017; Heinrichs, 2013). However, they still concentrate on the production side of the industry and have not been able to actively include

the consumer into new solutions (Gallaud & Laperche, 2016; Ghisellini et al., 2016; Lieder & Rashid, 2016; Repo & Anttonen, 2017).

Some businesses, like Rent the Runway, have started to recognize this lack of consumer engagement and used its niche position to become frontrunners in facilitating new ways of fashion consumption for example by providing the service of rental fashion (Amed et al., 2019; Netter, 2016). It enables consumers to rent items by paying a single fee or by being part of a subscription plan that allows renting a specific amount of items per month (Conlon, 2020; Ellen MacArthur Foundation, 2017). Within the concept of rental fashion, two different types of business models have established. The first one is business-to-consumer interaction which is possible both online and offline (e.g. Rent the Runway or Pool) and is based on businesses “coordinating the acquisition and distribution of a resource for a fee or other compensation” (Belk, 2014: 1597). The second one is peer-to-peer interaction (e.g. Wedress Collective), which is defined as “a peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services” (Hamari, Sjöklint, & Ukkonen, 2016: 2047). In the case of peer-to-peer interaction, the business provides an online platform in which users can exchange their personal clothing among each other. Both business models focus on the consumers and their demand for both newness and sustainability (Amed et al., 2019).

Rental Fashion as Part of the Circular Economy and Collaborative Consumption

In the past few years, new business models based on the circular economy have emerged within the fashion industry, presenting solutions on how to create a closed-loop system, with the aim of extending the use-time of garments while maintaining the products’ value for as long as possible (Niinimäki, 2018). According to Mentink (2014) a “circular business model is the rationale of how an organization creates, delivers and captures value with and within closed material loops” (Mentink, 2014: 24). Within the current paradigm of the circular economy, fashion companies have extensively focused on innovating the design and manufacturing of

individual products and thus mainly concentrated on the supply chain upstream (Ellen MacArthur Foundation, 2017; Fashion for Good & Accenture Strategy, 2019). A lot of emphasis has been put on the innovation of sustainable materials (e.g., LENZING™ ECOVERO™) or integrating recycling processes for textiles into production (e.g., adidas x parley) (adidas, 2021; Niinimäki, 2018; Shogren, Wood, Orts, & Glenn, 2019). The majority of the fashion industry seems to believe that technological advance and product innovation will reduce the industry's environmental and social impact and thus solve the problems it has created within the last decades. However, applying the circular economy downstream by actively including the consumers in the closed-loop system and thus facilitating sustainable consumption, has received very limited attention and needs to be examined further (Ellen MacArthur Foundation, 2017; Niinimäki, 2018). The negligence of including consumers into circular business strategies does not only exist in practice but can also be observed among scholars who rarely consider the consumer perspective of the circular economy (Kirchherr, Reike, & Hekkert, 2017). Some researchers have addressed this issue and claim that consumers are a significant enabler of circular business models and should be seen as essential to address in both literature and practice (Gallaud & Laperche, 2016; Ghisellini et al., 2016; Lieder & Rashid, 2016; Repo & Anttonen, 2017).

Rental fashion has been presented as a circular business model that is able to actively integrate consumers into the circular economy by extending clothing's lifecycle through renting. A distinct characteristic of rental fashion is that it provides access over ownership rather than transferring ownership to the consumer, like it is the case for secondhand fashion. The shift towards collective ownership is crucial in the context of rentals as it strongly differs from the conventional perception of ownership in fashion consumption (Amed et al., 2019).

The removal of ownership is also an essential aspect in other emerging concepts closely linked to the circular economy, such as the sharing economy, collaborative consumption or access-based consumption (see APPENDIX A for definitions). They are based on enabling

sharing, lending or swapping of under-used products which grant consumers temporary access and hence extend their lifecycle (Bardhi & Eckhardt, 2012; Belk, 2014a; Botsman, 2013, 2015a; Hamari et al., 2016). In literature these terms are often used interchangeably which is why rental fashion has been presented as an example for all of the above-mentioned concepts (Clube & Tennant, 2020; Netter, 2016; Niinimäki, 2018; Pedersen & Netter, 2015). However, in this study rental fashion is considered to be part of collaborative consumption as it is a concept that enables the reuse of items and involves “swapping, renting or trading instead of buying new” (Khandual & Pradhan, 2019: 43). Furthermore, it either aims at providing temporary access to clothing, based on peer-to-peer interaction or is based on the coordination of acquisition and distribution of clothing by a business (Belk, 2014; Hamari et al., 2016; Mukendi & Henninger, 2020). In collaborative consumption, consumers become the center of the business model and are actively integrated into the business strategy. Rental fashion is an example of collaborative consumption and offers consumers the opportunity to engage in sustainable consumption without buying new items. This study aims at finding out which opportunities arise from integrating consumers into the business strategy in terms of facilitating sustainable consumption.

