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Executive Garment Rental Service—A Study on Consumers' Preferences

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Abstract

Purpose: The purpose of the study is to find the market dynamics across executive garments rental service for men and to assess the importance of determinants of the growing consumer preferences for renting the garments for personal consumption. **Methodology:** Initially following a qualitative preliminary study and a review literature review, five factors are identified as feasible determinants of a preference for rental consumption. The determinants are examined through structured data analysis using multiple regression analysis and Cronbach's alpha. **Findings:** The results found that the constructs "importance of possession, convenience, and experience orientation" were significant. Price and trend were insignificant. **Originality:** This research is contributing to a new area of sharing economy, which has been preferred by the modern younger generation. The empirical evaluation among modern younger generation has proposed several determinants for garment rental preference.

Keywords

Shared Economy, Rental Service, Non-Ownership, Garment Rental Service

1. Introduction

A new industry based on sharing or renting Garments, electronics and small appliances is evolving in recent years in India. Youth preferences for fashions on rental are screaming up. Fashion goes beyond just clothes. It can be extended to bikes, mobiles, shoes, jewelry and even how you style your hair. The fashions are linked with youth life style; it also mixed up with youth social life. Using smart phones, following western food culture, wearing branded clothes, having fun in their regular life, etc. set forth the trend of anonymous life style and self-expression. People are more specific in distinguishing themselves from others in gar-

ments usage especially in special occasions. It gives them a special recognition. They are also more specific on occasion based dress in Katz [1] who described that the attitudes serving a value-expressive function help people communicate their central beliefs, attitudes, and values to others through their possessions. Especially the youth are giving the most importance for their attire. Spending thousands of rupees on one pair has become normal. Most of the famous brands targeting youth to sell their products and offering at their best prices [2]. This also may be the cause that the youth bowed towards branded apparels. Youth became so trendy in social media sharing through what's app, Facebook, etc., to ask about their appearance in selected dress. Sometimes, it may also go on voting for wearing or purchasing a dress, suiting and shirting. Youth party behaviour, office appearance behaviour, social appearance behaviour has changed drastically.

Marc Bain [2] stated in his study "The Neurological Pleasures at Fashion" that the brain finds pleasure in the pursuit of inexpensive things. However, in both developed and developing countries, youth started thinking, "why should spend a lot of money on apparels? There is no guarantee that the present trend will continue at least for next 12 months". Salaried or limited income people are in a dilemma to spend or not to spend on fashions/branded apparels. The new startups grabbed the idea "garments on rental bases". Some are already started and some are waiting. This study has taken up to understand the consumers' preferences for executive garments (formal, semi-formal, casual and weekend party wears) on rental basis. According to Moeller *et al.* [3], although the renting of goods is an increasingly popular form of consumption, consumers still value ownership. However, this study has taken up to analyze the scope for this new rental sector in Indian context where high priority will be given for personal wears.

2. Review of Literature

Sharing economy, through borrowing or renting, is shaking up established categories as the consumers are showing a robust appetite for the sharing-based economy. PWC [4] survey showed that 44% of US adults are familiar with the sharing economy of which 86% agree that it makes life more affordable; 83% opine that it makes life more convenient and efficient; and around 81% agree it is less expensive to share goods than to own them individually. A 2011 survey by BAV Consulting showed that 66% of consumers overall and 77% of millennial, preferred a pared down lifestyle with fewer possessions. Schroders [5] have identified markets likely to face the disruption of sharing, including travel equipment and sports goods, luxury jewelry and accessories, apparel and footwear by examining large categories of spending on consumer durable goods with low utilization rates and for which physical sharing is straightforward. Threadup [6] found that over $8 billion worth of clothing sits in closets, unworn in the US alone and suggest that loaning clothing would lower the cost of items and provide customers access to aspirational brands they couldn't usually afford.

Hounslea [7] found that the UK offers a potential market for clothes rental worth £923 m and there is space for growth in the number of retailers offering this service.

