



# Lifestyle for hire: Why buy when you can rent it? Access the inaccessible

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## Abstract - English

**Title:** Lifestyle for hire: Why buy when you can rent it?

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**Keywords:** collaborative consumption, renting, luxury, value creation strategy

This purpose of this research is to understand how a company can create value in luxury industry and can gain a competitive advantage in the luxury market, facing a tension between exclusivity and renting. To answer this research question, we draw on the business model concept as a theoretical lens, and more specifically the *activity system design framework*.

We adopt a qualitative approach and study the case of Rent the Runway, the market leader for rental of luxury clothing and accessories in the US,. Secondary interviews, podcasts and other publicly available sources were the main sources of data for the research.

The findings of the research show that in order to gain competitive advantage in the luxury industry, the main aspects that renting firms need to consider are: (1) forming a meaningful partnership with designers, (2) vertically integrating by developing proprietary technology and intellectual property to ensure control of operations, (3) having physical retail spaces where customers can get used to renting and (4) constant iteration of the business model to follow customer behavior and industry changes.

## Abstract – Portuguese

**Título:** Estilo de vida para alugar: Por que comprar quando se pode alugar?

**Autor:** Ana Clara Rudolph

**Palavras-chave:** consumo colaborativo, aluguel, luxo, estratégia de criação de valor

A tese apresentada introduz uma perspectiva ao nível de estratégia, no âmbito de entender como empresas podem criar valor na indústria do luxo, e como essas empresas podem obter vantagem competitiva no mercado de luxo, com o objetivo de estabelecer uma estratégia de gerar valor ao longo prazo. É exemplificado através da Rent the Runway. A Rent the Runway é líder de mercado no aluguel de roupas e acessórios de luxo nos EUA, oferecendo serviços de aluguer únicos e de assinatura mensal para os clientes.

Para esse propósito, utilizou-se uma pesquisa qualitativa utilizando um método de estudo de caso aplicado a RTR, utilizando teorias relacionadas a modelos de negócio, usados como estrutura para analisar a estratégia de criação de valor da RTR. Entrevistas secundárias, podcasts e outras fontes publicamente disponíveis foram as principais fontes de dados para a pesquisa.

Os resultados da pesquisa mostram que, para obter vantagem competitiva na indústria de luxo, os principais aspetos que as empresas de aluguel precisam considerar são: (1) formar uma parceria significativa com designers, (2) verticalmente integrar para desenvolver tecnologia proprietária e propriedade intelectual para garantir controle de operações, (3) ter espaços físicos de varejo onde os clientes possam se acostumar com o conceito de aluguer de roupas acessórios e por fim (4) constante iteração do modelo de negócios para acompanhar o comportamento do consumidor e as mudanças do setor.

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## List of abbreviations

CC – Collaborative Consumption  
CFC – Collaborative Fashion Consumption  
DVF – Diane Von Fustenberg  
FF – Fast Fashion  
RTR – Rent the Runway  
GFC – Great Financial Crisis  
NJ – New Jersey

## 1. Introduction

In a study by PwC, it was found that 43% of respondents agreed that owning feels like a burden, and 83% agreed that the sharing economy makes life more convenient and efficient (PwC, 2015). Belk (2014) defines the sharing economy as the acquisition and distribution of a resource through a coordinated mean, and although sharing is a not new phenomenon, it has grown as a result of the internet age. Internet and technology have facilitated the way to access goods. Currently, we access cars via DriveNow, movies through Netflix, and even share our homes via AirBnb. Access to goods has become increasingly popular: The same PwC study shows that 19% of the US population has engaged in a sharing economy transaction, but of that only 2% were on retail activities (PwC, 2015). Therefore, in this ever-changing world, how come the fashion luxury has not been disrupted by the sharing economy?

The luxury industry has always sold exclusivity (Kapferer, 2014), therefore expected that it would not be immediately affected by the era of sharing. But as everyone wants the experience of carrying around expensive goods, it was a matter of time before this new wave of consumption entered this industry (European CEO, 2018). Since the GFC in 2008, many new access-based business models started to emerge, as people lost their jobs, homes and investments, increasing price sensitivity (Belk, 2014). This opened a door for a new method of consumption, collaborative consumption, wherein a person acquires the temporary right to use a good (Moeller & Wittkowski, 2010). With that, a number of new businesses focused on temporary ownership entered into the realm of fashion luxury, with some being successful in their segment such as Bag, Borrow or Steal (renting luxury handbags) and Eleven James (renting luxury watches). Others have not fared well due to challenges involved in running such businesses: the case of now defunct Portugal based ChicByChoice (rental of luxury gowns), is an example of a failure case.

The reason behind the success and failure of some businesses is there are many intricacies in running a rental business model, and there are industry wide considerations that need to be taken into account before setting up such businesses. As research into collaborative consumption, especially in the realm of fashion is still in its infancy (Iran, Geiger, & Schrader, 2019), it is not clear what the processes and requirements to succeed are. So how is that these companies are able to manage performance in the fashion luxury industry over the long term?

As luxury has always been a prestigious field, where brand awareness should be high but brand diffusion restricted (Phau & Prendergast, 2000), how can rental firms succeed in this exclusive industry? Thus, the research question this thesis will explore is as follows:

RQ: How can rental companies of luxury goods gain competitive advantage in the luxury market?

Rental companies are those that maintain permanent ownership of the item, allowing access for a fee at different points in time (Lang & Armstrong, 2018).

The literature provided some gaps that motivated the research. Firstly, there are no studies on collaborative consumption in the area of luxury, with some studies in fashion (Armstrong & Lang, 2013; Becker-Leifhold & Iran, 2018; Iran et al., 2019; Pedersen & Netter, 2015). Secondly, no studies focusing on how rental companies of fashion luxury goods gain and maintain their competitive advantage were found, only on opportunities in challenges for fashion libraries (Pedersen & Netter, 2015).

In order to answer the research question, the activity system design framework (Amit & Zott, 2001, 2010) was used to guide the analysis of the data, which breaks the business model into 4 value creating blocks: Novelty, Lock In, Complementarities and Efficiency. We chose a theoretical business model lens as it serves as a unit of analysis, giving a perspective on how firms create and capture value (Zott, Amit, & Massa, 2011). We used a qualitative approach with a case study due to the explanatory nature of the research question. The case study was on Rent the Runway, a case of success in the fashion luxury rental industry, which provided insights into the company's value creating strategy that lead to its competitive advantage.

This thesis, by exploring the interaction between luxury fashion and collaborative consumption is relevant to managers because as the topic grows, it is important for managers and industry participants to become acquainted with new types of business models and their strategy development in order to adapt to new consumption habits, namely access as opposed to ownership. The present thesis therefore contributes to the strategies and key factors that are of importance when implementing and managing a fashion luxury rental business in the luxury market.

Henceforth, this thesis is structured in six different sections. The *literature review* covers the definition of luxury, traditional drivers for purchases, introduction the democratization of the sector. The rise of collaborative consumption, focusing on renting is introduced, we then review why people are motivated to rent instead of owning. We present the main opportunities for collaborative fashion consumption. In the last part, the framework used in the findings is introduced, along with the challenges these new business models may face.

In the *methodology* we present why qualitative research was the preferred method and the reasons for the case study methodology, and the chosen company. Further, the data collection and analysis process is described. We then present the *case study on* Rent the Runway. In the *findings* and *discussion*, the answers to the research question are presented, including a discussion to how the findings fit with other studies. Finally, the *conclusion* discusses the main results, limitations of the study and further avenues for research.

## 2. Literature Review

The purpose of this literature review is to demonstrate the research that has been done in terms of how luxury has evolved over the years, and its move from exclusivity to a more democratized area. This is partly due global shifts in demand caused by movements in capital markets that have brought wealth to developing countries. Adding to this, the GFC has led to the rise of access based consumption business models, as consumers are more cautious about ownership due to financial burdens. Lastly, these two phenomena combined have led to new methods of consumption, where access is preferred over ownership. Opportunities and challenges for collaborative fashion consumption are presented as no studies in the area of luxury were found. These served to aid in understanding what factors may affect companies operating in the realm of fashion and luxury combined.

The literature review starts with definition of luxury (2.1.1), after which the development of the luxury industry is explored (2.1.2), with an overview of the traditional luxury sector and the recent democratization of the luxury sector (2.1.3). This provides insights into how fashion consumption has changed. We then introduce the concept of collaborative consumption (2.2). Due to the rapid spread of the term, various literature is explored to define the concept (2.2.1). The literature on the shift from ownership to renting is presented (2.2.2). The next part attempts to link the literature on sharing and the fashion industry (2.2.3). Finally, the business model as a theoretical lens is presented (2.3), which will serve as the basis of the analysis of the results. We end the section with the main challenges that can be present in collaborative fashion consumption business models (2.3.3).

### 2.1 The luxury industry

#### 2.1.1 What is luxury?

There are several definitions of luxury and luxury goods in the literature. Dubois and Duquesne (1993) broadly defined it as goods that are expensive in relative and absolute terms, having no clear functional advantage over their “non-luxury” counterparts. Moving away from a definition based just on the price aspect of the goods, Nueno & Quelch (1998, p. 62) describe luxury goods as “*those whose ratio of functionality to price is low while the ratio of intangible and situational utility to price is high*”.

Tynan et. al (2010) have given a more specific definition which adds what the luxury good can mean to the consumer:

*“The key identifiers of luxury are high quality, expensive and non-essential products and services that appear to be rare, exclusive, prestigious and authentic and offer high levels of symbolic and emotional/hedonic values.”* (Tynan, McKechnie, & Chhuon, 2010, p. 1158)

Other authors have argued that the definitions focused on value are too rigid and that luxury is a relative and cultural concept, it is fluid and changing (Yeoman, 2011). These broader definitions highlight the fact that luxury is subjective, and not exclusively linked to price and income (Roper, Caruana, Medway, & Murphy, 2013).

### 2.1.2 Key success factors in the traditional luxury industry

Traditionally, the luxury goods industry is defined by a few critical factors that ensure its success (Brun & Castelli, 2013). Products are known for their premium quality, exclusivity due to the use of rare materials and exclusive distribution channels (Nueno & Quelch, 1998; Vigneron & Johnson, 1999; Hanna, 2004). Moreover, the heritage of the brand and its expert craftsmanship, combined with marketing create an emotional aura around the brand and its products, creating a dream factor for customers (Hanna, 2004; Kapferer & Valette-Florence, 2018). Kapferer (2014, p. 716) added that *“time, class and handmade were at the heart of the value proposition of luxury brands”*.

### 2.1.3 Democratization of the luxury sector

Luxury has always been regarded as an absolute concept linked to wealth, meaning it was reserved for rich and powerful individuals (Kapferer, 2012). However, scholars have started to discuss factors that are pushing democratization into the luxury sector.

The first factor influencing democratization is global shifts in demand for luxury, which are brought by the economic development of emerging countries, especially in East Asia (Kapferer & Valette-Florence, 2018). These were partly fuelled by the GFC, which caused a decrease in demand in the West whilst purchasing power in the East increased (Kapferer & Valette-Florence, 2018; Roper et al., 2013). This global increase in affluence means that luxury is no longer exclusive to the elite (Yeoman, 2011). Studies have shown that China is the third biggest

consumer of personal luxury goods in the world, making it an attractive market for luxury brands (Bain & Co, 2017).

Another factor are structural and cultural shifts seen in capitalist markets, meaning the definition of luxury becomes more fluid, with the concept having different meanings to different consumers, even leading to the creation of categories such as *masstige*, in this way making the category more accessible to a larger number of people (Roper et al., 2013).

Thirdly, Dubois & Duquesne (1993) have shown that luxury goods previously considered exclusive such as perfumes and first-class hotel services are now much more available and widely consumed by the public due to lower costs than previously. Standardization of manufacturing processes meant such products could be produced in greater quantities.

Although luxury has always relied on the rarity factor, no industry wants to stop growing (Kapferer, 2014). The challenge is if managers wish to maintain this rarity factor or do they allow for this continued growth (Kapferer & Valette-Florence, 2018). Like other economic sectors, luxury has been influenced by changes in technologies and evolutions in society, to the extent where the nature of the business and its structure have been fundamentally changed (Kapferer, 2014).

Further, luxury has been affected by the digital revolution in numerous ways, one being social networks that allow brands to diffuse their image to a wide scale of people (Kapferer, 2014). Studies have been done about luxury brands in the digital age and how to maintain their exclusivity (Hennigs, Wiedmann, & Klarmann, 2012). However, research on collaborative consumption in luxury fashion is not yet mainstream, with studies done in the realm of fashion (Armstrong & Lang, 2013; Becker-Leifhold & Iran, 2018; Pedersen & Netter, 2015). The links between fashion and collaborative consumption will be explored in section 2.2.3.

## 2.2 The rise of collaborative consumption

### 2.2.1 Defining renting and collaborative consumption

Durgee and O'Connor (1995, p. 90) defined renting as a “*transaction in which one party offers an item to another party for a fixed period of time in exchange for money and in which there is no change of ownership*”. Unlike ownership, in a rental exchange, the provider allows usage

of a product in exchange for a fee, with the product going back to the original provider. The renter is purchasing “consumption time”, willing to pay a price for the temporary use of the good (Durgee & O’Connor, 1995). The process of how renting became more popular through collaborative consumption is explored below.

Collaborative models of consumption were first explored in the literature in 1978 when it was defined as “*those events in which one or more persons consume economic goods or services in the process of engaging in joint activities with one or more others*” (Felson & Spaeth, 1978, p. 614). An example of CC in the paper was using a washing machine for family laundry. The focus was more on the performance of joint processes as a means of livelihood, including activities such as having a meal together with friends.

Although the term collaborative consumption was first used in 1978, the concept of collaboration through technological platforms is recent, fostered by the rapid spread of information facilitated by improvements in communication technology, which allowed for the sharing of goods and services in ways that had not been possible before (Botsman & Rogers, 2011). Research on consumer attitude towards traditional purchases is still dominant, but there is an ever-increasing body of literature dedicated to alternative ways of consumption (Edbring, Lehner, & Mont, 2016) and as it develops, it is moving in different directions (Benoit, Baker, Bolton, Gruber, & Kandampully, 2017).

Due to its recentness, there is no single definition used in academia to describe the phenomenon that is the employment of a technological platform to link a network of economic and social players. It has been described by several different terms, each with small differing nuances (Perren & Kozinets, 2018).

Some of the attempts to theorize and describe the concept are listed in Table 1 below:

Theoretical Concept	Definition
Collaborative Consumption	“Traditional sharing, bartering, lending, trading, renting, gifting, and swapping, redefined by through technology and peer communities” (Botsman & Rogers, 2011, p. 12) - May include ownership transfer
Collaborative Consumption	“People coordinating the acquisition and distribution of a resource for a fee or other compensation.”(Belk, 2014, p. 1597) - Includes ownership transfer

Collaborative Consumption	“Form of exchange with a triangle of actors: a platform provider, a peer service provider, and a customer, where no change of ownership occurs” (Benoit, Baker, Bolton, Gruber, & Kandampully, 2017, p. 219) - Does not include ownership transfer
Access-Based Consumption	“Transactions that may be market mediated in which no transfer of ownership takes place” (Bardhi & Eckhardt, 2012, p. 881) - Does not include ownership transfer
Commercial Sharing Systems	“Marketer-managed systems that provide customers with the opportunity to enjoy product benefits without ownership.” (Lamberton & Rose, 2012, p. 109) - Does not include ownership transfer
Lateral Exchange Markets (LEM)	“A market formed through an intermediating technology platform that facilitates exchange activities among a network of equivalently positioned economic actors” (Perren & Kozinets, 2018, p. 22) - Includes ownership transfer

*Table 1 Definitions for collaborative consumption*

Each researcher has differing definitions, Belk and Perren & Kozinets state that includes ownership transfer, while Benoit et. Al, Bardhi & Eckhardt, and Lamberton & Rose state that it does not. Benoit et al. and Perren & Kozinets have the limiting factor that more than two actors are required for the exchange, which is not the case for others.

