Exploring UK Consumers Attitudes Towards Fashion Rental

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KTP is a flagship open innovation program from Innovate UK helping businesses to innovate and grow (Innovate UK, 2022).

Knowledge Transfer Partnerships (KTPs) link forward thinking businesses with the UK's world class knowledge bases to deliver innovation projects led by graduates.

Each KTP is project managed by a KTP associate – a talented graduate or postgraduate.
• For 25 years ACS have specialised in rental fulfilment and clothing renewal.

• Originally offered an innovative and scalable fulfilment solution for the traditional men’s formal hire market.
Project Scope:

The project sought to:

• Transition ACS from a SME to a large business over the next 5 years in line with their ambitious plans for growth
• Embed emerging leadership and management theory
• Implement organisational and culture change
• Equip ACS with knowledge, skills, systems and processes to exploit the rapidly expanding global market for fashion rental
• Ensure growth within the global market for fashion rental in line with consumer shift towards sustainable fashion consumption
• Enable fashion brands and retailers to join the circular economy and provide access over ownership via management of the entire reverse logistics process
Linear model:

1. Manufactured Overseas
2. Shipped to the UK and Europe
3. Sold to customer
4. Enters wardrobe for use
5. Sent to a Charity Shop
6. Clothing in Landfill

Circular model:

1. Manufactured
2. Transported to the UK
3. Items worn and loved
4. Items are cleaned and processed
5. Returned to ACS
6. Items stored at ACS
7. Materials are either reused or recycled
8. Cycle repeats
9. Rented or sold in store or online
10. Acquired by ACS
11. Acquired by retailer
12. Sold to customer
13. Enters wardrobe for use
14. Sent to a Charity Shop
15. Clothing in Landfill
Project Scope

• Increased market potential due to the pandemic

• When lockdowns diminished consumer interest in occasion wear, rental platforms began exploiting different revenue streams namely **white-label subscription services** whereby they began offering the use of their technology to the wider fashion market ensuring that brands and retailers without their own rental infrastructure could offer it as an option (Dirvanauskas, 2021).

• This provided new ways for consumers to access rental and increased the rental offering available to the UK market – moving beyond what was primarily occasion wear.
In order for ACS to strategically reposition, new marketing strategies had to be developed.

To underpin the new marketing strategies and support the business in the acquisition of new B2B partners interested in offering one-off and subscription-based rentals, the project had to be underpinned by ongoing consumer research regarding attitudes towards fashion rental.
Existing Academic Research


Early benefits/preliminary thoughts on the potential of fashion rental included:
• The ability to reduce excess consumption particularly for special occasions
• Satisfy desire for change without cost (a way to experiment with new styles/brands without investment or risk),
• Perceived as social (for a younger audience frequently using clothing to adjust identity). Challenging to overcome the emotional satisfaction/symbolism linked to fast fashion (Armstrong et al 2016)

Negative evaluations included:
• Lack of trust/confidence in the provider regarding hygiene, cleanliness, sanitisation and quality
• Challenges regarding ease of use (personal liability, style and size selection, inconvenience for everyday clothing, financial viability (inexpensive clothing too readily available for purchase to justify rental price/subscription fee) (Armstrong et al 2016)

*(Mixed methods study - 8 focus groups were conducted in Finland with 52 participants, ages 24–66, 9 focus groups were conducted in the U.S. with 49 participants, ages 25 to 87, survey completed with these participants)*

*Developed a series of hypothetical clothing PSS scenarios to elicit contextual feedback from participants. Only one scenario was specific to fashion rental*
Existing Academic Research

• In 2020, Mukendi and Henninger explored the ‘spectrum’ of fashion rental. Their qualitative study uncovered consumer perspectives on fashion rental as it remained a niche form of consumption in the UK. They too recognised that in order to normalise fashion rental with consumers, these models have to meet consumer needs.

Using practice theory as a lens to understand the consumer perspective on fashion rental they sought to answer:

• What are the perceived barriers to engage in fashion rentals?
• Does the rental spectrum satisfy all consumer needs?
• What spectrum (price range, garment categories) are consumers willing to rent?

Their findings indicated that considerations around fashion rental tend to be more utilitarian with functional benefits motivating consumers to adopt. Less concerned with novelty of the service/idea and other emotional barriers linked to the hedonistic aspects of shopping. More concerned with practicalities
<table>
<thead>
<tr>
<th>New drivers for renting fashion</th>
<th>Drivers similar to other studies</th>
<th>Barriers</th>
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<tbody>
<tr>
<td>• Increased desire to engage in sustainable practices, associating rental with sustainability (using fewer resources while still engaging with trends)</td>
<td>• Saving money (not having to pay full price)/value for money although ownership more economical for some garments</td>
<td>• Hygiene - the most prominent barrier</td>
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<td>• Increased awareness of the impact of current consumption practices</td>
<td>• experimentation (style and garments)</td>
<td>• Limited trust based on the lack of information on the rental platforms and the rental fulfilment process.</td>
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<td>• Risk reduction when online shopping/renting as a trial periods</td>
<td>• Following trends without acquiring ownership</td>
<td>• Availability – how the rental process works, long term planning terms and conditions</td>
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<td></td>
<td>• Saving space</td>
<td>• Ownership issues- more economical for some garments</td>
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<td></td>
<td></td>
<td>• Uncomfortable renting every day clothing but would rent from high street retailers</td>
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<td></td>
<td></td>
<td>• Personal liability-damage during use /receiving damaged goods</td>
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Mukendi and Henninger (2020)
Key takeaways

• More at ease renting from a business as this was perceived safer, likely to have better hygiene standards and better garment care.