Moeller *et al.* [3] stated that the demand for non-ownership services is negatively influenced by "possession importance" (the importance that a consumer attaches to full ownership) and positively influenced by "Trend Orientation" and "Convenience Orientation". The other proposed determinants "experience orientation", price consciousness", and "environmentalism" do not appear to influence a preference for non-ownership modes of consumption. Suppliers should therefore consider offering a mixture of "ownership" and "non-ownership" modes of consumption to their customers. Jilian Mincer [8] predicted that the millennial who have the income to buy new goods also see sharing and re-using. Instead of paying for something and getting rid of it with no value when you are done, swap and/or resale gives Millennial the ability to extend the value. In a recent report "Recode", Jennifer Hyman [9], CEO of Rent the Runway (creating the Spotify of women's clothes) says that a portion of what we wear every single day will be comprised of things that we don't own forever. So all a rental means is that you don't need for the rest of your life and you can, as the customer, decide how long you want to use something for. Armstrong *et al.* [10] has done a research in Finland and explained that there is current scarcity of such schemes in the clothing industry. Clothing Product Service System (PSS) will likely face variable trust in the provider, perceived price for value challenges and ease of use. Participants desired information about how the service would be practically delivered, its guarantees, and how exceptional cases would be handled. Though participants saw many financial benefits to reducing overall clothing purchases, skepticism and resistance to recurring costs associated with a PSS, with the exception of rental situations, were evident. Some participants also identified limitations to ease of use, particularly for experiential approaches, such as the need for confidence in their personal style to fully utilize customization services. Saravanan *et al.* [11] proclaimed that the growing trend of self-awareness for one's look has influenced every aspect of Generation Z individual behaviour and is reflected in every sphere starting from social media platforms to real life purchase decisions. This phenomenon of emboldened self-expression and preference for no holds barred anonymous style has challenged the core social agenda of forecasting agencies. Thus it has pushed the forecasting agencies to reconsider the parameters of forecasting ushering in a new environment for modeling. The most befuddling is the unpredictable nature of selfie composition patterns leaving behind only the function of expression that is to increase one's social presence and carve a niche for him or her.

However, the literature pertaining to the specific area of executive garment rental is very scant since the industry has been catching up off late. Even though, some studies were conducted on rental economy, most of them were concentrating on automotive, entertainment, and other durable goods and fashion was

not taken up as a major area of study. Hence, the present study attempts to fill the gap by focusing on the topic of executive garment rental to explore the consumer preferences.

3. Methodology

The purpose of the study is to provide insights to the executive garment rental business. Fashion communication is undergone a 360 degree shift in its communicable aspects staring from projecting image of how we look like and how we feel like to expressing our emotional experiences through interactive implements in the dress [11]. Owning fashionable garments for every occasion is exorbitant. Now, the "no ownership" [3] is moving beyond housing and cars [8]. A new industry based on sharing or renting clothing, electronics and small appliances is springing up from the last decade. Hence, this empirical research is focused on to find the importance of non-ownership consumption preference among a selective group of customers in India where sharing economy/rental economy is the growing industry [12]. The "fashion" rental business like role gold ornaments for special occasions especially for women, Sharvany (Long coat) for men for marriage function, etc. is there in India for a long time. Garment (formal, semi-formal, casual and weekend party wears) rental business is a new thing in the industry, hence, the researchers have taken a step into a deep research both qualitative and quantitative in nature. Researchers have gone through the primary and secondary research and the study was based on the model proposed by Moeller *et al.* [3]. Initial discussions were carried out with the target group and the researcher found that except the construct "environmentalism" all others found relevant in garment rental service in India. Hence, the construct "environmentalism" was not considered for the present study. Based on the proposed model, hypotheses were drawn and tested.

For the sample selection, the study has chosen the purposive sampling method for better judging the sample selection. The sampling criteria is that the respondent must be aware of rental business industry wherein respondents were considered who were aware of any of the new-age rental services like auto rentals (ex: Vogo, Zoom Car); furniture rental, ornaments rental etc.. In the introduction of the questionnaire we look forward the awareness level of the respondent. Once he is positively responded towards the question one, the questionnaire is continued for the rest of the questions. Collected data from 125 respondents through online survey across India wherein 103 valid questionnaires were considered for the analysis. Based on the interpretation, conclusions were presented.

Based on the review of available literature and discussion with the target group, the following model is being proposed for the study and the hypotheses are framed accordingly (Figure 1).