The term used to define collaborative consumption in the context of this thesis will be the one given by Botsman & Rogers (2011), as it encompasses market-mediated renting through technology. Although Botsman and Rogers do not write academic articles, their book “What’s mine is yours” (where this definition of collaborative consumption is found) is cited by a number of academic authors who write on the topic of collaborative consumption and sharing economy (Bardhi & Eckhardt, 2012; Belk, 2014; Benoit et al., 2017; Lamberton & Rose, 2012).

### 2.2.2 The burdens of ownership push towards new methods of consumption

While traditionally having access to goods instead of owning them was viewed as a subservient way of consumption, shifts in sociocultural behaviours, technological and environmental factors have made renting more attractive than ownership, changing consumer perception (Bardhi & Eckhardt, 2012; Barnes & Mattsson, 2016).

Consumers are showing preference for paying a fee to temporarily access the good of service instead of outright ownership (Bardhi & Eckhardt, 2012). Belk (2014) highlighted in his research that with the economic collapse of 2008, many consumers found themselves in dire financial situations, losing belongings such as cars, homes, and investments, making them price sensitive. Many of the sharing and collaborative consumption enterprises that exist nowadays are a result of this crisis.

Some of the economic reasons that lie behind this new method of consumption are: Firstly, with new models of product access, consumers have the opportunity to use objects and networks that they were previously unable to for reasons such as: not being able to afford them (Lovelock & Gummesson, 2004). Secondly, CC allows customers to “test drive” a product without having to make a purchase, as well as avoiding the risk of obsolescence (Lawson, Gleim, Perren, & Hwang, 2016), reducing the risk of making a poor decision (Benoit et al., 2017). Berry and Maricle (1973) presented similar results to the ones above, adding that ownership has further costs in the maintenance of products and added economic costs of owning products that customers have occasional and infrequent usage. Barnes & Mattsson (2016) found that financial reasons were the most prominent drivers to partake in CC.

Further research on the topic indicated that the main drivers behind temporary ownership was a rising demand for premium and up to date products, higher demand for experiences and increased environmental awareness (Moeller & Wittkowski, 2010).

A study by Leismann et. al (2013) shows that CC can lead to more efficient usage of resources and their conservation. These models, in general, promote prolonged usage phase of products, extending their life cycle. Partaking in sharing activities can also lead to a positive impact on the environment as it leads to fewer raw materials being used as fewer items being manufactured (Botsman & Rogers, 2011). Due to the temporary nature of renting, several different consumers have access to the same good, thus renting can affect the cumulative quantity of goods produced (Moeller & Wittkowski, 2010). However, studies indicate that a positive impact on the environment does not appear to be a strong motivator for many customers at this time (Lawson et al., 2016; Moeller & Wittkowski, 2010).

Customers may also choose to engage in CC as it may provide them with hedonic value, for example in the case of luxury goods, which generally they could not afford (Benoit et al., 2017).

In a study done by Lawson et al. (2016, p.2616), respondents stated that *“it allows them to pretend to be someone you aren’t for a day and do something that you may not otherwise get to do”*, this once again reinforces the notion that status plays a big role in the consumption of luxury goods (Benoit et al., 2017).

Durgee & O’Connor (1995) cited a study called “Don’t Buy” conducted in 1991, where companies offered briefcases worth than \$1000 for rent for \$100 a day to young executives who wanted to appear powerfully dressed for important meetings. The authors argued that renting allows users to try out new styles in a riskless manner, it was further proposed that what weighs more is a consumption lifestyle, which does not have to be obtained via ownership.

As a consequence of such ownership burdens, more modern consumers are switching towards renting or leasing goods as an alternate mode of consumption (Moeller & Wittkowski, 2010). This growth in new ways of consumption implicates challenges and opportunities sharing system based businesses (Lamberton & Rose, 2012). These will be explored later in the literature.

We will now describe the motivations behind the adoption of CC in fashion, breaking it down into more specific justifications.

### 2.2.3 The rise of collaborative fashion consumption (CFC)

Although more popular in other areas, CC has not reached a status of normality in the fashion and apparel industry (Pedersen & Netter, 2015; Piscicelli, Cooper, & Fisher, 2015). Fashion initiatives that provide consumers with alternative methods of consumption have been slowly growing in number (Iran et al., 2019). Examples of CFC initiatives from recent years are the redesign of clothing items, rental models in the form of fashion libraries where customers are members of clothing libraries where they pay a membership and can swap items, and even clothing swaps that take place within set groups (Armstrong, Niinimäki, Kujala, Karell, & Lang, 2015).

There are initiatives of companies in this area, research on the topic of Collaborative Fashion Consumption (CFC) is still in its infancy (Becker-Leifhold & Iran, 2018) A definition that has been put forth is:

*“CFC is a consumption trend in which consumers, instead of buying new fashion products, have access to already existing garments either through alternative opportunities to acquire individual ownership (gifting, swapping or second hand) or through usage options for fashion products owned by others (sharing, lending, renting or leasing” (Iran & Schrader, 2017, p. 472).*

The main opportunities for CFC companies focused on renting are as follows:

Belk (2014) has argued that this type of disruptive technology may expand the market further, as companies offering rental services are tapping into a market where customers may not have been able to afford designer bags and clothing previously. The business implication of this is that it allows companies to capture a share of the market that was not being served before.

Another potential benefit that has been explored is that in a renting relationship, a follow up contact is much easier as the renter has to return the product at the end of a period, facilitating the return of the customer to the store, representing a further opportunity for customer retention (Moeller & Wittkowski, 2010).

An obstacle towards sustainability in the fashion industry is items are discarded due to style or fashion considerations, fuelled by constant launches of fast fashion retailers and an increase in disposable income (Bianchi & Birtwistle, 2010; Morgan & Birtwistle, 2009). However, many consumers also wish to distance themselves from a wasteful lifestyle and see a benefit in consuming less (Guiot & Roux, 2010). A study on opportunities and barriers of fashion libraries in Finland found that participants like the idea of having the option to renew their closets whilst not increasing consumption cycles (Pedersen & Netter, 2015). Renting companies that exploit luxury consumption can benefit from this renting trend which comes at a time where the appeal of materialistic wealth is weakened as well as an increasing intolerance for wasteful consumerism (Yeoman, 2011).

### 2.3 How to create value in luxury by relying on collaborative consumption: the contribution of the business model lens

The business model lens was chosen as business models are a new unit of analysis, emphasizing how firms do business (Zott et al., 2011). The authors argue further that the business model goes beyond explaining how value is captured, but also how companies create it.

### 2.3.1 What is a business model?

The business model literature is still developing, the direction it takes differs according to the phenomena of interest of researchers (Zott et al., 2011). Many definitions have been put forth, we will use the following definition for business model: *“the logic of the firm, the way it operates and how it creates value for its stakeholders”* (Casadesus-Masanell & Ricart, 2010, p. 197). As business models are made up of different components that generate value (Afuah & Tucci, 2000), and as a unit of analysis, they can give perspective on how firms operate (within and outside the boundaries of the firm), to create value (Zott et al., 2011).

Zott & Amit (2010) developed a framework based on “An activity system design”. The framework was developed taking into account several theories such as: virtual markets, value chain analysis, Schumpeterian innovation, resource-based view of the firm, strategic networks and transaction cost economics. This is one of the reasons this framework was chosen as the authors argue that no single strategic management theory can be used to develop a business model framework, but rather a combination. Based on a sample of e-businesses, the researchers identified four sources of value creation, which are called design themes: Novelty, Lock-In, Complementarities and Efficiency, forming the NICE acronym. The second reason this framework was chosen was due to its development based on value creation potential e-businesses, which is the core of RTR’s operation, thus appropriate for our analysis.

## 2.3.2 Activity system design framework – NICE

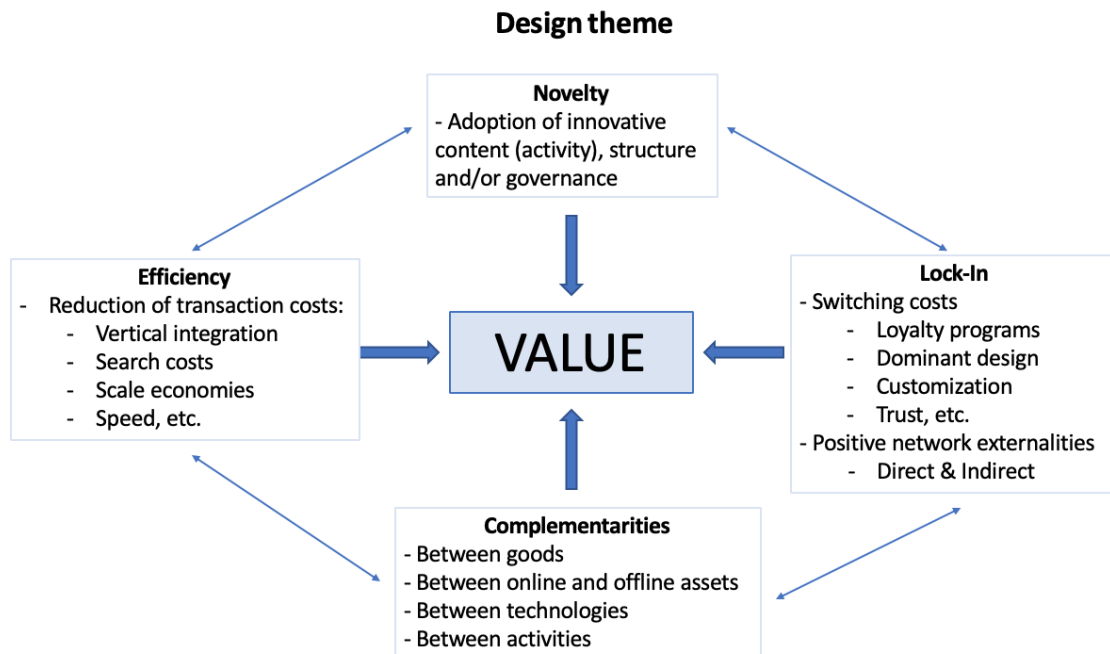
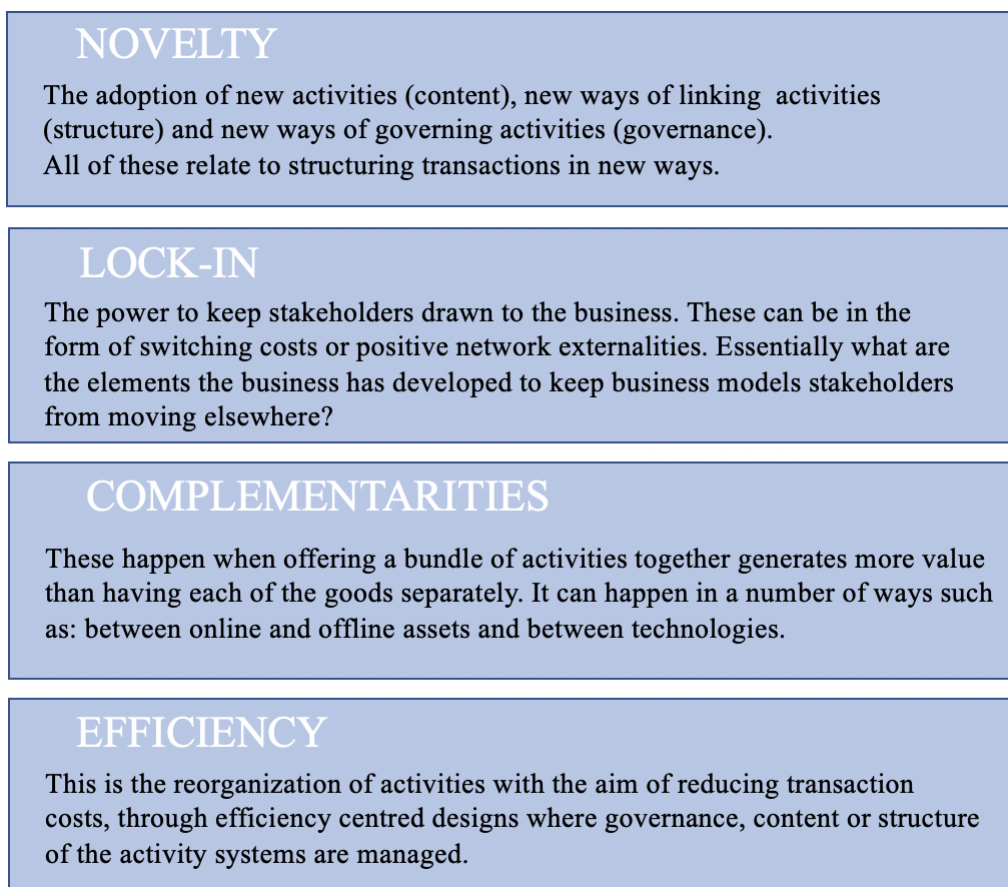


Figure 1 Amit & Zott's (2001, 2010) design theme



Source: Amit & Zott (2001, 2010)

Figure 2: Description of Amit & Zott's design theme (2001, 2010)

Some of the criticism around the business model framework is that some authors argue that the business model is only a small part of a company (Wirtz, Pistoia, Ullrich, & Göttel, 2016). Further, it has been argued that currently, there is no clear link between innovation and performance through the business model (Baden-Fuller & Haefliger, 2013).

Nevertheless, the framework will be used to analyse the data collected in the findings section (5) as this framework considers technology and innovation to be at the heart of business models to produce a superior effect (Baden-Fuller & Haefliger, 2013).

### 2.3.3 Challenges for CFC companies focused on renting

The main challenges for CFC companies focused on renting are listed below. These have to be considered when implementing a business model based on collaborative consumption.

The first challenge for companies is that the level of consumer acceptance or rejection of CFC are still unclear as the number of business initiatives is very few (Iran et al., 2019). The perception of consumers on renting also depends on the type of products that are being offered for rent, with some being more challenging to be accepted (Baumeister, 2014). Linked to the above, consumers express concern and feel unsure about the cleanliness of the clothes in CFC initiatives (Becker-Leifhold & Iran, 2018), in addition to this where and from whom the clothing items originate influence the acceptance of rental clothing (Iran et al., 2019).

The second challenge is the formation of a trustful relationship (Iran & Schrader, 2017). The key attribute for consumer satisfaction in collaborative consumption is the relationship between customer and provider. The ease of access, which can be measured as time availability and how easy the provider is to reach in times of trouble are key factors to ensure trust between the company and the customer (Raja, Bourne, Goffin, Çakkol, & Martinez, 2013).

The third challenge is that the consumer may not recognize the value of the service in times of inconvenience, suppose a product is not available when the customer wants it, this can generate a negative payoff in consumer perception towards the company (Armstrong & Lang, 2013; Tukker & Tischner, 2006).

The fourth challenge is that it remains unclear if consumers who use rented/leased products will treat them in relation to products they own (Tukker, 2015). Therefore, the durability of apparel and luxury goods used for renting would also have to be considered due to greater use intensity (Armstrong & Lang, 2013).

Lastly, a big challenge for business model success is one argued by Armstrong & Lang, (2013), who claim that for goods that bring status, some types of sharing services may not be attractive as ownership of these type of products tends to be relevant to such customers (and it was particularly the case with high fashion and branded items). This is connected to the fact that ownership of some goods is connected to esteem (Tukker & Tischner, 2006).

Collaborative consumption in all its definitions in fashion and luxury especially is still in its infancy. Renting items through a specialised platform for the luxury category is a new consumption habit. Facilitated by technology, many companies are now offering these services online and in physical locations, reaching a much wider audience. Research has been done about sharing of other services such as car sharing, music, and even garments through fashion libraries. To our knowledge, no research has been dedicated to the challenges and opportunities faced by companies offering rental of luxury clothing, as well as how these companies leverage those to continuously develop their competitive advantage in the traditional luxury market. This thesis will address some of those key factors that luxury rental businesses must take into account.