Rental as sustainable alternative to conventional fashion consumption

As the circular economy as well as collaborative consumption have been presented as promising concepts for driving the sustainability transformation of the fashion industry, new business models like rental become central in the discussion about how to facilitate sustainable consumption. Disruptive business models are required, as the current attempt of technological advance solving the industry’s problems will not lead to the desired outcome of sustainable consumption (Heinrichs, 2013).

Renting per se is not a novel idea but can counteract the acceleration of producing trend-driven clothing that contributes to a throw-away mentality on the one hand and on the other hand restore the symbolic, immaterial and hedonistic value that fashion provides to consumers

(Belk, 1988; Birtwistle & Moore, 2007; Dobers & Strannegård, 2005; Fletcher, 2008; Meyer, 2001; Peattie, 2001; WRAP, 2012, 2017). Particularly, this value distinguishes fashion consumption from other products. It goes beyond meeting basic needs or functionality as it provides a fundamental part of our communication and social interaction (Kaiser, 1990). Renting fashion presents a rather simple way of addressing consumers' demand for self-expression while acknowledging their concerns for the environmental and social impact of their consumption (Amed et al., 2019; Conlon, 2020; Mukendi & Henninger, 2020; Netter, 2016). Businesses engaging in rental fashion concentrate on providing a service to their users and granting them access to fashionable clothing rather than promoting consumption of new items based on the idea of a linear fashion system.

Existing literature has recognized that business models focused on sustainable consumption have the potential to facilitate sustainable consumption in the way that they 1) offer competitive opportunities for businesses and 2) reduce the negative impact of the fashion industry (Sobir, 2021). Furthermore, it has discussed potential drivers and barriers for rental fashion as sustainable business model from both consumer and business side (Becker-Leifhold & Iran, 2018). However, it has not yet addressed the outcome of integrating consumers into the business strategy neither in circular nor linear business models which is why there is a demand for further research to be conducted (Amed et al., 2019; Becker-Leifhold & Iran, 2018; Buzzo & Abreu, 2019; Iran & Schrader, 2017; Mukendi & Henninger, 2020; Pedersen & Netter, 2015). In this study, I present rental fashion as a business model that enables new opportunities by integrating consumers into the business strategy and aim at exploring these opportunities further, in order to find out how fashion rental facilitates sustainable fashion consumption.

METHODS

The consumer's perspective in facilitating sustainable consumption in the context of rental fashion has rarely been studied and hence a qualitative approach was chosen to generate new insights and valuable data that contribute to the current discussion among scholars and

practitioners (Newton, 2010). A cross-sectional research design, including semi-structured interviews, was adopted for this study in order to gain more in-depth understanding of how fashion rentals can create new opportunities for sustainable fashion consumption (Gillham, 2000; Ritchie, Lewis, Nicholls, & Ormston, 2013). The goal of a cross-sectional research design is to collect data at a single point in time on multiple cases to explore the research field of rental fashion further (Bell, Bryman, & Harley, 2018). This research design was chosen due to its flexibility and because current information from various organizations is required to answer the proposed research question (Connelly, 2016).

As research context, I chose European companies that integrate the idea of the collaborative consumption into their strategy. For identification and selection of cases, purposeful sampling was used (Pratt, 2009). To identify the cases, the only criterion was that the business provided a service to rent clothing. The type of business model did not play a dominant role in selecting the cases, as both peer-to-peer and business-to-consumer aim at providing existing items of clothing. The geographic location of these businesses was also not a selection criterion as the fashion industry as a whole is explored, rather than country specific aspects. However, after contacting various companies, only companies currently operating in Germany or Austria agreed to an interview. Five of the interviews were conducted in German and one in English.