Hypotheses: With reference to the consumers' preference for non-ownership of garments, based on the proposed model the researcher has attempted to measure the hypotheses as indicated below.
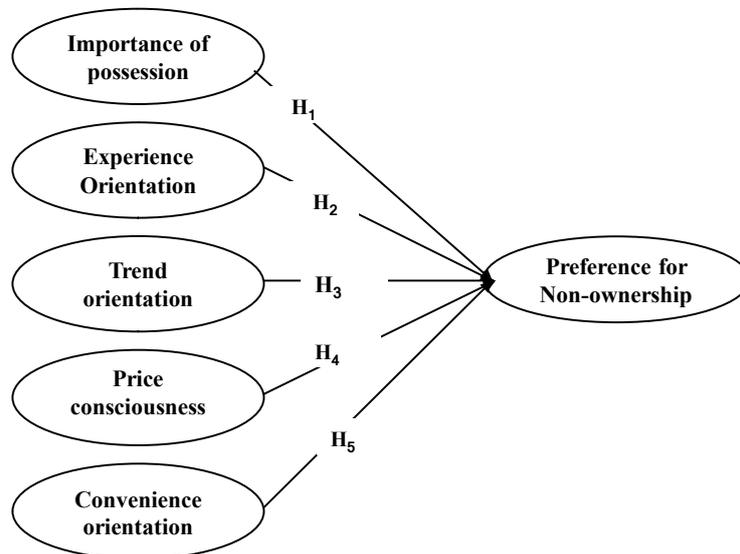
Figure 1. Proposed model for the study. Source: Moeller *et al.* [3].

H₁: *The importance of the possession has negative influence on the consumer preference for non-ownership of garments*

H₂: *Experience orientation has a positive influence on consumer preference for non-ownership of garments*

H₃: *Trend orientation has a positive influence on consumer preference for non-ownership of garments*

H₄: *A high level of price consciousness has a positive influence on consumer preference for non-ownership of garments*

H₅: *Convenience orientation has a positive influence on consumer preference for non-ownership of garments*

Test for reliability: To understand the reliability of the instrument being used during the survey, test for reliability of scale was conducted using cronbach's alpha. It was found that all the constructs cronbach's alpha was above 0.6 indicating good reliability (Table 1).

4. Analysis & Interpretation

To understand the factors that influence the dependent variable "Preference for Non-ownership" of garments, multiple regression was carried out with independent variables "Importance of possession"; "Experience"; "Trend"; "Price"; "Convenience". It was found significant and all the independent variables' explains around 94.3% variation in the dependent variable (Table 2).

The R value of 0.973 indicating the correlation coefficient which indicates how strong the linear relationship is, whereas R square value of 0.946 (coefficient of determination) explains the how one variable differs with the changes in another variable. Here it is identified that SEE is much less than the standard deviation of the dependent variable. Here the standard error of the estimate is at 0.363, which is less than standard deviation of the dependent variable "0.721" indicating the model is a good one.

Coefficients[a].

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.583	0.401		1.452	0.150
	IOP	−0.302	0.078	−0.096	−3.865	0.000
	EXP	0.929	0.070	0.792	13.337	0.000
	TND	0.015	0.038	0.012	0.408	0.684
	PR	−0.060	0.051	−0.045	−1.163	0.248
	CONV	0.289	0.069	0.226	4.185	0.000

[a]Dependent Variable: PREFNONOWN. Source: Analysis.

Table 1. Constructs' reliability.

Constructs	Cronbach's Alpha	Number of Items
Preference for Non-Ownership	0.972	4
Importance of possession	0.700	3
Experience	0.898	3
Trend	0.942	3
Price	0.912	3
Convenience	0.816	4

Source: Analysis.

Table 2. Model summary.

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Degrees of Freedom 2	Sig. F Change
1	0.973[a]	0.946	0.943	0.36311	97	0.000

a: Predictors: (Constant), CONV, IOP, TND, PR, EXP; Source: Analysis.

Regression model is as follows…

$$\text{Preference for Non} - \text{ownership} = 0.583 - 0.302 \left(\text{Importance of possession} \right) \\ + 0.929 \left(\text{Experience} \right) + 0.289 \left(\text{Convenience} \right)$$

Out of all the variables, "Experience Orientation" has emerged as the best predictor followed by "convenience", "Trend", "Price", "Importance of Possession" in that order. It is found that "Trend" and "Price" factors do not have any influence on "Preference for non-ownership". Also, it was observed that "Importance of possession" has a negative influence on "Preference for non-ownership".