### 3. Methodology

This section is divided into two parts, the first part presents the justification for the chosen methodology and the second part discusses the data collection and analysis process.

#### 3.1 Justification of the methodological choices

Research shows that qualitative research is the most suitable option if the research aims to study a particular subject in depth, and it is appropriate for exploratory research, meaning not much has been previously published on that particular topic (Myers, 2013). It is also a research approach that enables exploration of an occurrence within its context using numerous data sources (Baxter & Jack, 2008). As the topic of research is still in its infancy, and the present research aims to understand the context in which these new businesses operate in, qualitative research is the most suitable method.

A case study is defined as “*an intensive study of a single unit with an aim to generalize across a large set of units*” (Gerring, 2004, p. 341). This is in line with what this study aims to achieve. Because our research question is a “how” question, we chose a case study as these provide answers which are based on links observed over time as opposed to frequency, making a case study a suitable method for the analysis (Yin, 2009).

To answer our research question, we decided to study Rent the Runway. The choice of this company is relevant for several reasons. First, it is a success case of a company operating in the fashion luxury rental market. Second, RTR established and sustained a business model which differs from competitors, constantly innovating and iterating its strategy to maintain their competitive advantage. For these reasons, it deemed an appropriate case to answer the research question.

#### 3.2 The data collection

At the beginning of the study, our first preference was to collect primary data, mostly in the form of semi-structured interviews as these allow for gathering of more in-depth information

(Malhotra & Birks, 2007). Unfortunately, interview requests with the target company RTR were rejected. We also contacted Dress&Go and i.bag.u, companies offering rental of luxury accessories and gowns in Brazil to collect primary data, however none of them were available for interviews of any sort.

We decided to rely on secondary data, studies such as Bottomley & Holden (2001), Carrigan, Moraes, & McEachern (2013) also relied on secondary sources as a mean for data collection. The framework used to analyse our findings developed by (Amit & Zott, 2001) also relied on secondary data collected from 59 e-business to develop their theory.

For our study, almost 20 hours of podcasts and public interviews with members of the company were listened to, with some being transcribed in full and some only for parts that were relevant to the research, resulting in more than 55 pages of transcriptions. The data sources were selected based on two main factors: recentness of publication, as these are more likely to describe the company's current strategy. Secondly, podcasts that came from professional publications such as Forbes, Goldman Sachs, CNN were preferred.

The podcasts and public interviews were with different members of the company, providing different perspectives on similar issues, and each interviewee focused more on their area of expertise during the interviews. For instance, podcasts with Mr. Vijay Subramanian, Chief Analytics Officer, focused on the importance of and how data was used to power RTR's operations. Joshua Builder, CTO, provided insights into how technology is used in operations. Jennifer Hyman, CEO focused on the overall strategy of the company and business developments. Likewise, Hampton Catlin, VP of Engineering focused on RTR's retail strategy. Data from several interviewees allowed for triangulation of the data.

In qualitative research, it is important that data is triangulated (Myers, 2013). The information collected in the podcasts and interviews were triangulated with data from published documents as access to unpublished documents was not obtained. Secondary data was collected from the company's newsletters, articles and press clippings from the company's websites, magazines and newspaper articles, press releases and other relevant reports. News articles and the company website were used to collect information about the general organizational context, as well as insights into the general workings of RTR and to support and triangulate information from the podcasts and secondary interviews. These sources were selected based on their

reputation as publishers, some examples being the Economist, Business Insider, the New York Times and Washington Post.

Data on fashion and accessories renting in general was collected to provide insights on the industry, and the performance of competitors to better understand the context of RTR’s operations.

The total as seen below:

	Articles	Podcasts	Public Interviews
Rent the Runway	84	20	13
Renting in general	12	2	
<b>TOTAL</b>	<b>96</b>	<b>22</b>	<b>13</b>
<b>GRAND TOTAL</b>	<b>131</b>		

Table 2 Data Collection Summary

The full table with articles names, sources, as well as podcasts/public interviews interviewees can be found in Appendix 1.

### 3.3 The data analysis

To analyse the data we used a coding approach, selecting, identifying and labelling to analyse the data collected (Corbin & Strauss, 2008). The coding process worked as follows: the transcribed podcasts and interviews, or documents were highlighted for important parts of information, giving a preliminary label that summarized the overarching theme the information was describing. After the codes were constituted, connections between them had to be made as it is critical to see how they fit into the wider analytic context (Dey, 2003).

Initially, the codes came from common patterns in the collected data. For example:

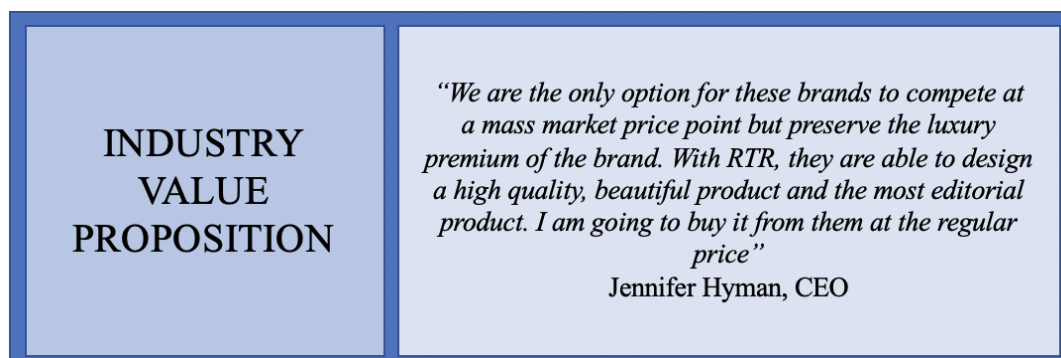


Figure 3 Codes from the data. Quote source from BOF Podcast

This label was given to data referring to value the industry/designers could derive from working with RTR.

After this initial process, and taking the literature into consideration, the preliminary codes were categorized into final codes using the Activity System framework: *novelty*, *lock in*, *complementarities* and *efficiency*, for example:

Preliminary Code	Final Code	Quote
<p style="text-align: center;"><b>INDUSTRY VALUE PROPOSITION</b></p>	<p style="text-align: center;"><b>LOCK IN</b></p>	<p style="text-align: center;"><i>“We are opening up our platform to brands and retailers and enabling them to use rental as a new revenue stream, gain those customers, and gather really important data on that customer”</i> Jennifer Hyman, CEO</p>
<p style="text-align: center;"><b>PHYSICAL VS ONLINE</b></p>	<p style="text-align: center;"><b>COMPLEMENTARITIES</b></p>	<p style="text-align: center;"><i>“We have subscribers who are coming in before work in the morning to pick up or drop something. We have retail as a point of interaction. You don’t have to come to our store, but there are benefits to it.”</i> Joshua Builder, CTO</p>

Figure 4 Preliminary and final codes  
Quote 1 from Recode and 2 from Digiday Podcast

The list of codes and their development is available in Appendix 2.

## 4. Empirical Setting

We chose RTR as our case study to answer the research question as it has proven to be a case of success in the fashion luxury rental industry. RTR is a disruptor to the traditional fashion industry by introducing the concept of collaborative consumption.

### 4.1 The early days – Wouldn't it be fun if we could rent dresses?

It was November 2008, Jennifer Hyman had gone back home from Harvard Business School (HBS) to spend the Thanksgiving holiday with her family. Hyman's sister Becky told her she had just purchased a USD 2000 Marchesa gown to wear for a wedding that weekend. The dress cost more than her rent, putting her into credit card debt. Hyman tried to convince her sister to return the dress and use something she already owned. Becky was adamant, claiming: "Everything in my closet is dead to me, I have been photographed in it, the photos are up on Facebook and I need something new" (Jennifer Hyman, CEO <sup>1</sup>).

It was a lightbulb moment for Hyman who realized that women cared about the experience, they wanted to feel confident and beautiful but did not care for the actual ownership of the item. The following week she went back to HBS where she discussed the idea of a rental business with her soon to be co-founder, Jenny Fleiss. Fleiss loved the idea.

To see if the idea would gain traction, the duo cold emailed famous designer Diane Von Furstenberg. As luck would have it, they managed to schedule a meeting for the next day. They drove to New York to DVF's office and introduced themselves as the cofounders of Rent the Runway. The initial idea was to provide designer brands with a rental platform within the company's website, powering rental for each brand separately. Von Furstenberg hated the idea. She claimed it would cannibalize her retail sales and dilute her brand; who would want to buy something if they could rent it for a percentage of the price? Hyman was not ready to give up, she continued to ask Von Furstenberg why she disliked the idea and if there was no value to her brand.

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<sup>1</sup> Goldman Sachs Interview

By the end of the conversation the two co-founders learned that DVF was having a customer acquisition problem. She would be interested in working with them if they could find a way to introduce her brand to women in her teens, 20s, 30s & 40s as the majority of DVF's clientele are in their 50s and 60s. This was a critical moment for the duo as it provided them with some insights on which path to pursue, it led them to understand some pain points designers were experiencing, which made them think about how they could create a business that would be beneficial to designers, therefore creating an industry value proposition. They decided to create a separate platform where they would procure dresses from designers, allowing women to rent outfits for special occasions.

To test the idea, the two cofounders headed to Bloomingdales, purchasing 100 designer dresses to experiment if the renting model would work. They hosted different pop ups at Harvard, each with specific characteristics such as: trying on items in the pop-up, not allowing try on before renting, or sending customers a PDF with the inventory. They wanted to know if women would rent dresses, and if yes, what do they rent? How much do they pay? Which designers, if any, are they looking for? Can you send a dress through the mail and most importantly, what happens to these garments after they have been rented? Through these pop-ups they saw how consumers emotionally changed when trying on a great dress, ultimately leading them to officialise the business.

## 4.2 Kickstarting the business

Rent the Runway was officially founded in November 2009 in New York. If they wanted to launch the business, they needed to raise sufficient capital to fund its initial activities. Due to the high costs involved in establishing the business, Hyman and Fleiss opted for venture capital funding. In the first round, U\$1.75m was raised from Bain Capital Ventures. This was enough to buy an initial slate of inventory from designers, to develop the website enabling reservation capability and hire the first team members.

The initial product offering was called RTR Reserve, customers could rent designers dresses for one-time use for special occasions. The customer could choose between a rental period of 4- or 8-days. The cost of the rental was (and still is) dependent on the price of the dress in terms of retail, varying from 10 to 20% of the retail price. RTR also sends a back-up size of the chosen dress to the customer at no additional cost.

In order to scale its activities, RTR continued to raise funding through venture capital. The capital raised was used to develop the technology to power the website and the logistics involved in keeping the business running efficiently. In the early stages, the laundry and restoration part of the business were outsourced to a dry cleaner near the company’s inventory warehouse in Secaucus, NJ. In fact, RTR’s original plan was to outsource its technology and logistics completely. Over time, RTR realized that these were part of the company’s core competencies, as well the barriers to entry, thus integrating all these activities into the business.

### 4.3 A new service offering

In 2014, RTR expanded its product offerings into a subscription service, so customers could rent items for everyday life. The initial launch was an accessories subscription which did not succeed. From 2015 to 2016, the company iterated the model, beta testing a subscription to fashion, offering their services to women who wanted to rent clothing for their daily life. In 2016 RTR fully pivoted to a clothing subscription program, dropping the accessories subscription.

Currently there are two programs available:

	RTR Update	RTR Unlimited
Cost	U\$89 per month	U\$159 per month
Cost per extra slot	U\$25 per month	U\$39 per month
Items kept per month	4 items	4 items
Number of swaps allowed	One swap per month	Unlimited swaps
Number of designers available	400 +	600 +
Access to premium designers	No	Yes
Dry cleaning, shipping and insurance included	Yes	Yes

Table 3 Description of RTR subscription programs

Since being launched, the subscription business accounts for more than 50% of RTRs revenue, becoming the majority of the business in 2018. Subscribers are up 150% year over year. Hyman believes subscribers get a lot of value from the program:

*“Our subscribers spend nineteen hundred dollars a year, and last year the average subscriber got forty thousand dollars’ worth of value.”* (Jennifer Hyman, CEO)<sup>2</sup>

Until September 2014, all transactions occurred via the website/app, when the first brick and mortar store opened in New York. Since then, RTR has already opened 4 more stores in the biggest metropolitan US cities (and where the majority of their customer base is): Chicago, Los Angeles, San Francisco and Washington DC. Customers can come into the stores for styling appointments, to try on, pick up and return items. Stores also serve as a mini hub, in addition to its main 25000 sqm warehouse located in Secaucus, NJ. Another bigger warehouse is set to open in Texas by the end of 2019, which will allow for a faster turnaround time for west coast customers. Physical stores also become a focal point to introduce the brand to customers who are not used to this new consumption behaviour, complementing their online business.



Figure 5: An RTR retail store

Figure 6 & Figure 7: Self-serving scanners

Source: Medium, Chain Store Age, Retail Insider

Currently, Rent the Runway is valued at US\$ 1 billion, having raised over US\$540 million in venture capital funding, and employing more than 1800 people. RTR does not disclose its earnings publicly, although they have declared to have earned revenues over US\$ 100 million and being profitable since 2016, with such figures increasing year on year.

#### 4.4 Competitors

Due to the size of the business, the inventory options, the proprietary technology developed, and its operational strategy, RTR has no direct competitors. Although there are companies

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<sup>2</sup> The New Yorker Article

operating in similar ways, none have the same value proposition. Gwynnie Bee offers a similar service but it caters to full-figured women, offering items from US size 10-32. Style Lend is a peer to peer marketplace where women rent from the closets of other women, and the focus is special occasion wear. Le Tote and StitchFix are subscription services that send the customer clothing monthly based on the user profile, the items can be worn for an unlimited time until the customer decides to send it back or purchase it for a fee. Wantable offers a similar service to the above but if the customer wants to wear the item, they must buy it outright.

RTR is providing customers with the “Cinderella” experience, so customers can feel great but only spend a fraction of the cost. In order to achieve this level of service, RTR had to master its operations, building a reverse logistics platform to run the business efficiently. Externally, RTR had to build and maintain relationships with designers to procure inventory.

In the next section, the key factors of RTR’s business model that lead to value creation will be analysed, as well as how these factors ensure RTR’s competitive advantage.

## 5. Findings

In this section, we will present the answer to the research question. The findings and its subsequent analysis will be structured using the activity system design framework developed by Amit & Zott. Through this, we expose how RTR is gaining competitive advantage in the luxury industry and how their business model manages the tension between exclusivity and renting.

### 5.1 Novelty

The new content and structure that RTR has implemented in its business model will be analysed to evaluate how they create value for those in- and outside the organization.

#### 5.1.1 Creating a new business model

At the time of RTR's founding, it was radical to assume that the experience economy could be part of getting dressed, especially when it came to luxury items. Designer gowns were reserved to a few select customers. There was this juxtaposition between exclusivity of luxury and renting, which RTR had to overcome in order to establish a sustainable business. The way RTR handled this tension will be discussed in detail over the following sections and the discussion.