For the interviews, I contacted the companies via email only providing a short overview of the topic to keep their answers in their interviews as spontaneous as possible and to create the same conditions for all interviewees. I interviewed six organizations and each participant was either the founder, co-founder or a project/department manager who had the required expertise to answer the questions. Table 1 shows an overview of the interviewed organizations, including their type of business model, distribution channel, who was interviewed and their location. For reasons of confidentiality, I replaced the company names by the following acronyms: RB1 to RB6.

TABLE 1
Overview Cases

Company	Business Model	Distributi on Channel	Position of Interviewee	Location
RB1	Business-to-Consumer	Stationary	Founder	Austria
RB2	Peer-to-Peer	Online	Founder	Austria
RB3	Business-to-Consumer	Stationary	Employee	Germany
RB4	Business-to-Consumer	Stationary	Founder	Germany
RB5	Business-to-Consumer	Online	Co-Founder	Germany
RB6	Peer-to-Peer	Online	Founder	Germany

To collect data, I conducted semi-structured interviews with six organizations. For the interviews I structured the questions into six main categories: general information, drivers, consumers, challenges, sustainability and outlook. For each category I formulated a fixed set of questions as well as follow-up questions (see APPENDIX B). However, often I was not required to ask every follow-up question as some participants already provided the necessary information with the main question. In order to get the interviewee more comfortable with the circumstances of an online interview, I asked a few questions to collect general information about the organization and the person. Next, the respondents were invited to talk about the development of their business and the chosen business model. An example question was: *Tell me something about how and why your organization was founded*. This was done to find out more about their motivation and intention to engage in rental fashion. To receive more information about consumer shifts and changing habits, a question like this was asked: *In recent years how has the consumer profile changed?*. Generally, I guided the interviewees towards stating their opinion about rental fashion's future and how they think rental fashion can impact fashion consumption as well as the industry.

To analyze the data, the interviews were transcribed, using the software Amberscript (see [Google Drive¹](#) for transcripts and consent forms), and then coded using a combination of the pre-defined categories from the interview's structure and new codes that emerged from the interview itself. I identified a total number of 26 codes and connected the interview data to each code using the software Quirkos. This allowed me to get a better overview of the data for each code before adopting a tabular representation of the data to analyze the content. I used an abductive approach to connect the exploratory results from the interviews to the theoretical concepts discussed in the previous section as well as deriving new aspects from the data, following a three-stage process (Dubois & Gadde, 2002). In the first stage, similarities and differences in the data were identified in order to make more general claims about how rental fashion creates new opportunities for enabling sustainable fashion consumption. In the second stage, I connected the data to paramount categories such as community, circular economy or collaboration which derived from the data. In the third stage, I created a mind map that visualizes the theoretical concepts related to the paramount categories in connection to the data generated from the interviews (see APPENDIX C). This process allowed for more validity and reliability in results rather than choosing an interpretative method for analyzing the data. The results from the interviews are presented in the next section.

RESULTS

Growth Potential

All interviewees estimated immense growth potential for the rental fashion market. When asked about recent developments in demand and acceptance of their business model, the majority of the respondents claimed that the interest in their business has been steadily growing since they founded, and they have been making detailed plans on the expansion of their business. When asked about where the interviewees see their organization in the next five years,

¹ https://drive.google.com/drive/folders/1ABLZLOYkLARBPEbyhwm7j0kxXkeee7_M?usp=sharing

RB2, RB3 and RB4 revealed that they definitely see their business expanding across their country and even Europe which indicates the market to be increasing. Table 2 illustrates evidence about the market's potential.

TABLE 2
Quotes on Growth Potential

Respondent	Quote
RB 2	In the next 5 years, we will definitely tap into the most important European cities, that we have on our agenda, plus the ones that show demand.
RB 3	We did not expect this to go through the roof and boom in such a way.
RB4	I mean, we have fifty people using it right now and we have more than four hundred on a waiting list that we keep building. So, we really have quite a lot of attention.
RB 6	And we are currently working on expanding our network and to grow within different cities.