Table 2 indicates the coefficient of regression impact of independent variables on "preference for non-ownership" with the coefficient of regression β at −0.302 for "Importance of possession". It indicates that if every "IOP" increased by one then "Preference for non-ownership" increases by 0.302 amounts negatively. The coefficient of regression β is 0.929 for experience, indicating that if every "expe-

rience" increased by one then "Preference for non-ownership" increases by 0.929 amounts. The same way with the regression coefficient β at 0.289 for convenience it is indicated that if "convenience" increased by one then "preference for non-ownership" increases by 0.289 amounts.

The proposed hypotheses (Table 3) were tested and it was found that two of the hypotheses H_3 & H_4 are rejected indicating that there is no influence of either consumers' trend orientation as well as price consciousness on the preference for non-ownership of garments. One of the other hypotheses was H_1, which tries to explore the influence of consumers' importance to ownership on preferring rental garments. The hypothesis was accepted with p value less than 0.05 (significant) and beta coefficient at −0.96, supporting those who look for possession do not opt for products on rent. The other two hypotheses H_2 & H_5 were accepted as both are found significant. With respect to hypothesis H_2, consumers' experience orientation has positive influence on preference towards rental garments. The other hypothesis H_5 acceptance reassures that convenience is of high importance to the consumer while choosing rental garments.

5. Findings & Discussion

The findings indicate that consumers while preferring services (garments on rent in this study) on rent/not owning get influenced mainly by the kind of an experience one has on consuming rental services. It was found that "experience orientation" on preference for rental garments is the highest among all other influencing factors.

This finding throws light on the kind of a behavior "experience consumers" have compared to first-time users while taking garments on rent (a). Managing/better control on the process and so higher ROI (b). Right usage of garment rental service (c). Higher comfort in consumption as he/she understands the probable results.

It was concluded from the study that the more consumer gives importance to possession or owning a product, the lesser he/she looks forward for rental services and the same is evident in garment rental services.

The reasons can be like… (a). Cautious about what if product damages while consuming (b). Negative attitude towards rental products in general & specific to sharing garment used by others (c). Relating personal identity with the products consumed

Table 3. Hypotheses results.

Hypothesis	Accepted/Rejected	p Value	Beta Coefficient
H_1	ACCEPTED	0.000	−0.096
H_2	ACCEPTED	0.000	0.792
H_3	**REJECTED**	0.684	0.012
H_4	**REJECTED**	0.248	−0.045
H_5	ACCEPTED	0.000	0.226

Source: Analysis.

Also, it was found that the consumer who searches to get better convenience in using services will be preferring more the rental services.

Today's consumer pressed with time and aspiring for variety, the only solution looks to be sharing and not owning. Hence, consumers approach to save time, effort, money is giving more support to the behavior of "preference for non-ownership".

Surprisingly, the price consciousness were not found significant while consuming garment rental service. Consumers were not price sensitive when they go for consuming garments on rent as the basis for payment will be on subscription basis, making the price paid per occasion minimal. Nevertheless, consumers usually trade-off price for variety, convenience, ease of usage etc., while preferring rental garments.

Similarly, trend orientation symbolizing the desire to procure newest/new model garments while consuming rental garments looks not be a norm. Many consumers attach the social and personal identity with the garments they wear and so among Indian consumers where study was carried out, "trend orientation" found to be insignificant.

6. Implications, Limitations & Scope for Future Research

The present study provides few implications both for researchers/academicians and marketers. With the changing patterns of consuming from owning to sharing, the experienced consumers are to be dealt differently by the Marketers. For the experienced consumers, as no handholding required and marketers incur lesser cost/customer—means consumer is convinced with your process and product. All that a marketer needs to do is to hold the consumer strong by continuously incentivizing each purchase; special subscription plans etc., in Indian context, though experience has positive influence, it was found to have no influence among German consumers [3], indicating across nations there can be difference.

With few consumers giving more importance to possession/owning, Marketers have a challenge in creating right attitude towards rental garments. The risk perception by consumers is sometimes high in rental services; the same is being proved by Limsupanark *et al.* [13] who concluded that five risk dimensions namely economic, performance, psychological, time and social risk will influence the importance of possession. Also, the convenience proved to have higher influence on consuming garment rental service and the same has been proved in the study [3]. Hence, consumer does not want to trouble himself in investing time, effort and money on issues related to purchase and maintenance of garments. It becomes important for marketers to consider all the issues that support consumers' convenience. One of the limitations was that lack of knowledge and awareness on garment rental service and the study do not consider the entire demographic strata. There is a huge scope for future study as this area is still emerging. Study can be carried out across different age groups, professions as

well as comparisons across segments.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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