#### 5.1.2 Implementing subscription in the business model

RTR created a truly novel service offering through its subscription to fashion program. Through feedback received from customers, the company learned that customers wanted the ability to rent for everyday life:

*“We started hearing from the customer that it was awesome that we enabled people to rent for special occasions, however, the occasion that was most special in most of our customers lives was actually work. They wanted to feel the most confident, that's where they wanted to dress for the job, basically they were begging us to create an ability to rent the runway for work”.*

(Jennifer Hyman, CEO<sup>3</sup>)

RTR used customer feedback to their advantage, introducing a new service offering that customers desired, which was not being offered by any other competitor. The introduction of

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<sup>3</sup> BOF Podcast

this new service was made once customers were accustomed to the idea of renting, as a premature introduction could have meant that customers would not have embraced the idea. Hyman claims the subscription model is growing a lot faster than the core business, signalling that people are indeed using the service as a real substitution to shopping. RTR went from serving the customer a few times year to 150 days a year, the average number of days a subscriber uses RTR. The service they provide is an alternative to buying clothes, but their differentiator is they give customers access to a broad selection of high quality goods than what the customer would normally be able to afford.

RTR introduced a new business model, disrupting an exclusive industry such as luxury. This alone supports some of their competitive advantage as the range of services they offer is not being replicated by any competitor.

## 5.2 Lock-In

RTR's business model provides a value proposition for both sides, customers and designers. This keeps stakeholders engaged in RTR's activities, ensuring the businesses long term success on both aspects. But how is it that RTR manages to keep its main stakeholders involved?

### 5.2.1 Customer Value Proposition

To get the business started, RTR needed to be sure that customers would be interested in the business, and provide a service level that would keep customers engaged in the long-run. RTR was lucky to be featured in the technology section of the New York Times in its first week, leading to 200.000 customers sign up in the first two weeks, with over 90% of inventory utilization.

RTR wants to change the way women get dressed, so they have the rush of getting designer clothing in perfect condition, without having to pay the price.:

*"We [...] want to provide overwhelming value. We want to be a true substitute for the closet, make it easy as possible for our customer". (Jennifer Hyman, CEO<sup>4</sup>)*

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<sup>4</sup> Forbes Interview

*“Every single thing that we rent on Rent the Runway retails on average over \$300 and it goes up to \$5,000, so we’re providing a mass market price point for the designer industry”*(Jennifer Hyman, CEO<sup>5</sup>)

RTR was afraid that customers would not share that their outfits were rented, but this was not the case. 90% of RTR’s customers come from word of mouth and PR alone. RTR wants to foster a sense of community around the brand by encouraging users to leave photo reviews on the website (about one third of customers do, of how an item fit, how they liked it, what they didn’t like), so that other users can compare their body type and fit to have an idea of how an item would look on them:

*“Women feel so fantastic about themselves, and what they want to do after they rent the runway experience is pay it forward to other women, so that other women can feel confident and fantastic”* (Jennifer Hyman, CEO<sup>6</sup>)

It is clear that RTR’s rental model provides value to customers, as they let women access designer fashion for a fraction of its cost, whilst taking care of shipping and cleaning of the items. But how is it that they can get designers on board with a business idea that could potentially harm the brand’s exclusivity factor?

### 5.2.2 Industry Value Proposition

To ensure the businesses success, it was extremely important to get designer brands on board, to do so it was important to show to designers how beneficial this business model would be to them. Showing brands that RTR could manage the tension between exclusivity and renting was key to ensure the businesses’ success.

#### 5.2.2.1 Earning the trust of designers

When Hyman and Fleiss first tried to pitch the concept to designers, it was not unusual for them to be met with scepticism. It would take several meetings to get designers to agree to sell their inventory to RTR. The duo had to prove to designers that they were not a threat to the designer brand, but instead they were there to help designers to compete against cheap fashion.

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<sup>5</sup> Fortune Interview

<sup>6</sup> The Net System Podcast

From the very beginning, RTR made the decision to only put inventory on its website that had been directly procured from the brand. This was for two reasons: Firstly, to purchase in season inventory at wholesale prices, as the price of inventory is RTR's biggest cost. Secondly, to earn the respect of brands. In a close-knit industry, making a wrong move could get you blackballed:

*"[We] needed to act with respect for the fact that these brands have been around for many years or many decades or many centuries for some of these brands. And what was extremely important to these brands is the preservation of luxury, the preservation of the premium aspects of the brand."* (Jennifer Hyman, CEO<sup>7</sup>)

RTR decided to pursue a strategy of respecting the brands timing, even if it meant not having all brands they wanted on board. As the company grew, RTR was able to show to the industry that they were an option for brands to compete at mass market prices, whilst preserving their luxury premium. When asked if they felt that the platform would make the brand too available, Hyman agrees that to a certain extent, yes, but is a risk designers are willing to take to counter fast fashion. This was a crucial point for RTR to succeed in the luxury industry, as without the approval of designers procuring inventory would have been extremely difficult. Showing designers that their brand value would be preserved and respected when working with RTR was extremely important, as designers were fearful that renting was a threat to their brand image. To achieve this, RTR presented itself at all customer interactions as an aspirational brand, high end, and in line with the products they rent.

#### *5.2.2.2 Introducing designer brands to a new customer segment*

RTR had to show to designers that their target customer was not the designers traditional customer, but that it was younger women who were opting for fast fashion stores to get variety at affordable prices. When customers started leaving photo reviews on the website, it enabled designers to see for themselves that this was indeed a younger customer base. The average RTR customer is a young professional woman, at around 30 years of age. This differs from the traditional customer of designer brands, who are in the older age bracket and not RTR's target customer. This made them more comfortable to start working with RTR.

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<sup>7</sup> BOF Podcast

RTR proved that they could be a platform to introduce designer products to younger audiences. 71% of customers claim to have discovered a new favourite brand<sup>8</sup>. RTR provided designers with a new marketing channel, introducing to customers to these brands in a sophisticated setting, preserving brand value (as opposed to reaching those customers through outlets with sale prices or designer brand collaboration with FF chains such as H&M).

When asked if they felt they were encouraging customers to not purchase items in general anymore, RTR argued customers will still purchase items, but will start to be more conscious about them:

*“There are lots of items that women should own, [...] they should own it in high quality, that’s going to last for many years, that it’s from a brand they have fallen in love with and that they trust, and that they want to keep as part of their closet”* Jennifer Hyman, CEO<sup>9</sup>

*“Only things that are meaningful [should be in your closet], the rest of that, style and variety should be completely out of your hands”* Joshua Builder, CTO<sup>10</sup>

Being on RTR’s platform is a new marketing channel for these brands, as they are being seen by more than 10 million customers, being introduced to a younger consumer who would not have been in contact with that brand otherwise.

### *5.2.2.3 Using data to better inform designers*

Due to the sheer amount of data RTR can collect based on customer profile, rental history and feedback provided, they can pass that information to designers based on what items customers have a higher demand of. The data is also used to inform designers about what type of garments last longer, providing them with feedback on how to alter the manufacturing process so the item can be produced in better quality and fit (Figure 8). This type of data cannot be provided by retailers as they only know the sell through rate, and not details about consumers preferences on fit and detailed feedback on items. Designers can also test new collections with RTR before they are launched, which reduces the risk of collections as they receive customer feedback before committing to a full launch. Designers receive feedback on 50% of their items available on RTR.

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<sup>8</sup> Rent the Runway’s website

<sup>9</sup> BOF Podcast

<sup>10</sup> Refresh Miami Interview

#### 5.2.2.4 A new revenue stream for designers

RTR has also become a new revenue stream for designers:

Firstly, they are constantly purchasing in-season inventory from designers. RTR's buy differs from a traditional retailer, whose focus is on sell-through rate, RTR focuses on items that women aspire to wear but do not make sense rationally to own. Most of RTR's buy is colour, over 50% has some type of embellishment and 45% of the buy is prints<sup>11</sup>. RTR is purchasing inventory that is not being sold in a traditional sales environment, allowing designers to market very editorial products.

Secondly, through innovation on RTR's platform, they are now opening it up for partner brands to rent out parts of their inventory as they please (Figure 8).



Figure 8: RTR opens up the platform to designers  
Source: Twitter

This means that they can partake in the sharing of RTR's revenues. Sullivan, RTR's COO says that "between 15% to 25% of the platform's inventory will come directly from outside brands"<sup>12</sup>. This decreases RTR's inventory risk as they no longer need to invest in the product upfront.

In summary, having a strong relationship with designers is one of the most important factors ensuring RTR's competitive advantage, as without designer partnership they would not be able to serve the customers as well. RTR had to present itself in a sophisticated way, to show that exclusivity and renting could co-exist. Moreover, RTR shows that this is a new customer acquisition and marketing channel for brands. RTR was not entering the market to compete, but to work alongside designers. Of course, having the customers on board and comfortable with the renting behaviour was key to provide value to both, customers and designers.

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<sup>11</sup> BOF Podcast

<sup>12</sup> Fast Company Interview

## 5.3 Complementarities

Within the activities and services RTR provides, some have been bundled or created to compliment the initial service offering of renting outfits online. Through these activities RTR serves the customer better, and creates a sophisticated channel for designer brands to be introduced to customers.

### 5.3.1 Complementing the online: Opening brick-and-mortar shops

RTR started as a pure e-tailer, but overtime saw benefits in having physical spaces. The physical stores first opened as showrooms where customers could come in, get styling advice and try on outfits for special events. As the business expands it takes on a more important role in RTR's value creating strategy, becoming an integral part of the company's competitive advantage as they can better serve customer and obtain operational advantages.

#### *5.3.1.1 Helping customers get used to a new consumption behavior*

As renting (especially online) is a new behaviour, some customers are reluctant to embrace this new method of consumption. Customers are not able to see, feel and try on items, keeping many customers from trying RTR. Customers were concerned about how items would look on and how to get an item through the mail. To overcome this, a flagship store was opened in NY so customers could come in and try gowns before renting. This was an added layer of comfort for customers who felt a stigma around the idea of renting clothes.

*“We have found that people will try braver fashion decisions in store than they do online. I feel like when you are shopping online there is a loss of intimacy. And including shipping there is some risk aversion”* Hampton Catlin, VP Engineering<sup>13</sup>

Hyman claims that opening the physical stores was a strong component for discovery. It also allowed RTR to introduce itself (and the designer brands they carry) to customers in a sophisticated setting controlled by RTR. The physical spaces resemble a regular store, with clothes being displayed elegantly. RTR is in the business of renting, but presents itself in a luxurious setting similar to designer stores.

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<sup>13</sup> Glossy Podcast

### 5.3.1.2 Transforming stores into a service center

Although not evident, the physical stores are much more than a place where customers can feel more comfortable about renting. Whenever customers come into the store to try on clothes or for a paid styling appointment, data is collected on fit and consumer preferences, which are then used to make recommendations for customers and inform RTR’s analytics teams:

*“Women tend to come into those stores and they will try on 25 to 30 items at a time. That data on what they liked, what size worked for them is stored in a virtual closet, we often are able to get them to rent five to six times from that one visit into the store.”* Jennifer Hyman, CEO<sup>14</sup>

As the subscription program grew, customers wanted to get a faster turnaround time to get the most value out of their subscriptions. RTR installed self-service kiosks where customers scan their returning items, automatically opening new slots for items, giving the customer the chance to rent something from the store directly or order online instantly. This strategy was huge success with customers, with 25% of subscribers who live within 20 miles using the store once a week to swap their items. This solves the pain point of having to wait for the items to be received at RTR’s warehouse to open a new slot.

Additionally, the lower (or upper, depending on store configuration) serve as distribution hubs, holding thousands of pieces of inventory. Having this proximity to the customer is key with the subscription model as the major reason for churn in the subscription program is that customers don’t receive items fast enough. A common review online is:

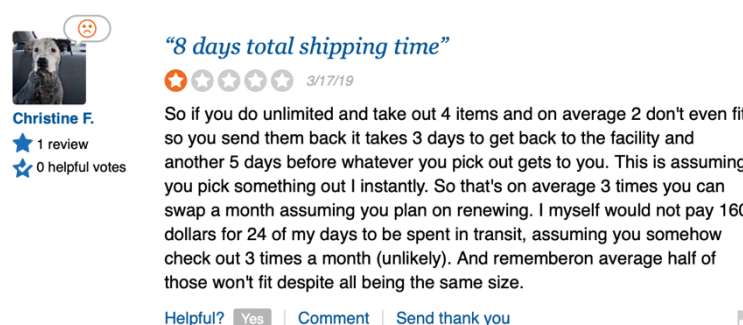


Figure 9 A common review on RTR

To help shorten shipping time, RTR will open a new facility in Texas to better serve its west coast customers. By having items closer to customers through stores and warehouses, RTR can benefit from cheaper ground shipping, reducing costs.

<sup>14</sup> Fortune Interview

### 5.3.2 Partnership with WeWork

RTR has partnered with co-working office space company WeWork to install drop boxes across the country in 18 WeWork locations. Now unlimited subscription customers can drop-off items, immediately opening a slot, expediting how fast they are able to get new items.

*“We knew there was a demand for creating these drop boxes in other convenient locations, [...] there is a massive opportunity to not only grow our drop-box network, but also to grow mini stores within WeWork.”* Maureen Sullivan, COO<sup>15</sup>

Hyman believes this can make the average subscriber go from using the brand from 150 to 175 days a year. It is also an operational benefit for RTR as it facilitates their operations. They are able to service the customer better without having to open their own retail stores.

To conclude, the opening of physical retail meant that RTR could be closer to customers, allowing them to better service existing clients, and introduce the idea of renting to customers in a more “natural” way. It generates value for the company as the retail spaces are designed to present the brand to customers in a beautiful way, in the setting of a store so that customers can have some of the exclusive feeling of luxury.

## 5.4 Efficiency

As the business started to take off, RTR learned that to be in control of their operations, they would need to vertically integrated parts of it. Although it proved challenging in the beginning, overtime these factors became core competencies of the business, as well as the moats that help keep competitors away, helping RTR to gain competitive advantage.

### 5.4.1 Developing and mastering a reverse logistics platform

As RTR is an asset utilization business, inventory turnaround is crucial. There are two key variables, firstly how fast can the inventory be turned, and secondly, how long can this inventory be turned for before it has to be “retired”. These were two important variables for RTR to master:

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<sup>15</sup> CNBC Interview

*“We knew that we had to get the unit economics to be profitable. So, to do that, we needed to own the logistics, we needed to own the cleaning, we needed to own the control of the inventory, the timing and technology of all of this stuff”* Vijay Subramanian, Chief Analytics Officer <sup>16</sup>

In the early days, dry cleaning and restoration was carried out by a third party, therefore RTR did not have complete control of when the inventory would come back, and was not able to develop any intellectual property on how to care for the garments.

To be in control, RTR had to vertically integrate. First, they developed a logistics platform to manage the inventory, so things could be expedited at the speed they required. If items are sitting idly on the warehouse, it means they are not with a paying customer. Data collection and analytics in the warehouse is used to prioritize which are the items that they need to process just in time and which items have a longer associated lead time to them. This means that most of the clothing is triaged early in the morning, processing on average 2000 items per hour, with an average turnaround time of 12 hours, this is crucial for items that need to be shipped out as soon as possible.

Second, they built infrastructure to do all the operations around caring for garments:

*“We have had to vertically integrate, so in order to restore [items] to perfect condition, you need to not only have a “pick, pack, ship” operation but you need to focus on having essentially manufacturing type functions within your operations: like dry cleaning, like a seamstress operation, like jewelry repair, like leather repair. So we had to become experts in this kind of physical restoration of products. [...] There's no way to short-circuit those learnings and therefore the ROI that's going to come from this incredible asset of inventory that we have built.”* Jennifer Hyman, CEO<sup>17</sup>

This allowed RTR to collect data and figure out how to look after different fabrications, and the optimal way to take care of them to prolong the lifetime of an item and get more value out of it. It also affects their buying decisions as they know which items have a longer lifetime. This development of intellectual property is a huge factor in RTR's success.

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<sup>16</sup> Deciding by Data Podcast

<sup>17</sup> Goldman Sachs Interview

By learning to care for garments so they would always look brand new, and knowing when to discard items once they no longer look new, (the number of rentals a garment can last can be estimated based on the type of fabrication) RTR can get maximise their return on inventory and lower down costs.