Changing Consumption Patterns

What the interviewees observed regarding changing consumption patterns is the shift towards access over ownership. Especially the founder of RB4 highlighted that “everyone is going into that access over ownership” mindset that is mostly driven by younger generations. Furthermore, RB4 added that rental “could also change people's wardrobes from conventional static wardrobe into something that is more dynamic and feels like a service more than something you feel you have to buy”. However, RB5 emphasized that the aspect of ownership can also be perceived as a challenge for rental services, because some consumers value ownership, as it creates status. Nevertheless, generally from the respondents' answers it becomes clear they concentrate on the consumers and try to adapt their business model around their demands.

A market opportunity for rental fashion is the growing interest in sustainable alternatives like many of the respondents pointed out. Most of the organizations (RB2, RB3, RB4 and RB5)

not only observed the shift away from ownership but also the growing interest in sustainability and evaluation of their customer's purchasing decision's impact. Generation Z (born 1995 and later) has been identified by the majority of the respondents to be the key driver for rental fashion as their awareness towards sustainability is growing and their expectations towards clothing brands change compared to older generations. While older generations put more value into the quality of their clothing and showing a high degree of loyalty towards their favorite brand, younger generations appear to have high expectations regarding the sustainable performance of both the business and product.

One aspect related to consumer's expectations was only identified by the founder of RB2, as she claimed that although younger consumers have high expectations towards fashion companies regarding their sustainable performance, their actual purchasing behavior does not reflect their growing concerns, as they continue to prioritize aspects like price over sustainability. According to her, offering a rental service aims at filling the gap between expectations and actual behavior, as consumers' need for variety, low prices and experiencing shopping as a treasure hunt can be satisfied in a way conventional retailers cannot offer their customers. Although this was only highlighted by RB2, the importance of price was also mentioned by RB4, who pointed out that consumers often ask for the retail price in order to evaluate how much money they would save when renting the item.

Collaboration

Another important opportunity that emerged from the interviews is the collaboration with designers, labels and local businesses. Some of the rental businesses provide products from local designers, fair fashion labels or contemporary fashion to offer new possibilities to both consumer and designer that did not exist before. The aspect of collaboration has been emphasized by all interviewees, to be an important part of their business strategy as it creates new business opportunities (see Table 3). Furthermore, it makes brands more accessible and

affordable. Half of the businesses (RB1, RB2, RB4) highlighted, that consumers are enabled to buy brands they would usually not purchase due to their economic situation.

TABLE 3
Quotes on Collaboration

Respondent	Quote
RB 4	I think we build a pretty strong network of brands. And step by step, we've been pitching our concept, for a year now, a lot of brands said no in the beginning. Then they saw we've got another brand on board and then we were building up slowly.
RB 1	And we really want to be aware from whom we source, and we were really sure that we do not harm the environment when working together with local designers who make effort in producing in a sustainable way and to offer them a business opportunity as well. It should be a win-win.
RB2	Concerning big collaborations, we are currently trying to work with a few important players, and we will see if we can get them to work with us because we really want to create change.

Sustainable Consumption

When asked about whether the respondents see themselves in a dilemma between promoting a sustainable lifestyle while promoting fashion consumption, most of the interviewees disagreed and highlighted that their business model does specifically address this dilemma by offering consumers to rent rather to buy. “No, it's the most sustainable way of consuming fashion by far, because we are not preaching that you should buy anything” (RB4). Among the interviewees, a general understanding of the conditions under which garments are produced could be observed, especially in regard to the environmental impact, which is why most of the respondents emphasized that founding their business was motivated by the desire to make fashion consumption more sustainable.

Circular Economy

All interviewees agreed that rental fashion can restore the value of fashion by providing high quality products that are made to last. Both RB2 and RB6 highlight the importance of quality in connection to their business model, as high-quality garments can be rented for a longer time and thus their lifecycle is extended. All of the respondents emphasized that they want to reinstate the appreciation for high quality products among the younger generations, that can already be observed among older consumers. Renting high quality products is also connected to the organization's motivation to reduce textile waste as well as the engagement in the circular economy. "Clothing needs to circulate, and it has to be valued for a longer time" (RB1). Although not mentioned by all interviewees specifically, the majority sees rental fashion as part of the circular economy and recognizes the importance of extending a garment's lifecycle. Table 4 illustrates how the respondents view their business's role within the circular economy. Some of the interviewees also highlighted that they are not the last stage within the circular economy and take efforts in engaging in upcycling or recycling processes after a garment can no longer be rented out.