• Aftercare of rental services not being clearly communicated.

• Creating a bond between the rental company and the rentee considered to be vital. Has to be based on trust and transparent communication in terms of how items are cleaned (Mukendi and Henninger, 2020).

(*Qualitative study – 20 semi structured in-depth interviews combined with projective techniques to explore perceptions and associations- brainstorming and drawing exercises allowed consumers to rank items they would and would not rent)
Practice Theory

- **Practice theorists** focus on routines of daily life (Armstrong et al 2016)

- **Practice theory** considers how and why people engage in certain behaviours with the aim to identify opportunities for influence and or changing these behaviours (Mukendi and Henninger, 2020)

- For fashion rental to be successful it is necessary to shift the existing consumption practices of fashion consumers (Mukendi and Henninger, 2020).

- Practice theory enables understanding of how and why consumers do certain things (Armstrong et al 2016, Mukendi and Henninger, 2020)

- Particularly useful for taking a holistic view in identifying barriers to change and pinpointing what hinders adoption (Mukendi and Henninger, 2020)

- Businesses can then spot opportunity for behaviour change (Armstrong et al 2016; Mukendi and Henninger, 2020)
Data Collection

• Quantitative research
• UK wide survey – 374 complete responses gathered

Research focus:
• Awareness and experience with fashion rental
• One off V’s Subscription Rental
• Perceived value of fashion rental
• Consumer behaviours in fashion
• Awareness of environmental impact
• Drivers and barriers to adoption
Participant demographic

**Age**

- 25-34: 32.9%
- 20-24: 3.4%
- 35-44: 21.7%
- 45-54: 16.2%
- 55-64: 10.8%
- 64+: 2.6%

**Monthly disposable income**

- £201-400: 24.7%
- £401-600: 22.3%
- £601-800: 8.7%
- £800+: 23.7%
- £0-200: 20.7%

**Gender**

- Male: 28.7%
- Female: 70.1%
- Non-binary: 0.3%
Findings that support existing research

**Consumer attitudes**
- Consumers are interested in exploring fashion rental – 59.7%
- Awareness is growing in the UK market – 28% had tried fashion rental

**Barriers**
- Hygiene is also the highest barrier within the UK market
- Other barriers include personal liability, lack of ownership, cost, and perceived hassle

**Drivers**
- Sustainability, ability to try new styles, space-saving and cost savings are key drivers
Consumers are seeking transparency and flexibility

Cleaning process

- 80% of respondents would want to know which brand facilitates the cleaning process.
- 68% want to know which brand facilitates the cleaning process.

Delivery process

- 70% would be willing to pay more for next day delivery.
- 86% would expect the delivery time slot for a rental subscription to be flexible.
The majority of respondents would prefer to rent one-off items for 4-14 days, or have the option of both renting one-off and subscribing. Only 14.2% of respondents would prefer a subscription model.
UK one-off rental: The optimal model

**Price**

£21-40 for one item worth £101-£200 RRP (36%)

Followed by...

£41-60 for one item worth £201-£300 RRP (25%)

Q. How many days would you like to keep a one-off rental item?

**Clothing**

- Formal / Occasion wear
- Coats and Jackets
- Accessories
UK subscription rental: The optimal model

Q. If a fashion retail brand of your choice offered a monthly clothing subscription option, would you subscribe?

- Yes: 3/4 of people voted yes.
- No: 0% - 75%

78% want a variety of brands in their monthly bundle.

Subscriptions would encourage 88% of respondents to try new brands.
UK subscription rental: The optimal model

**Price**

Q. How much would you be willing to spend on a monthly clothing subscription?

- £0 - £25: 30%
- £26 - £50: 28%
- £51 - £75: 25%
- £76 - £100: 7%
- £101 - £150: 1%

**Number of items**

Q. How many items would you prefer to be in a monthly subscription bundle?

- 5 items: 23%
- 6 items: 15%
- Other: 23%
- 3 items: 36%
- 4 items: 9%
Consumer interests: clothing & brands

Favourable items for rental:
- ✔ Formal wear
- ✔ Coats / Jackets
- ✔ Accessories
- ✔ Outdoor clothing
- ✔ Day dresses / skirts

Less favourable options:
- • Swimwear
- • Shoes
- • Active wear
- • Lounge wear
Thank You

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