Keeping items looking brand new also played a big part in helping maintain the luxury feeling for customers, so they always felt the items were brand new, removing some of the “icky” factor that might have been associated with the idea of renting:

*“Because of our dry cleaning, customers receive almost new items. There is a lot of trust from the customer standpoint that we are sending inventory that is like in brand new condition”*

Jenny Fleiss, Cofounder <sup>18</sup>

Items are also sent in pristine packaging, with special garment bags designed exclusively for RTR, ensuring that the presentation of the items are high end, maintaining the luxury feel of the brand.

With the subscription program, RTR no longer knows when items will be coming back, this adds another layer of complexity to the business. This makes it even more important that they have algorithms in place to send items where they are needed.

Overall, RTR had to develop these core competencies in running this reverse logistics platform so to keep costs lower, control timing of operations, and develop the analytics ensuring their efficiency.

#### 5.4.2 Using data to customize and optimize the product offering

RTR collects and analyses copious amounts of data to ensure they deliver what customers want. Information about the customers measurements and preferences are logged into the system, based on this, suggestions are made for customers on what pieces they should rent. RTR tweaks its algorithms to identify pieces the customer might like based on the data provided and past rental history, both in the form of recommendations online and items that are available in physical stores:

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<sup>18</sup> Meet the Innovators Podcast

*“Making sure that’s what’s out there [in retail stores] matches what our customer is looking for is really critical. We have to target what we are sending.” Hampton Catlin, VP Engineering<sup>19</sup>*

Based on customer profiles, RTR uses data to ensure that they have items that fit the customer’s profile nearby to better serve them. This data is also used to inform the company’s buying decisions:

*“So we get this rich data points on what is being, not only consumed, but what actually people are genuinely wearing and not wearing, and for what reasons. And that actually feeds back into the buying process, right?” Vijay Subramanian, Chief Analytics Officer<sup>20</sup>*

RTR aims to reduce friction and get recommendations so right that the customer need not spend more than 30 seconds picking their next rental. Ideally, the customer opens the app/website, sees an item they like in their recommendations and selects that item. This is a process RTR is constantly reiterating as it’s hard to select the level of personalization that is required, as they don’t want to restrict customers choice as the platform is still a tool for brand discovery. Similar to the laundry operations, RTR felt that the only way to have control over the data collection and analysis to ensure the results they wanted was to bring it all in house:

*“We wanted to be able to develop our own software and brand at the quality level that we look for our interactions.” Hampton Catlin, VP Engineering<sup>21</sup>*

By having complete control, RTR can constantly iterate and optimize the product offering in a way that other companies cannot as they are in complete control of their operations. Based on customer feedback and data collection from customer interactions, they can make informed decisions about the business strategy:

*“Our customers have accounts with us [...] the first interaction you have is that you become a member with us, we know what you have rented, we know what you thought, and with the app we know when you were in the store” Hampton Catlin, VP Engineering<sup>22</sup>*

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<sup>19</sup> Reinventing Retail Podcast

<sup>20</sup> Deciding by Data Podcast

<sup>21</sup> Total Retail Talks Podcast

<sup>22</sup> Total Retail Talks Podcast

RTR has a constant inflow of data that they can use to fine tune their operations. By analysing it, they can identify consumption patterns based on past rentals, which feed into buying decisions. They learn about consumer preferences based on size and fit, items they have tried on in store and even making sure that items customers have favourited on the site are available in their nearest physical store. Their strategy to vertically integrate also means they have control of their operations, allowing them to have control the timing, and the technology required to efficiently run their operations. By owning most of the operation, RTR controls the quality level at every customer touch point, maintaining the aspirational brand value that is important in the luxury industry.

## 6. Discussion

The table below presents a summary of the findings:

Key takeaways from findings	
NOVELTY	Disruption of the exclusive luxury fashion industry by implementing a collaborative consumption business model focused on renting
	Implementation of a subscription to fashion business model, increasing the amount of time they serve the customer yearly (from a few days to more an average of 150 days)
LOCK IN	Provision of overwhelming value to customers by giving access to designer items at an affordable price (comparable price point to fast fashion)
	Forming a solid partnership with designers by: <ul style="list-style-type: none"> <li>- Understanding and respecting the importance of luxury preservation for these brands</li> <li>- Introducing brands to a new customer segment</li> <li>- Using customer feedback and data to better inform designers</li> <li>- Providing a new revenue stream for designers</li> </ul>
COMPLEMENTARITIES	Opening physical stores to introduce the brand to consumers who are not normalized with the behavior of renting
	Using the stores as data collection points and create mini distribution hubs outside the main warehouse
EFFICIENCY	Vertically integrating to retain full control of operations: <ul style="list-style-type: none"> <li>- Development of a reverse logistics platform, bringing laundry in-house, proprietary algorithms to ensure quick turnaround time, key to maximize asset utilization</li> <li>- Data collection and analysis on caring for garments, knowledge and technology to extend lifecycle</li> <li>- Algorithms and data analysis to inform and predict customer demand</li> </ul>

Table 4 Summary of findings

### 6.1 Accessing customers through collaborative consumption

It is clear that through its CC business model, RTR is democratizing an industry that had always been based on exclusivity, Belk (2014) and Iran & Schrader (2017), argued similarly that rental companies are giving access to a new customer base. RTR does this by allowing younger women to rent designer clothing at a fast fashion price point, Pedersen & Netter (2015) argued that lower cost was indeed a force behind CFC.

In terms of facilitating customer retention (Moeller & Wittkowski, 2010), RTR has the subscription program to “lock” in customers, but items are not necessarily returned to the store by the consumer. Nevertheless, RTR is growing year on year and churn does not appear to be a concern as of now.

### 6.2 Sustainability does not appear to be a motivator for CC

Some studies show that sustainability as a factor for CFC (Guiot & Roux, 2010; Pedersen & Netter, 2015). Although on its website RTR mentions clothing waste, and excessive

consumption encouraged by FF, from the data collection, from a consumer standpoint sustainability does not appear to be a significant force behind renting, the desire to have endless variety in the closet seems to be a more significant factor.

### 6.3 Balancing the preservation of luxury with renting

Kapferer (2012) argued that within luxury, the brand and its value should be known by many but only a few should be able to buy it. RTR is challenging this view as it embraces the collaborative consumption concept, reaching a new consumer base. This could be a problem for designers as the sense of rarity associated with the brands can be lost. Our research indicated that RTR is not trying to compete with designers but act as an industry partner. RTR positions itself as a new channel of customer acquisition, where they learn about designer brands, and hopefully in the future consider those brands when making purchase decisions.

Further, these younger customers that are renting today can learn about these brands earlier, creating a stronger experience with the brand. This can lead to brand purchases once purchasing power of these customers increases. For this reason, it can also be in the interest of designers to have their best products on these rental platforms, to showcase a good representation for these new customers.

### 6.4 Consumer acceptance of CC in luxury renting

Commonly mentioned as challenge, was consumer acceptance of CFC (Iran et al., 2019). RTR was afraid of this in its early days, but as the business grew, customers were excited to tell others about the advantages of renting the runway. Social media also influences this as people don't want to be photographed in repeat outfits. The study further claimed that origin of the clothing could have an influence. As RTR purchases directly from designers and is responsible for maintenance of the items, this does not seem to be a concern.

Consumer satisfaction is based on relationship between the customer and provider, and ease of access to the provider (Raja et al., 2013). RTR retail spaces serve as a point of interaction and add a safety layer to those who do not wish to rent without trying on, and those who want quick transactions or fix quick issues. However, negative reviews of RTR are usually about not receiving items on time where situation is worsened when renting for a special event. This in

line with Armstrong & Lang, (2013) and Tukker & Tischner (2006) who argued that if the service is not available when the customer wants it, leading to a negative payoff. As the business scales, it is important that RTR can maintain the high service level that is expected by customers.

Contrary to what Armstrong & Lang (2013) have argued, customers are still attracted to sharing goods that bring status, as customers appear to care more for the experience of wearing the item instead of the actual ownership of the good. RTR claims that women feel smart about renting. What remains unclear is whether these consumption habits will remain once these customer grow up.

How customers would treat rented goods was seen as a concern (Tukker, 2015). Although some RTR items return damaged to the point where they can no longer be used, they have found that the vast majority of items are returned in great condition. RTR believes that due to the aspirational nature of the goods, customers take care of it as if it was their own. The durability of the apparel with higher usage intensity is something that should be considered Armstrong & Lang, (2013). Through its development of intellectual property on each garment, RTR creates models to estimate the longevity of an item before it has to be retired from their inventory.

## 7. Conclusion

The aim of this thesis was to understand how rental companies of luxury goods could gain competitive advantage in the luxury market. To answer this question, we selected Rent the Runway as it is one of the few companies operating with success in this market. RTR has scaled its operations, continually investing in expansions to ensure that the inventory, the technology and the logistics are right.

At present, no research focuses on renting luxury goods specifically. As the of collaborative consumption becomes more mainstream consumer behaviours, the need to develop business models in the luxury industry becomes more apparent. We used business models as the theoretical lens of our research as these showcase value capturing and creating strategy of firms (Zott et al., 2011), and how this is done through different components that make-up the business model (Afuah & Tucci, 2000). The present research provided insights into what factors rental companies should take into consideration if they hope to gain and sustain success in the long run.

The top insights from the present research are as follows: firstly, the partnership with designers lies at the core of success in the luxury industry. Without the support of designers, the value proposition would differ as they would not be renting designer clothes, which is a differentiator for the business. From the company's perspective, respecting the designers legacy is essential, as they are concerned that such venture could desecrate their brand value. Secondly, control of the inventory and data collection is vital for the operations. Developing intellectual property and proprietary technology generates competitive advantage as they have full control of operations, it can also be a barrier to entry as the development of the technology and the logistics is costly, especially as the business scales. Therefore, there is a need for vertical integration to retain full control of operations and master the skills to run such business. Thirdly, although not a core requirement of running the business, having a physical retail space is a complement to the online operations. This is especially relevant in the early stages of collaborative consumption businesses', when renting is not a normalized behaviour. The retail touchpoint allows customers to meet the brand and also serves as a point of contact to resolve any other issues related with the orders. It is also part of the subscription strategy as it allows customers to swap items faster.

Lastly, specifically to RTR, part of their advantage comes from the fact that they were the first company to operate in the luxury industry, earning them first mover advantage and solidifying their relationship with designers. More generally, as done by RTR, companies need to constantly iterate on their business models to ensure that they are delivering what customers are looking and adapting to changes in the industry.

The main limitation of the research is that the case study is based on a single company, which could mean that results from this study should be transferred to other companies by carefully taking into account the context. For instance, as RTR is based in the US, there are market peculiarities that should be taken into account if the rental company is operating in another market. For example, the US has an efficient shipping system that RTR can rely on to dispatch clothes; this might not be the case in Brazil.

Future research on the topic could focus on how firms can sustain their activities in other areas of luxury CC, such as second-hand buying and selling. To deepen the discussion on how they can gain competitive advantage, it could also be interesting to focus a study on how to establish a reverse logistics platform for renting luxury goods, as this appears to be a core competency of such businesses.

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## 9. Appendices

### Appendix 1 – Data Collection

#### 9.1 Secondary Interviews Table

Secondary Interviews						
Title	Date	Duration/minutes	Sponsor	Interviewee	Interviewer	
1 Open Q&A about Rent the Runway	26 of June 2015	27:06:00	DraperTV	Jennifer Hyman, CEO	Several	
2 RTR CEO Jenifer Hyman envisions closets "moving into the cloud"	21 of March 2018	29:27:00	Recode	Jennifer Hyman, CEO	Kara Swisher & Jason Del Rey	
3 Mad Money CNBC Interview with Jim Cramer	23 of May 2018	6:27	CNBC	Jennifer Hyman, CEO	Jim Cramer	
4 Rent the Runway Announces New Business	16 of July 2014	25:00:00	Fortune Magazine	Jennifer Hyman, CEO	Jennifer Reingold	
5 Redefining the Future of Fashion and Workplace Equality	24 of October 2018	57:22:00	Goldman Sachs	Jennifer Hyman, CEO	David M. Solomon	
6 How Rent the Runway is attempting to revolutionize the way we shop	2nd of January 2018	6:55:00	ABC News	Jennifer Hyman, CEO	Rebecca Jarvis	
7 Fireside Chat with Joshua Builder	1st of June 2017	55:37:00	Refresh Miami	Joshua Builder, CTO	Maria Derchi	
8 RTR: The sharing economy is the future of retail	22nd of March 2019	8:46	CNBC Television	Jennifer Hyman, CEO	Joe Kernen, Becky Quick, Andrew Ross Sorkin	
9 Rent the Runway CEO Hyman on the Future of Fashion	14 of August 2018	21:50	Bloomberg	Jennifer Hyman, CEO	Emily Chang	
10 RTR Interview with Maureen Sullivan	25th of October 2018	24:16:00	CNBC	Maureen Sullivan, COO	Julia Boorstin	
11 How Jennifer Hyman is Selling Confidence One Outfit at a Time	6th of December 2017	27:09:00	Success Magazine	Jennifer Hyman, CEO	Shelby Skrhak	
12 Future of Retail	28 of September 2018	45:02:00	Salesforce	Jennifer Hyman, CEO	Alan Murray	
13 Rent the Runway's Jennifer Hyman is altering how we shop. Before she's done, she'll change how business works, too	19th of October 2018	14:52	LinkedIn	Jennifer Hyman, CEO	Daniel Roth	

## 9.2 Podcasts:

Podcasts						
Title	Date	Duration/minutes	Series	Interviewee	Interviewer	
1 Rent the Runway: Jenn Hyman	15th of October 2018	56:25:00	How I Built This - NPR	Jennifer Hyman, CEO	Guy Raz	
2 Ren the Runway's Jenn Hyman at the HIBT Summit	15th of November 2018	15:41	How I Built This - NPR	Jennifer Hyman, CEO	Guy Raz	
3 Rent the Runway: Meet the Innovator	12th of August 2012	44:56:00	Meet the Innovators	Jennifer Hyman & Jenny Fleiss	Connie Wang	
4 RTR's Jennifer Hyman on Realising Radical Ideas	9th of November 2018	40:47:00	Business of Fashion	Jennifer Hyman, CEO	Lauren Sherman	
5 RealReal's Rati Levesque "We drive traffic back into luxury stores"	20th of June 2018	32:36:00	The Glossy Podcast	Rati Levesque, COO The RealReal	Hilary Milnes	
6 Jennifer Hyman, CEO and Co-Founder of Rent the Runway	12th of March 2019	51:05:00	No Limits with Rebecca Jarvis	Jennifer Hyman, CEO	Rebecca Jarvis	
7 Style Lend + the online fashion rental market	5th of April 2017	28:30:00	Conscious Chatter with Kestrel	Lona Alia, Founder StyleLend	Kestrel Jenkins	
8 Renting the Runway with Jennifer Hyman	2nd of August 2017	33:11:00	Her Money with Jean Chatzky	Jennifer Hyman, CEO	Jean Chatzky	
9 Rent the Runway Using Technology to Improve In-Store Experience	11th of January 2018	23:44	Total Retail Talks	Hampton Catlin, VP of Engineering	Joe Keenan	
10 Rent the Runway CEO on being a pioneer in the sharing economy	30th of Marcg 2019	38:27:00	CBS This Morning Podcast	Jennifer Hyman, CEO	Elaine Quijano	
11 Reinventing Retail ft Rent the Runway	15th of February 2018	19:35	Reinveting Retail	Hampton Catlin, VP of Engineering	Jenny Reese	
12 How to have a closet in the clouds - with Rent the Runway's Josh Builder	21st of September 2018	23:01	Digiday Live	Josh Builder, CTO		
13 Pushing Retail Fashion into the 21st Century - with Josh Builder CTO of Rent the Runway	25th of February 2017	50:52:00	Startup Handmedowns	Josh Builder, CTO	Phil & Ranbir	
14 WeWorks Partners with Rent the Runway	29th of October 2018	7:56	eCommerce Minute	NA	Bart Mroz & John Suder	
15 Live from NRF: How Rent the Runway's Unlimited subscription model changed its in-store strategy	16th of January 2018	24:18:00	The Glossy Podcast	Hampton Catlin, VP of Engineering	Hilary Milnes	
16 Never Do Laundry Again: How Rent the Runway is Creating a 'Closet in the Cloud' That Lets Data Choose Your Outfit	1st of June 2018	27:19:00	Deciding by Data	Vijay Subramanian, Chief Analytics Office	Jeremy Levy	
17 Jennifer Hyman: CEO and Co-Founder of Rent the Runway	15th of March 2018	43:23:00	WeHeardWhat?!	Jennifer Hyman, CEO	Danielle Bernstein	
18 How Rent The Runway's CEO Keeps Shaking Up How Women Shop	27th of March 2018	53:27:00	The Forbes Interview	Jennifer Hyman, CEO	Steven Bertoni	
19 How Rent The Runway Makes a Statement on Style - and Service	7th of September 2017	36:09:00	The Net Promoter System	Jennifer Hyman, CEO	Rob Markey	
20 Angie Hellman: VP of Brand and Product Marketing at Rent the Runway	11th of March 2019	59:00:00	Alma Matter	Angie Hellman, VP Brand	Riane Puno	
21 Jenny Fleiss - Innovator and Co-founder of Rent The Runway	13th of February 2019	36:20:00	Unstoppable	Jenny Fleiss, Cofounder of RTR	Kara Goldin	
22 Vijay Subramanian, Chief Analytics Officer at Rent the Runway	17th of May 2016	59:59:00	Statistically Interesting	Vijay Subramanian, Chief Analytics Office	Jake Stein	