TABLE 4
Quotes on Circular Economy

Respondent	Quote
RB 2	What we already know, doesn't help us in reaching the SDGs and for me what can is the circular economy; and this is where I see ourselves with our business model, an economic model which helps us to reach that goal.
RB 3	We are an important part in this circle, because someone purchases an item, wears it, donates it to us, we lend it, as long as possible, and then we give it to someone who recycles it, so it stays in the circle.
RB 6	We extend the phase of usage. So yes, I would say, we are part of the circular economy.

Community

Additional efforts to include the consumer into the business strategy are taken by several of the organizations. For example, peer-to-peer services encourage their consumers to meet in person where possible to avoid unnecessary shipping within the same city as well as enable social exchange between consumers. RB2 and RB6 both provide online peer-to-peer services and highlighted that they operate city-based to minimize their environmental impact on the one hand and on the other hand to contribute to building communities within cities.

Community building was an important aspect that emerged from the interviews with all organizations. Not only peer-to-peer services concentrate on creating city-based communities for the exchange of garments, but also RB4 and RB3 mentioned the aspect of community several times. For RB4, it is a central aspect of the business model, as building communities in various cities creates stronger bonds between consumers and brands and enables awareness as well as prevents shipping across long distances. Table 5 shows an overview of the interviewee's opinion about community.

Other aspects linked to community building are inclusion and equality. With price often being a constraint for consumers to buy sustainable garments as well as for following a certain style, RB4 highlights that offering a rental service gives people equal opportunities to gain access to various brands, they did not have access to before. "Not everyone can afford luxury items I do think there's something that needs to change from a social aspect because everyone should be welcome to dress as they like it can't be only like a premium thing to dress like you like "(RB 4).

TABLE 5
Quotes on Community

Respondent	Quote
RB4	And we want to see if we can build these pools in the sense that it becomes quite a big community
RB4	And that also includes everyone from the community perspective because that is also one of the things I really like about this is even though we're all young people we're all in college or have our first jobs, we all have different amounts of money to spend on
RB2	With our platform, we offer private individuals the opportunity to open your private wardrobe and share it with your local community.
RB3	It is working well. Also, because I think it is a kind of community. It is a collective wardrobe that you share with other people
RB6	Particularly this thought of community, to know where the clothing is coming from. Also, the feeling of lending something from a friend rather than an anonymous person on the platform

Incentives for Large Fashion Companies

Rental models also create the opportunity to set incentives for large fashion retailers to engage the consumer into their business strategy. During the interviews, many respondents have mentioned large fashion companies' attempts to adopt renting models as well. However, while some respondents see this rather as a threat for their own business, others clearly view the engagement of large companies as an opportunity for sustainability to be driven forward in the industry. They also see it as indicator for system change which is required for sharing models to be accepted by the majority of consumers. "If we, together with the other players, can accomplish, to make Zalando change their business model, then we have created an impact" (RB2). Although, some respondents question the intentions behind these efforts, RB2 highlights

that even though their intentions might not be solely based on sustainability efforts, them adopting these models is still a clear sign that a shift towards achieving more sustainability in fashion consumption is taking place.

DISCUSSION

In this paper, I explored the context of rental fashion organizations in order to find out how rental fashion can create new opportunities for sustainable fashion consumption by integrating consumers into the business strategy. The results corroborate existing literature in highlighting that rental fashion creates new opportunities to enable sustainable consumption. Some of the opportunities identified by literature seem to overlap with the results of this study. Nevertheless, others emerged from the data analysis that have not been mentioned in existing literature so far and offer potential for further research. In the following section, I draw conclusions from this study's results by connecting them to existing findings and providing a clear overview of how new opportunities for sustainable fashion consumption are created.

Educating Consumers

The negligence of including consumers into circular business strategies can be observed in both literature and practice. The consumer's role in the circular economy has not received enough attention from fashion companies as they invest their efforts and resources into finding new technology and developing circular design strategies. Under the consideration of the estimated increase of fashion consumption of 60% by 2030, there is an urgent need to include the consumer into business strategies in order to counteract increasing excessive consumption (Global Fashion Agenda & Boston Consulting Group, 2018). The aim of this study is not to present rental as the only possible solution but argues that the current attempts of making the industry more circular and hence sustainable have neglected the consumer perspective (Gallaud & Laperche, 2016; Ghisellini et al., 2016; Lieder & Rashid, 2016; Repo & Anttonen, 2017). By

the engagement in rental fashion, consumers are given the opportunity to actively take part in the circular economy and also educate themselves about how to care for clothing and eventually how to dispose clothing in an appropriate manner. Many rental fashion businesses aim at integrating sustainability into the core business structure and thus see themselves in an educational role to create awareness among consumers. Education plays an essential role in facilitating sustainable consumption because the more the consumers know about the impact of their purchasing decisions the more thoughtful their decision can be.

Facilitate New Ways of Thinking

Rental fashion is still a niche market due to certain barriers in consumer's thinking, such as the attachment to ownership or concern about hygiene (Becker-Leifhold & Iran, 2018). Shared ownership and collaboration are both essential determinants of collaborative consumption but are not yet accepted by the mainstream consumer (Botsman, 2013). Nonetheless, the shift from material possession towards collective ownership and the usage of services to gain access to underused products is increasing. Generation Z has been identified as key driver for new consumption models such as rental in both literature and the results of this study (pwc, 2020). Young consumers' preference of access over ownership can already be observed in other industries where services like Drive Now, Netflix or Airbnb, developed into successful businesses based on sharing and gaining temporary access (Amed et al., 2019; Botsman, 2013). This shift in thinking slowly transfers into the fashion industry. Several studies highlight that particularly young consumers make their purchasing decisions based on values and principles and would be willing to boycott brands that do not align with those values (Amed et al., 2019; First Insight, 2019; Heiny & Schneider, 2021). Consequently, it can be argued that rental contributes to new ways of thinking and the shift towards shared ownership creates new business opportunities which particularly address young consumers' demand for sustainability.

Use market imperfections

Both the linear and circular fashion system have neglected to concentrate on the consumer's perspective in facilitating sustainable fashion consumption and thus create barriers for sustainability. The discrepancy between consumers' interest in sustainability and their actual purchasing behavior has been identified as market imperfection within the linear fashion system but emerged as an opportunity for rental businesses and has not received any attention by scholars in the field. So far, various scholars have made efforts to find out why the attitude-behavior-gap exists and how sustainable fashion consumption is affected by it and has been presented as a barrier rather than an opportunity for sustainable consumption (Birtwistle & Moore, 2007; Chan & Wong, 2012; Joergens, 2006; McNeill & Moore, 2015; Niinimäki, 2010; Park & Lin, 2020; Riesgo, 2019). However, the attitude-behavior-gap can be perceived as an opportunity to be exploited by rental businesses, as young consumers' demand for constantly changing wardrobes and following trends while seeking a more sustainable lifestyle is clearly indicated by both existing literature and the results of this study. The thrill of purchase or perceiving shopping as a treasure hunt remain prominent characteristics of fashion consumption that will most likely not change, as consumers are used to a surplus of choices that are available on demand (Heiny & Schneider, 2021). The estimated increase of fashion consumption on the one side and the growing interest in sustainability from the consumer side on the other side are quite contradictory and thus create a barrier for the linear fashion system, as it is not able to satisfy both demands simultaneously. However, it creates an opening for rental businesses to facilitate sustainable consumption because they are able to integrate the consumer into their strategy and build a service around their customer's demands. It enables the consumer to maintain a sustainable lifestyle without giving up the urge for variety and self-fulfillment. Especially, when considering the shifting mindset towards access over ownership as facilitator for rental concepts, consumers will more likely chose rental fashion as alternative consumption model. Consequently, it can be argued that engaging in rental models can bridge the attitude-

behavior-gap and thus enable consumers to make more sustainable purchasing decisions while maintaining their demand for novelty and variety in their wardrobe.