## 9.3 Online articles:

Online articles				
Article Title	Published in	Written by	Date Published	Weblink
1 The Real Cost of Your Shopping Habits	Rent the Runway	NA	NA	<a href="https://www.renttherunway.com/theshift/the-cost-of-your-shopping-habits">https://www.renttherunway.com/theshift/the-cost-of-your-shopping-habits</a>
2 Rent the Runway Aims to Be 'Amazon Prime of Rental'	Business of Fashion	Cathaleen Chen	21st of March 2019	<a href="https://www.businessoffashion.com/articles/news-analysis/rent-the-runway-aims-to-be-amazon-prime-of-rental">https://www.businessoffashion.com/articles/news-analysis/rent-the-runway-aims-to-be-amazon-prime-of-rental</a>
3 Are Rentals The Next Frontier For Retail?	Forbes	Veronika Sonsev	7th of March 2019	<a href="https://www.forbes.com/sites/veronikasonsev/2019/03/07/are-rentals-the-next-frontier-for-retail/#6a6142e16a9a">https://www.forbes.com/sites/veronikasonsev/2019/03/07/are-rentals-the-next-frontier-for-retail/#6a6142e16a9a</a>
4 9 big things: Lyft vs. Levi's in a Bay Area IPO battle	Pitchbook	Kevin Dowd	24th March 2019	<a href="https://pitchbook.com/news/articles/9-big-things-lyft-vs-levis-in-a-bay-area-ipo-battle">https://pitchbook.com/news/articles/9-big-things-lyft-vs-levis-in-a-bay-area-ipo-battle</a>
5 Huge Demand For Online Clothing Rental Market	Open PR	NA	21st of February 2019	<a href="https://www.openpr.com/news/1606317/Huge-Demand-For-Online-Clothing-Rental-Market-Industry-Analysis-And-Forecast-To-2023-By-Top-Key-Players-Bag-Borrow-Steal-U-S-Dress-Go-Brazil-Glam-Corner-Pty-Ltd-Australia-Gwynnie-Bee.html">https://www.openpr.com/news/1606317/Huge-Demand-For-Online-Clothing-Rental-Market-Industry-Analysis-And-Forecast-To-2023-By-Top-Key-Players-Bag-Borrow-Steal-U-S-Dress-Go-Brazil-Glam-Corner-Pty-Ltd-Australia-Gwynnie-Bee.html</a>
6 Rent the Runway Wants to Lend You Your Look	The New Yorker	Alexandra Schwartz	15th of October 2018	<a href="https://www.newyorker.com/magazine/2018/10/22/rent-the-runway-wants-to-lend-you-your-look">https://www.newyorker.com/magazine/2018/10/22/rent-the-runway-wants-to-lend-you-your-look</a>
7 Global Online Clothing Rental Market to Surpass US\$ 3,299.6 Million by 2026	Coherent Market Insights	NA	10th of December 2018	<a href="http://www.globenewswire.com/news-release/2018/12/10/1664363/0/en/Global-Online-Clothing-Rental-Market-to-Surpass-US-3-299-6-Million-by-2026-Coherent-Market-Insights.html">http://www.globenewswire.com/news-release/2018/12/10/1664363/0/en/Global-Online-Clothing-Rental-Market-to-Surpass-US-3-299-6-Million-by-2026-Coherent-Market-Insights.html</a>
8 A Netflix Model for Haute Couture	The New Yorker	Jenna Wortham	8th of November 2009	<a href="https://www.nytimes.com/2009/11/09/technology/09runway.html">https://www.nytimes.com/2009/11/09/technology/09runway.html</a>
9 From Chanel to Gucci: Korean women turn into designer rent-a-holics	The Jakarta Post	Catherine Chung	18th of November 2018	<a href="https://www.thejakartapost.com/life/2018/11/17/from-chanel-to-gucci-korean-women-turn-into-designer-rent-a-holics.html">https://www.thejakartapost.com/life/2018/11/17/from-chanel-to-gucci-korean-women-turn-into-designer-rent-a-holics.html</a>
10 The Transformational Bliss of Borrowing Your Office Clothes	The New York Times	Sheila Marikar	12th of October 2018	<a href="https://www.nytimes.com/2018/10/12/business/rent-the-runway-office-clothes.html">https://www.nytimes.com/2018/10/12/business/rent-the-runway-office-clothes.html</a>
11 The End of Ownership	Business of Fashion	Lauren Sherman	23rd of July 2018	<a href="https://www.businessoffashion.com/articles/professional/the-end-of-ownership">https://www.businessoffashion.com/articles/professional/the-end-of-ownership</a>
12 Fashion Looms Large at NPR's First Big Summit	WWD	Adriana Lee	19th of October 2018	<a href="https://wwd.com/business-news/media/npr-fashion-rent-the-runway-stitch-fix-120288907/">https://wwd.com/business-news/media/npr-fashion-rent-the-runway-stitch-fix-120288907/</a>
13 What you need to know about renting premium fashion	Vogue Australia	Emily Chan	13th of March 2019	<a href="https://www.vogue.com.au/fashion/news/what-you-need-to-know-about-renting-premium-fashion/image-gallery/2fe8d1f0c4c72e56bf01e8129a52c8b9">https://www.vogue.com.au/fashion/news/what-you-need-to-know-about-renting-premium-fashion/image-gallery/2fe8d1f0c4c72e56bf01e8129a52c8b9</a>
14 Rent the Runway has raised 60 million in capital	Business Insider	Biz Carson	27th of December 2016	<a href="https://www.businessinsider.com/rent-the-runway-profitable-raises-60-million-fidelity-2016-12">https://www.businessinsider.com/rent-the-runway-profitable-raises-60-million-fidelity-2016-12</a>
15 Where do retailers stand in the rental revolution?	Retail Week	Suzanne Bearne	18th of March 2019	<a href="https://www.retail-week.com/fashion/where-do-retailers-stand-in-the-rental-revolution-/7031420.article?authentic=1">https://www.retail-week.com/fashion/where-do-retailers-stand-in-the-rental-revolution-/7031420.article?authentic=1</a>
16 Exclusive: What's behind the exodus from Rent the Runway?	Fortune	Daniel Roberts	17th of November 2015	<a href="http://fortune.com/2015/11/17/rent-the-runway-exodus/">http://fortune.com/2015/11/17/rent-the-runway-exodus/</a>
17 The Future of Fashion Is a Rented Dress	Washington Post	Andrea Felsted and Sarah Halzack	15th of March 2019	<a href="https://www.washingtonpost.com/business/the-future-of-fashion-is-a-rented-dress/2019/03/15/7bb4c9f2-46f0-11e9-94ab-d2dda3c0df52_story.html?noredirect-on">https://www.washingtonpost.com/business/the-future-of-fashion-is-a-rented-dress/2019/03/15/7bb4c9f2-46f0-11e9-94ab-d2dda3c0df52_story.html?noredirect-on</a>
18 Rent the Runway inks \$200 million credit facility with Temasek	Techcrunch	Jordan Crook	2nd of August 2018	<a href="https://techcrunch.com/2018/08/02/rent-the-runway-inks-200-million-credit-facility-with-temasek/">https://techcrunch.com/2018/08/02/rent-the-runway-inks-200-million-credit-facility-with-temasek/</a>
19 4 Stocks to Gain from Online Apparel Rental Market Boom	NASDAQ	Manaswita Ghosh Dutta	1st of March 2019	<a href="https://www.nasdaq.com/article/4-stocks-to-gain-from-online-apparel-rental-market-boom-cm1108295">https://www.nasdaq.com/article/4-stocks-to-gain-from-online-apparel-rental-market-boom-cm1108295</a>
20 Wednesday Wisdom with Maureen Sullivan, COO of Rent the Runway	Project Entrepreneur	NA	NA	<a href="http://projectentrepreneur.org/inspiration/wednesday-wisdom-with-maureen-sullivan-coo-of-rent-the-runway/">http://projectentrepreneur.org/inspiration/wednesday-wisdom-with-maureen-sullivan-coo-of-rent-the-runway/</a>
21 The Year Ahead: End of Ownership	Business of Fashion	BOF Team & McKinsey	7th of January 2019	<a href="https://www.businessoffashion.com/articles/intelligence/the-year-ahead-end-of-ownership">https://www.businessoffashion.com/articles/intelligence/the-year-ahead-end-of-ownership</a>
22 Live Event Debrief: What The End of Ownership Means for Fashion	Business of Fashion	Imran Amed	NA	<a href="https://www.businessoffashion.com/articles/professional/live-event-debrief-what-the-end-of-ownership-means-for-fashion">https://www.businessoffashion.com/articles/professional/live-event-debrief-what-the-end-of-ownership-means-for-fashion</a>
23 Mall Brands are entering the rental market but could the model work?	Business of Fashion	Cathaleen Chen	5h of October 2018	<a href="https://www.businessoffashion.com/articles/professional/mall-brands-are-entering-the-rental-market-but-could-the-model-work">https://www.businessoffashion.com/articles/professional/mall-brands-are-entering-the-rental-market-but-could-the-model-work</a>
24 7 ways Rich Millennials are redefining what luxury looks like	Business Insider	Hillary Hoffower	19th of March 2018	<a href="https://www.businessinsider.com/rich-millennials-redefining-luxury-experiences-fashion-influencers-2018-4">https://www.businessinsider.com/rich-millennials-redefining-luxury-experiences-fashion-influencers-2018-4</a>
25 Rent the Runway: CTO Josh Builder On How Homegrown Retail Tech Drives its	Retail Info Systems	Jamie Grill Goodman	3rd of March 2018	<a href="https://risnews.com/rent-runway-cto-josh-builder-how-homegrown-retail-tech-drives-its-data-driven-success">https://risnews.com/rent-runway-cto-josh-builder-how-homegrown-retail-tech-drives-its-data-driven-success</a>
26 The Style Line x Brand Assembly: Style Talk With Sarah Tam Of Rent The Runway	The Style Line	NA	NA	<a href="http://thestyleline.com/style-line-x-brand-assembly-style-talk-rent-runway/">http://thestyleline.com/style-line-x-brand-assembly-style-talk-rent-runway/</a>
27 Closet in the Cloud: A Fireside Chat with Anushka Salinas, CRO of Rent the Runway	Business Today	Maxwell Chung	10th of December 2018	<a href="https://journal.businesstoday.org/ft-online/2018/closet-in-the-cloud-a-fireside-chat-with-anushka-salinas-cro-of-rent-the-runway">https://journal.businesstoday.org/ft-online/2018/closet-in-the-cloud-a-fireside-chat-with-anushka-salinas-cro-of-rent-the-runway</a>
28 Rent the Runway - Company Profile	Supply Chain World	Janice Hoppe Spiers	18th of February 2019	<a href="http://www.scw-mag.com/sections/retail/1123-rent-the-runway-2">http://www.scw-mag.com/sections/retail/1123-rent-the-runway-2</a>
29 Bonobos, Rent the Runway Navigate Clicks-to-Bricks Evolution	Apparel Magazine	Jessica Binns	11th of January 2014	<a href="https://apparelmag.com/bonobos-rent-runway-navigate-clicks-bricks-evolution">https://apparelmag.com/bonobos-rent-runway-navigate-clicks-bricks-evolution</a>
30 Luxury Brands Aren't Thrilled About Rent the Runway's User-Submitted Photo	Jezebel	Anna Breslaw	20th of October 2012	<a href="https://jezebel.com/luxury-brands-arent-thrilled-about-rent-the-runways-use-5953452">https://jezebel.com/luxury-brands-arent-thrilled-about-rent-the-runways-use-5953452</a>
31 How Mixing Data And Fashion Can Make Rent the Runway Tech's Next Billion	Forbes	Steven Bertoni	20th of August 2014	<a href="https://www.forbes.com/sites/stevenbertoni/2014/08/20/how-mixing-data-and-fashion-can-make-rent-the-runway-techs-next-billion-dollar-star/#1cf059f51fa0">https://www.forbes.com/sites/stevenbertoni/2014/08/20/how-mixing-data-and-fashion-can-make-rent-the-runway-techs-next-billion-dollar-star/#1cf059f51fa0</a>
32 Rent the Runway is taking clothes-sharing mainstream "Something rented, so	The Economist	NA	7th of June 2018	<a href="https://www.economist.com/business/2018/06/07/rent-the-runway-is-taking-clothes-sharing-mainstream">https://www.economist.com/business/2018/06/07/rent-the-runway-is-taking-clothes-sharing-mainstream</a>
33 Rent the Runway bet on the death of clothing ownership — and now it's doub	Recode	Jason Del Rey	2nd of August 2018	<a href="https://www.recode.net/2018/8/2/17639040/rent-the-runway-clothing-ownership-loan-subscription">https://www.recode.net/2018/8/2/17639040/rent-the-runway-clothing-ownership-loan-subscription</a>
34 FedEx's new service is delivering Rent the Runway in under 24 hours in NYC	Business Insider	Rachel Premack	4th of February 2019	<a href="https://www.businessinsider.com/fedex-now-delivers-rent-the-runway-in-new-york-city-in-under-24-hours-2019-2">https://www.businessinsider.com/fedex-now-delivers-rent-the-runway-in-new-york-city-in-under-24-hours-2019-2</a>
35 3 success tips from Rent the Runway's CEO—who built a nearly \$1 billion com	CNBC	Natalie Daher	3rd of October 2017	<a href="https://www.cnbc.com/2017/09/26/3-success-tips-from-rent-the-runway-ceo-jennifer-hyman.html">https://www.cnbc.com/2017/09/26/3-success-tips-from-rent-the-runway-ceo-jennifer-hyman.html</a>
36 Inside Rent the Runway's Secret Dry-Cleaning Empire	Fast Company	Rebecca Greenfield	28th of October 2014	<a href="https://www.fastcompany.com/3036876/inside-rent-the-runways-secret-dry-cleaning-empire">https://www.fastcompany.com/3036876/inside-rent-the-runways-secret-dry-cleaning-empire</a>
37 Inside the Start-Up That May Have Inspired the Summer's Bitchiest Beach Re	Vanity Fair	Carson Griffith	30th of July 2015	<a href="https://www.vanityfair.com/style/2015/07/the-knock-off-novel-rent-the-runway">https://www.vanityfair.com/style/2015/07/the-knock-off-novel-rent-the-runway</a>
38 How Rent the Runway Solved the Fit Problem	Gartner L2	Homa Zaryouni	13th of January 2016	<a href="https://www.l2inc.com/daily-insights/how-rent-the-runway-solved-the-fit-problem">https://www.l2inc.com/daily-insights/how-rent-the-runway-solved-the-fit-problem</a>
39 Rent the Runway Unlimited review: Is borrowing better than buying?	ES Insider	Margaret Abrams	14th of December 2018	<a href="https://www.standard.co.uk/insider/style/rent-the-runway-unlimited-monthly-review-photos-a3983941.html">https://www.standard.co.uk/insider/style/rent-the-runway-unlimited-monthly-review-photos-a3983941.html</a>
40 Rent The Runway Skews Young With Children's Clothing Rental Option	Retail Touch Points	NA	8th of April 2019	<a href="https://www.retailtouchpoints.com/features/news-briefs/rent-the-runway-skews-young-with-children-s-clothing-rental-option">https://www.retailtouchpoints.com/features/news-briefs/rent-the-runway-skews-young-with-children-s-clothing-rental-option</a>
41 Rent the Runway targets girls aged 3 to 12 — is it a good idea to dress your ki	Market Watch	Jeanette Settembre	11th of April 2019	<a href="https://www.marketwatch.com/story/rent-the-runway-targets-girls-aged-3-to-12-but-does-a-constant-supply-of-designer-labels-send-the-right-message-2019-04-09">https://www.marketwatch.com/story/rent-the-runway-targets-girls-aged-3-to-12-but-does-a-constant-supply-of-designer-labels-send-the-right-message-2019-04-09</a>
42 Rent the Runway raises \$200M debt round	Pitchbook	NA	3rd of August 2018	<a href="https://pitchbook.com/newsletter/rent-the-runway-raises-200m-debt-round-DWU">https://pitchbook.com/newsletter/rent-the-runway-raises-200m-debt-round-DWU</a>
43 Rent the Runway Now Valued at \$1 Billion With New Funding	The New York Times	Sapna Maheshwari	21st of March 2019	<a href="https://www.nytimes.com/2019/03/21/business/rent-the-runway-unicorn.html">https://www.nytimes.com/2019/03/21/business/rent-the-runway-unicorn.html</a>
44 Why The Corporate Valuations Of Rent The Runway, Airbnb And Lyft May Be C	Forbes	Denise Lee Yohn	2nd of April 2019	<a href="https://www.forbes.com/sites/deniseyohn/2019/04/02/why-the-corporate-valuations-of-rent-the-runway-airbnb-and-lyft-may-be-completely-wrong/#7789b79a6453">https://www.forbes.com/sites/deniseyohn/2019/04/02/why-the-corporate-valuations-of-rent-the-runway-airbnb-and-lyft-may-be-completely-wrong/#7789b79a6453</a>
45 Instagram influencers constantly need new clothing. This startup wants to ren	Vox	Gaby Del Valle	27th of March 2019	<a href="https://www.vox.com/the-goods/2019/3/25/18280851/fashionpass-clothing-rental-subscription-fast-fashion">https://www.vox.com/the-goods/2019/3/25/18280851/fashionpass-clothing-rental-subscription-fast-fashion</a>

46	Rent the Runway to open Dublin tech hub after \$1bn valuation	The Irish Times	Charlie Taylor	28th of March 2019	<a href="https://www.irishtimes.com/business/technology/rent-the-runway-to-open-dublin-tech-hub-after-1bn-valuation-1.3838922">https://www.irishtimes.com/business/technology/rent-the-runway-to-open-dublin-tech-hub-after-1bn-valuation-1.3838922</a>
47	Subscription startup accuses Rent the Runway of unfair practices, files suit	Chain Store Age	Dan Berthiaume	27th of March 2019	<a href="https://www.chainstoreage.com/technology/subscription-startup-accuses-rent-the-runway-of-unfair-practices-files-suit/">https://www.chainstoreage.com/technology/subscription-startup-accuses-rent-the-runway-of-unfair-practices-files-suit/</a>
48	Rent the Runway CEO Jennifer Hyman on Hitting Unicorn Status While Nine Months Pregnant	Fortune	Emma Hinchliffe	22nd of March 2019	<a href="http://fortune.com/2019/03/22/jennifer-hyman-rent-the-runway-unicorn-pregnant/">http://fortune.com/2019/03/22/jennifer-hyman-rent-the-runway-unicorn-pregnant/</a>
49	Treating Workers Fairly at Rent the Runway	The New York Times	Jennifer Y. Hyman	6th of May 2018	<a href="https://www.nytimes.com/2018/05/06/opinion/workers-benefits-inequality-rent-the-runway.html">https://www.nytimes.com/2018/05/06/opinion/workers-benefits-inequality-rent-the-runway.html</a>
50	Rent the Runway Offers Free Subscriptions for Non-Famous Award Attendees	Cheddar	Carlo Versano	22nd of February 2019	<a href="https://cheddar.com/media/rent-the-runway-offers-free-subscriptions-for-non-famous-award-attendees">https://cheddar.com/media/rent-the-runway-offers-free-subscriptions-for-non-famous-award-attendees</a>
51	How Rent the Runway Hopes To Become The Amazon Prime Of Everything Retail	PYMNTS	PYMNTS	15th of April 2019	<a href="https://www.pymnts.com/news/retail/2019/rent-the-runway-subscription-expansion/">https://www.pymnts.com/news/retail/2019/rent-the-runway-subscription-expansion/</a>
52	How Rent the Runway Kids Is Capitalizing On The Growth Of Luxury Childrenswear	Forbes	Barry Samaha	11th of April 2019	<a href="https://www.forbes.com/sites/barrysamaha/2019/04/11/rent-the-runway-kids-designer-childrenswear-market-jennifer-hyman-interview/#10dc84fc271b">https://www.forbes.com/sites/barrysamaha/2019/04/11/rent-the-runway-kids-designer-childrenswear-market-jennifer-hyman-interview/#10dc84fc271b</a>
53	Rent The Runway Sets Up Drop Boxes Across U.S.	PYMNTS	PYMNTS	19th of October 2018	<a href="https://www.pymnts.com/news/retail/2018/rent-the-runway-wework-partnership-clothing-apparel/">https://www.pymnts.com/news/retail/2018/rent-the-runway-wework-partnership-clothing-apparel/</a>
54	Fashion Can't Ignore Rent the Runway	Business of Fashion	Lauren Sherman	15th of November 2018	<a href="https://www.businessoffashion.com/articles/professional/fashion-cant-ignore-rent-the-runway">https://www.businessoffashion.com/articles/professional/fashion-cant-ignore-rent-the-runway</a>
55	Rent the Runway tries on exclusives	Retail Dive	Daphne Howland	22nd of January 2019	<a href="https://www.retaildive.com/news/rent-the-runway-tries-on-exclusives/546527/">https://www.retaildive.com/news/rent-the-runway-tries-on-exclusives/546527/</a>
56	Rent the Runway is launching a new way for designers to partner with the company	Busine	Lulu Chang	23rd of November 2018	<a href="https://www.businessinsider.com/rent-the-runway-launches-rtr-platform-2018-11">https://www.businessinsider.com/rent-the-runway-launches-rtr-platform-2018-11</a>
57	Rent more than the runway: Why soon, you won't own any clothes at all	Fast Company	Elizabeth Segran	15th of November 2018	<a href="https://www.fastcompany.com/90245986/rent-more-than-the-runway-why-soon-you-wont-own-any-clothes-at-all">https://www.fastcompany.com/90245986/rent-more-than-the-runway-why-soon-you-wont-own-any-clothes-at-all</a>
58	Clothing company provides cheaper, lower impact way to stay up to date with the runway	The Auburn Plainsman	Carrie Johnson	30th of March 2019	<a href="https://www.theplainsman.com/article/2019/03/clothing-company-provides-cheaper-lower-impact-way-to-stay-up-to-date-with-trends">https://www.theplainsman.com/article/2019/03/clothing-company-provides-cheaper-lower-impact-way-to-stay-up-to-date-with-trends</a>
59	4 Reasons Why Luxury Rentals Could be a Hit with Chinese Millennials	Jing Daily	Ruonan Zheng	14th of April 2019	<a href="https://jingdaily.com/4-reasons-why-luxury-rentals-could-be-a-hit-with-chinese-millennials/">https://jingdaily.com/4-reasons-why-luxury-rentals-could-be-a-hit-with-chinese-millennials/</a>
60	Rent the Runway's Sullivan on Subscriptions, Growth and Keeping That Start-up afloat	WWD	David Moin	11th of April 2019	<a href="https://wwd.com/business-news/business-features/rts-maureen-sullivan-talks-growth-1203102305/">https://wwd.com/business-news/business-features/rts-maureen-sullivan-talks-growth-1203102305/</a>
61	Rent the Runway is Officially Valued at \$1 Billion	Now This	NA	24th March 2019	<a href="https://nowthisnews.com/videos/money/rent-the-runway-is-officially-valued-at-1-billion">https://nowthisnews.com/videos/money/rent-the-runway-is-officially-valued-at-1-billion</a>
62	New rental platforms are targeting the streetwear crowd	Glossy	Danny Parsi	15th of April 2019	<a href="https://www.glossy.co/fashion/new-rental-platforms-are-targeting-the-streetwear-crowd">https://www.glossy.co/fashion/new-rental-platforms-are-targeting-the-streetwear-crowd</a>
63	Rent the Runway's expansion won't stop with childrenswear	Glossy	Danny Parsi	5th of April 2019	<a href="https://www.glossy.co/fashion/rent-the-runway-children">https://www.glossy.co/fashion/rent-the-runway-children</a>
64	How companies like Stitch Fix, Rent the Runway and Jetblack are changing the way retailers work with brands	Glossy	Hilary Milnes	4th of April 2019	<a href="https://www.glossy.co/fashion/how-companies-like-stitch-fix-rent-the-runway-and-jetblack-are-changing-the-way-retailers-work-with-brands">https://www.glossy.co/fashion/how-companies-like-stitch-fix-rent-the-runway-and-jetblack-are-changing-the-way-retailers-work-with-brands</a>
65	WeWork Is Getting Into Workplace Fashion With Rent the Runway	Business of Fashion	Bloomberg	18th of October 2018	<a href="https://www.businessoffashion.com/articles/news-analysis/wework-is-getting-into-workplace-fashion-with-rent-the-runway">https://www.businessoffashion.com/articles/news-analysis/wework-is-getting-into-workplace-fashion-with-rent-the-runway</a>
66	Rent the Runway CEO on Underestimating the Fashion Rental Market	Business of Fashion	Lauren Sherman	7th of January 2019	<a href="https://www.businessoffashion.com/articles/professional/rent-the-runway-ceo-on-underestimating-the-fashion-rental-market">https://www.businessoffashion.com/articles/professional/rent-the-runway-ceo-on-underestimating-the-fashion-rental-market</a>
67	Rent the Runway's Jennifer Hyman on Realising Radical Ideas	Business of Fashion	BOF Team	9th of November 2018	<a href="https://www.businessoffashion.com/articles/podcasts/drive-episode-7-rent-the-runways-jennifer-hyman-on-realising-radical-ideas">https://www.businessoffashion.com/articles/podcasts/drive-episode-7-rent-the-runways-jennifer-hyman-on-realising-radical-ideas</a>
68	Why Rent the Runway is Actually a Tech Company	Cheddar	Kristen Scholer	12th of March 2018	<a href="https://cheddar.com/media/rent-the-runway-raises-millions-in-vc-funding">https://cheddar.com/media/rent-the-runway-raises-millions-in-vc-funding</a>
69	Love Meghan Markle's maternity look? Here's how to get it for less	NBC Better	Nicole Spector	12th of April 2019	<a href="https://www.nbcnews.com/better/lifestyle/love-meghan-markle-s-maternity-look-here-s-how-get-ncna922596">https://www.nbcnews.com/better/lifestyle/love-meghan-markle-s-maternity-look-here-s-how-get-ncna922596</a>
70	Rent the Runway adds exclusive designer lines	Business Women	Anne Stych	18th of January 2019	<a href="https://www.bizjournals.com/bizwomen/news/latest-news/2019/01/rent-the-runway-adds-exclusive-designer-lines.html">https://www.bizjournals.com/bizwomen/news/latest-news/2019/01/rent-the-runway-adds-exclusive-designer-lines.html</a>
71	Marchesa is using Rent the Runway to test new collection of blouses	Digiday UK	Bethany Biron	30th of August 2017	<a href="https://digiday.com/marketing/marchesa-using-rent-runway-test-new-collection-blouses/">https://digiday.com/marketing/marchesa-using-rent-runway-test-new-collection-blouses/</a>
72	Rent the Runway Launches Exclusive Designer Lines	Business of Fashion	Cathaleen Chen	17th of January 2019	<a href="https://www.businessoffashion.com/articles/news-analysis/rent-the-runway-launches-exclusive-designer-lines">https://www.businessoffashion.com/articles/news-analysis/rent-the-runway-launches-exclusive-designer-lines</a>
73	Why High-End Designers Love Rent the Runway	Cheddar	Jacqueline Corba	11th of September 2018	<a href="https://cheddar.com/media/why-high-end-designers-love-rent-the-runway">https://cheddar.com/media/why-high-end-designers-love-rent-the-runway</a>
74	Beating Bezos: Top online retailers like Rent the Runway are winning shoppers	CNBC	Eric Rosenbaum	27th of October 2018	<a href="https://www.cbc.com/2018/10/27/beat-rent-the-runway-how-top-online-retailers-are-offering-what-amazon-cant.html">https://www.cbc.com/2018/10/27/beat-rent-the-runway-how-top-online-retailers-are-offering-what-amazon-cant.html</a>
75	Rent the Runway's Sullivan on Subscriptions, Growth and Keeping That Start-up afloat	WWD	David Moin	11th of April 2019	<a href="https://wwd.com/business-news/business-features/rts-maureen-sullivan-talks-growth-1203102305/">https://wwd.com/business-news/business-features/rts-maureen-sullivan-talks-growth-1203102305/</a>
76	Here's Why Kids' Subscription Services Are All the Rage Right Now	Observer	Gabriela Barkho	16th of April 2019	<a href="https://observer.com/2019/04/kids-subscription-services-trend/">https://observer.com/2019/04/kids-subscription-services-trend/</a>
77	Swimming With Sharks: What Retailers Can Learn from Nature's Most Powerful	Retail Info Systems	Jenny Reese	4th of February 2019	<a href="https://risnews.com/swimming-sharks-what-retailers-can-learn-natures-most-powerful-legacy">https://risnews.com/swimming-sharks-what-retailers-can-learn-natures-most-powerful-legacy</a>
78	Alibaba's Jack Ma and Joe Tsai are pumping \$20 million into Rent the Runway	Recode	Jason Del Rey	9th of March 2018	<a href="https://www.recode.net/2018/3/9/17099908/rent-the-runway-alibaba-jack-ma-joe-tsai-blue-pool-capital-invest-valuation-women-clothing-apparel">https://www.recode.net/2018/3/9/17099908/rent-the-runway-alibaba-jack-ma-joe-tsai-blue-pool-capital-invest-valuation-women-clothing-apparel</a>
79	Rent The Runway Is More Accessible Than Ever	Refinery29	Channing Hargrove	16th of November 2018	<a href="https://www.refinery29.com/en-us/2018/11/217207/rent-the-runway-adds-crew-club-monoco-levis">https://www.refinery29.com/en-us/2018/11/217207/rent-the-runway-adds-crew-club-monoco-levis</a>
80	Rent the Runway Sued by Rival Fashion Site for Allegedly Scheming to Corner the Market	The Blast	Daniel Goldblatt, Liz Walters	26th of March 2019	<a href="https://theblast.com/rent-the-runway-lawsuit-fashionpass/">https://theblast.com/rent-the-runway-lawsuit-fashionpass/</a>
81	Rent the Runway wants to replace your everyday wardrobe with its \$89 monthly subscription	Washington Post	Abha Battarai	16th of October 2017	<a href="https://www.washingtonpost.com/news/business/wp/2017/10/16/rent-the-runway-introduces-new-monthly-subscription-for-clothes/?utm_term=.43595ddd2246">https://www.washingtonpost.com/news/business/wp/2017/10/16/rent-the-runway-introduces-new-monthly-subscription-for-clothes/?utm_term=.43595ddd2246</a>
82	Rent the Runway sashays to unicorn status	Retail Dive	Daphne Howland	22nd of March 2019	<a href="https://www.retaildive.com/news/rent-the-runway-sashays-to-unicorn-status/551096/">https://www.retaildive.com/news/rent-the-runway-sashays-to-unicorn-status/551096/</a>
83	Rent The Runway Might Make You Actually Want To Shop In A Department Store	Refinery29	Alexandra Ilyashov	17th of November 2016	<a href="https://www.refinery29.com/en-us/2016/11/130186/rent-the-runway-neiman-marcus-partnership">https://www.refinery29.com/en-us/2016/11/130186/rent-the-runway-neiman-marcus-partnership</a>
84	Rent the Runway Announces \$125M Investment in Largest Round To Date	Business Wire	NA	21st of March 2019	<a href="https://www.businesswire.com/news/home/20190321005611/en/">https://www.businesswire.com/news/home/20190321005611/en/</a>
85	Rent the Runway just opened its largest brick and mortar store yet	Techcrunch	Kate Clark	8th of May 2019	<a href="https://techcrunch.com/2019/05/08/rent-the-runway-just-opened-its-largest-brick-and-mortar-store-yet/">https://techcrunch.com/2019/05/08/rent-the-runway-just-opened-its-largest-brick-and-mortar-store-yet/</a>
86	Now rent the living room too	CNBC	NA	15th of May 2019	<a href="https://www.cbc.com/2019/05/14/rent-the-runway-2019-disruptor-50.html">https://www.cbc.com/2019/05/14/rent-the-runway-2019-disruptor-50.html</a>
87	Can a startup undercut Rent the Runway in the clothing rental space?	Retail Wire	George vAnderson	23rd of May 2019	<a href="https://www.retailwire.com/discussion/can-a-startup-undercut-rent-the-runway-in-the-clothing-rental-space/">https://www.retailwire.com/discussion/can-a-startup-undercut-rent-the-runway-in-the-clothing-rental-space/</a>
88	Rent the Runway brews up brand awareness with Compass Coffee promotion	Retail Dive	Cara Salpini	16th of May 2019	<a href="https://www.retaildive.com/news/rent-the-runway-brews-up-brand-awareness-with-compass-coffee-promotion/554942/">https://www.retaildive.com/news/rent-the-runway-brews-up-brand-awareness-with-compass-coffee-promotion/554942/</a>
89	I tried Rent the Runway's new Amazon Go-inspired store in San Francisco and it felt like shoplifting	Business Insider	Megan Hernbroth	12th of May 2019	<a href="https://www.businessinsider.com/look-insider-rent-the-runways-amazon-go-san-francisco-flagship-2019-5">https://www.businessinsider.com/look-insider-rent-the-runways-amazon-go-san-francisco-flagship-2019-5</a>
90	First Look: Rent the Runway opens its largest store yet — with new perks	The Business of Retail	Marianne Wilson	8th of May 2019	<a href="https://www.chainstoreage.com/store-spaces/first-look-rent-the-runway-opens-its-largest-store-yet-with-new-perks/">https://www.chainstoreage.com/store-spaces/first-look-rent-the-runway-opens-its-largest-store-yet-with-new-perks/</a>
91	Why Rent the Runway is expanding its retail operations	Yahoo Finance	JP Mangalindan	8th of May 2019	<a href="https://uk.sports.yahoo.com/news/rent-the-runway-expanding-retail-operations-205134530.html?guccounter=1">https://uk.sports.yahoo.com/news/rent-the-runway-expanding-retail-operations-205134530.html?guccounter=1</a>
92	Rent the Runway CEO: a Successful Business is Built on Strong Relationships	The Aspen Institute	Katie Williamson	23rd of July 2014	<a href="https://www.aspeninstitute.org/blog-posts/rent-runway-ceo-successful-business-built-strong-relationships/">https://www.aspeninstitute.org/blog-posts/rent-runway-ceo-successful-business-built-strong-relationships/</a>
93	Rent The Runway: Giving You the Chance to Wear the Dress of Your Dreams	HBS Digital Initiative	Theresa Glaser	3rd of December 2015	<a href="https://rctom.hbs.org/submission/rent-the-runway-giving-you-the-chance-to-wear-the-dress-of-your-dreams/">https://rctom.hbs.org/submission/rent-the-runway-giving-you-the-chance-to-wear-the-dress-of-your-dreams/</a>
94	Rent The Runway: From Idea to 750,000 Members	Mixergy	Andrew Warner	NA	<a href="https://mixergy.com/interviews/hyman-fleiss-rent-the-runway-interview/">https://mixergy.com/interviews/hyman-fleiss-rent-the-runway-interview/</a>
95	Lifestyle for rent – luxury brands courtesy of the sharing economy	European CEO	Fernando Moncada	4th of September 2018	<a href="https://www.europeanceo.com/lifestyle/lifestyle-for-rent-luxury-brands-courtesy-of-the-sharing-economy/">https://www.europeanceo.com/lifestyle/lifestyle-for-rent-luxury-brands-courtesy-of-the-sharing-economy/</a>
96	Rent the Runway – Value creation through fractional ownership	HBS Digital Initiative	Bougainvillea	4th of October 2015	<a href="https://digit.hbs.org/submission/rent-the-runway-value-creation-through-fractional-ownership/">https://digit.hbs.org/submission/rent-the-runway-value-creation-through-fractional-ownership/</a>