Closely linked to the attitude-behavior-gap is the constraint of price that prevents consumers from freely choosing what to wear. Often fair fashion labels or contemporary designers charge higher prices not every consumer is willing to pay. The results of this study indicate that rental fashion is able to lift the constraint of price and thus makes expensive fashion accessible to a broader variety of consumers. Conlon (2020) highlights the advantage of “accessibility and democratisation” that rental fashion creates, which clearly supports the results of this study. Lifting this constraint, rental businesses also add to restoring the value of fashion as means of self-expression and creativity rather than being a disposable good. Heiny and Schneider (2021) found that value for money, perfect fit, long-lasting materials, cheap price, getting discount, variety in wardrobe, filling gaps in wardrobe, sustainable production and ethical labor policies are significant motivators to consume fashion, with value for money being the most important one. Some of these motivators such as long-lasting materials, cheap price and getting a discount are quite conflicting because the production of high-quality garment often implies a higher price for the consumer (Binet et al., 2019). Rental fashion services use this conflict to their advantage by offering consumers high quality garments for a low price. Consequently, lifting the constraint of price enables broader access to high-quality garments which also implies increased social equality due to the possibility of wearing high quality clothing or fair fashion without impacting the economic situation of the consumer too much.

Looking at the various market imperfections such as the attitude-behavior-gap, price constraints and unequal accessibility to high-quality products, it can be argued that by concentrating on the consumers’ needs, a business is able to use these imperfections as competitive advantage as well as use it as a business model that provides symbolic, immaterial and hedonistic value to consumers beyond the functional need while offering consumers to

maintain their sustainable lifestyle (Belk, 1988; Dobers & Strannegård, 2005; Meyer, 2001; Peattie, 2001).

Community Building

Community building as a result of engaging in rental fashion has not been discussed in literature so far and presents another opportunity for facilitating sustainable consumption by including the consumer into the business strategy. What is indicative from this study's results is that in both peer-to-peer and business-to-consumer models, consumers as well as businesses can merge into a community that engages in sustainable consumption. From the consumer's perspective, using a rental service can feel like having access to an extended wardrobe without limits or lending items from their best friend which is an important social interaction that has been going on for decades (Benson, 2007; Gregson & Beale, 2004). The aspect of community building seems to be a central point in creating a rental fashion business and enables a feeling of belonging and trust. Staying in exchange with people with similar values and appreciation for a sustainable lifestyle could also empower people to integrate sustainability more heavily into other areas of their life, for example food or mobility and thus facilitate sustainable consumption both inside and outside of the fashion spectrum. It can be argued that the goal of creating a community clearly shows that a business recognizes the users as essential part of their strategy.

To conclude, the results of this study show that rental businesses create new opportunities for sustainable consumption in terms of how they operate and how they actively include the consumer into their strategy. First, they are able to use market imperfections of the linear fashion system to simultaneously satisfy the demand for variety and sustainability. My study not only sheds light on the possibility of using market barriers of the linear fashion system as competitive advantage to build up a rental service, but also presents a possible way of facilitating circularity in the industry. Furthermore, by building a service around the customer, on the one hand rental businesses facilitate new ways of thinking that shift from private towards

collective ownership and on the other hand are able to restore the appreciation of fashion as an immaterial part in society rather than a disposable good. Building a community by engaging in rental fashion also emerged as new opportunity, as it allows exchange between people with similar lifestyle choices and contributes to the adoption of sustainable consumption patterns, particularly in younger generations.

This study highlights that rental plays an essential role in the circular economy and deserves much more attention by both industry and literature. This study draws attention to the importance of consumers' engagement in reducing the industry's impact and facilitating sustainable consumption patterns. Technological advance and product innovation will not be sufficient to solve the industry's problems and will most likely not lead to the desired outcome of a sustainable transformation in time. Responsible production and consumption are impossible without consumers' engagement which is why rental fashion presents a promising way to integrate consumers into the circular economy by enabling a collaborative system to consume fashion without the severe impact on the environment and society.

LIMITATIONS AND FURTHER RESEARCH

Limitations

This study has certain limitations in its methods. As often the case in qualitative research using expert interviews, the results are a reflection of the respondents perspective and thus only represent a limited perception of the topic which confines this study in making generalizable claims (Wilson, 2013). Furthermore, the use-of semi-structured interviews poses the threat of the "interviewer effect" where background, sex, age and other demographics influence the way interviewees respond (Denscombe, 2010). For example, I made the observation that the male respondent interacted differently with me during the interview in terms of how he responded to me as an interviewer compared to the females which might have caused deviation in the answers.

Another limitation is the research context. Due to the lack of responses from various European companies, the data collection was only possible with German and Austrian businesses. Although some of the results are in line with findings from secondary data, the data generated from the interviews only represents the German and Austrian perspective. In order to make the results generalizable, a study with a larger sample has to be conducted.

Further Research

A growing body of literature has put its attention towards rental fashion and its drivers and barriers from both consumer and business side (Becker-Leifhold & Iran, 2018; Clube & Tennant, 2020). In their study, Becker-Leifhold & Iran (2018) concluded that even though a lot of research is being conducted regarding rental fashion's contribution to sustainability, more research is needed in order to determine its true contribution. More research on rental fashion's rebound effects is required in order to understand how sustainable renting fashion really is. For example, its negative environmental impact (e.g., dry-cleaning processes or shipping) has not been assessed appropriately and still requires further examination. Furthermore, a closer look should be taken on rental fashion's long-term effects on consumption behavior. For example, Rent the Runway offers their customers to rent up to 16 items per month which allows them to continue excessive consumption of fashion (Rent the Runway, 2021). Thus, more studies on rebound effects from a consumption behavior perspective are required in order to assess rental fashion's real contribution to sustainability.

My study contributes to current discussions within the field of rental fashion and sustainability as it provides exploratory evidence of the arising opportunities when integrating consumers into the business strategy. Aspects of community building, the attitude-behavior gap or the collaboration with brands have not been addressed by existing literature and hence offer pathways for new research to be conducted. A closer look could be taken on the attitude-behavior-gap and how it presents an opportunity for new consumption models to enter the fashion market. Literature has identified the attitude-behavior-gap to be a barrier for sustainable

fashion consumption, however, with the increasing importance of sustainability among Generation Z, examining the attitude-behavior-gap from a different angle might bring new insights into the discussion.

In general, the field of rental fashion offers the opportunity for new consumption behavior studies to be conducted particularly in regard to new emerging concepts such as collaborative consumption or the sharing economy. Concerning this study's topic, adopting a quantitative method by questioning consumers about their perception of the presented opportunities might bring interesting insights into the discussion and validate the observations I made as well.

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APPENDIX A

TABLE A1

Commonly Used Definitions in the Field of Collaborative Consumption

Source	Definition
Sharing Economy	
Oxford Dictionary (2021)	“an economic system in which people can share possessions, services, etc., usually by means of the internet”
Botsman (2013, 2015b, 2015a)	“An economic system based on sharing underused assets or services, for free or for a fee, directly from individuals.”
Frenken et al. (2015)	“consumers (or firms) granting each other temporary access to their under-utilized physical assets ("idle capacity"), possibly for money”
Collaborative Consumption	
Botsman & Roger (2010), Botsman (2013, 2015b)	“bartering, lending, renting, gifting, and swapping”
Belk (2014b)	“people coordinating the acquisition and distribution of a resource for a fee or other compensation”
Hamari et al. (2016)	“a peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services”
Access-based Consumption	
Bardhi & Eckhardt (2012)	“transactions that can be market mediated but where no transfer of ownership takes place and differ from both ownership and sharing”

APPENDIX B

TABLE B1
Interview Questions

General Information
When was the company founded?
What is your role within the company?
How many employees does your organization have?
Drivers
Tell me something about how and why your organization was founded
<i>What is your current business model?</i>
<i>Why did you decide to adopt the current business model?</i>
Consumer
Tell me something about your typical consumer...Who is using your service?
<i>In recent years how has the consumer profile changed?</i>
<i>How much do you think your consumers care about sustainability?</i>
<i>Have you noticed an increase in demand? Maybe you can tell me something about the development of your business</i>
How do you reach your consumer?
Is there a difference in strategy in reaching different consumer types? Conventional vs. sustainable?
<i>What do you do so consumers do not lose interest?</i>
When looking at your business, do you see yourself in a conflict between promoting consumption while promoting sustainability?
Opportunities
What would you like to achieve within the next five years?
<i>Do you already have specific targets?</i>
Maybe you can think of one specific opportunity for your business in the future?
Barriers/Challenges
What aspects is your business struggling with? Regarding the business model?
Sustainability
What role would you say sustainability plays in your organization?
How does your business contribute to sustainability?

Outlook

In your opinion, how can rental fashion change fashion consumption?

Do you think rental fashion will be successful in the future?

What do you wish the fashion industry to look like in 5 years?

FIGURE B1 Coding Mind Map