## Appendix 2 – Coded Data Table

Final Code	Preliminary Code	RTR Interview - ABC News	Open Q&A with RTR - Drap	Recode Interview - Jen H	How I Built This Podca	Meet the Innovators Podcast - Hyman and Fleiss	BOF Podcast - Jen H	RTR Fortune Interview - Jen H	Goldman Sachs Interview - Jen H	Fireside Chat Joshua Builder - CTO of RTR	
LOCK IN	Customer Value Proposition	"It was a light bulb moment of: if all we want is to walk into an event and look great in an outfit we are only going to wear once, why can't we rent such clothes?"	We are democratizing an industry that is based on exclusivity and I think that I have a general belief that we are educating the global population of people to aspire to a life that 99% of us can't afford				We are saying that for the same price that you had to spend at FF, instead have a subscription to designer clothing. Due to the subscription and rental model I am able to give it to the customer at a competitive price to amazon and target.	Similarly in fashion if you enable people to rent designer clothing you're taking the behavior that there was already demand for and creating a business. Can we actually create a business that puts your closet on rotation and create a business for those items that they know they're not going to utilize?  every single thing that we rent on Rent the Runway retails on average over \$300 and it goes up to \$5,000, so we're providing a mass market price point for the designer industry  "well I can't wear that outfit again because I've been photographed in it, and the photograph is up on Facebook and I can't wear it again"	it means that we're providing you this physical experience of getting new clothing every single day, presenting it to you in perfect condition, receiving it back from you, turning it around and sending it to the next customer.	Inefficient behavior, when you should probably in our belief has 50% of your closet which is like really nice expensive stuff, like whatever the core things are, and every aspect of variety and seasonality should be on rotation. Only things that are meaningful and the rest of that style and variety should be completely out of your hands.	
LOCK IN	Industry Value Proposition	We learned she would be interested in working with us if we could introduce her brand to women in her teens, 20s, 30s and 40s	Photo reviews that customers were leaving were really the clincher that made designers start to want working with RTR. Because this enabled designers to see for themselves that this was a new customer base, younger women.	We are opening up our platform to brands and retailers and enabling them to use rental as a new revenue stream, gain those customers, and gather really important data on that customers (context on what people wear, when).	98% of customers are renting from brands they have never purchased from. We are showing brands a new revenue stream, that not only gives them money but also gives them data	"Industry considers us to be their most important partner, they want us to be successful"	you need to act with respect for the fact that these brands have been around for many years or many decades or many centuries for some of these brands. And that was extremely important to these brands is the preservation of luxury, the preservation of the premium aspects of the brand.  A traditional retailers thinks about sell through rate, we think about what do women aspire to wear but doesn't make rational sense from them to own. So Most of our buy is colour, over 50% has some kind of embellishment on it, 45% of our buy is prints, we are very trend focused and trend driven.  To help them compete and to help them win against their true competitor, which is the world of fast fashion and cheap fashion.	And so we are the only option for these brands to compete at a mass market price point but preserve the luxury premium of the brand. With RTR, they are able to design high quality beautiful product and the most editorial product. I am going to buy it from them at the regular price  So there are lots of items that women should own, and when they own items like a black cashmere sweater, they should own it in a high quality, that's going to last for many years, that it's from a brand they have fallen in love with and they trust and they want to keep as part of their closet.  If you think about it that way, the average American is only spending 20 cents on the dollar in brands or in designers in the first place, they spend the rest on junk. And that junk is not making any money for designers. So if they do shift to subscription, I am buying that inventory directly from those brands.	The department store industry has not been growing over the last 10 to 15 years and the average age in stores like Neiman Marcus, Saks, Net-a-Porter are women above the age of 50. Our 5 million members of Rent the way on average are around 30 years old, so in addition to providing kind of this use case to rental, we also are introducing millions of younger women to this clothing, developing brand Affinity earlier and it's a real Discovery Commerce platform on behalf of all of these designer brands.  The easiest thing for them to do is to go on our site and see the hundreds of thousands of customer photos that are own users have posted of themselves renting the runway and they can visually see that they are on average 20 years younger than their traditional customers. BRAND TRUST	So to designers we are the only entity that's helping them to compete with their true competition which is Amazon because we're enabling a customer to get a designer piece at a mass-market price point but we're preserving the luxury prestige and luxury premium so we're not actually desecrating their product in the same way that they used to do a partnership with Target let's say you have Missoni for Target but it wasn't real Missoni product so Missoni kind of liked it for The Upfront check but they didn't like what I did to dilute the brand so the change that's happened in the industry is partly because of Rent the Runway and partly because the world has really woken up to this, designers understand 10 years later that they're not competing against each other, they are competing against Amazon	we have a tremendous amount of data, on the individual dresses but also on trends and styles and have been doing this for a while now where we can actually be slightly predictive about what we need to buy  not all designers wanted to work with us, and so I think the brand has changed and the company has grown and over the years we've become a much much bigger account for lots of brands and so that in itself you know sort of sort of answer the question  your brand is getting to be used by somebody who might go to an event and talk about it, and they probably wouldn't have bought it anyway or may not have bought it so it's actually a pretty sophisticated marketing channel for those for Brands

Final Code	Preliminary Code	CNBC Interview - RTR Jen H	RTR: How to have a closet in the c	Reinventing Retail	The Glossy Podcast	Total Retail Talks	Deciding by Data	We heard what with Jennifer Hy	The Net System Podcast	RTR is altering the way we shop	Statistically Interesting
LOCK IN	Customer Value Proposition								<p>Women feel so fantastic about themselves, and what they want to do after they rent the runway experience is pay it forward to other women, so that other women can feel confident and fantastic</p> <p>So turnaround time is extremely important. If turnaround is several days where you don't have outfits at home, you feel like you are not deriving value from the program and you might pause it or churn it. Women want to decrease that turnaround time, we started to experiment with: 'what if we let women swap items in our stores', drop off items and pick up any item that's sitting on the shelves and walk out. currently 25% of our total subscribers who live within 20 miles are using the store more than once week to swap their items. Currently 25% of our total subscribers who live within 20 miles are using the store more than once week to swap their items.</p>		
LOCK IN	Industry Value Proposition				<p>And FF, which rip up what designers do, that is what is really hurting the pocket book of designers. We come and buy things from designers in volumes that they are not used to, and we just take care of the logistics for them.</p>						

Final Code	Preliminary Code	RTR Interview - ABC New	Open Q&A with RTR - Drap	Recode Interview - Jen H	How I Built This Podcas	Meet the Innovators Podcast - Hyman and Fleiss	BOF Podcast - Jen H	RTR Fortune Interview - Jen H	Goldman Sachs Interview - Jen H	Fireside Chat Joshua Builder - CTO of RT
NOVELTY	Growth	it's subscription business grew more than 125% a bright spot for such a tumultuous time facing retail.					we started hearing from our customer that it was awesome that we enabled people to rent for special occasions, however the occasion that was most special in most of our customers lives was actually work, they wanted to feel the most confident, that's where they wanted to dress for the job, basically they were begging us to create an ability for them to rent the runway for work.			
EFFICIENCY	Profitability		We figured out what percentage of our inventory might come back with wear and tear, stains or damage and figured out therefore what we need to charge everyone for an insurance fee to make this economically viable	We have found that renting provides a much higher ROI on inventory, because you can rent things over the course of many years and make higher returns and it opens up entirely new customers to brands.	Became profitable in 2017, revenue is over 100 million dollars according to public reports		In some cases that could be its up on the site for 2 months, and some cases 2 years. It has to do with original quality of the merchandise and how we care for it as well.			Its hard especially in VC start ups, its just a choice. It is an internal decision so we have made that decision that Rent the Runway to make sure that our business is profitable and on track there a lot of years it wasnt, but it wasn't because it wasn't necessarily the best strategy for growth at the time.
EFFICIENCY	Vertical Integration		I needed to actually be able to make money and if I were to procure the inventory from a retail store, I would be paying double if not triple the amount, and I wouldn't be able to control what I got or the quantities of what I've got, so I needed to be able to buy wholesale and to be able to have full control over my supply.						Fast forward 10 years and 90% of my employees are engineers or work in logistics and those areas have become both the core competencies and the barriers to entry of the business.	
									The second thing is we have to vertically integrate, so in order to restore it to perfect condition you need to not only have a pick pack ship operation but you need to focus on having essentially manufacturing type functions within your operations: like dry cleaning, like a seamstress operation, like jewelry repair, like leather repair so we had to become experts in kind of physical restoration of products.	

Final Code	Preliminary Code	CNBC Interview - RTR Jen H	RTR: How to have a closet in the c	Reinventing Retail	The Glossy Podcast	Total Retail Talks	Deciding by Data	We heard what with Jennifer Hy	The Net System Podcast	RTR is altering the way we shop	Statistically Interesting
NOVELTY	Growth										
EFFICIENCY	Profitability	we've actually been financially disciplined and we continue to get more and more financially disciplined overtime. We attained an EBITDA profitability in 2016, and we continued to be financially disciplined since then					the rental economics is predicated on, obviously, how frequently you can turn it because the more the inventory is sitting with us it's not good. And B), how long can you keep this going effectively. And those are the two important variables.				
		it really depends on the item, metric changes every year, it also depends on our cost to serve which goes down every year. For sure the cost we procure the inventory at, so we started a model last year which is a platform where brands are giving us inventory on consignment and we actually are revenue sharing with them on that inventory ... it's now a new revenue monetization stream for the 600 brands that we work with.				We knew that we had to get the unit of economics to be profitable... So, to do that, we needed to own the logistics, we needed to own the cleaning, we needed to own the sourcing, we need to own the control of inventory, the timing and the technology of all of this stuff					
						Not only can we make the back-end economics work because we can turn the inventory as fast as we can. We also can fulfill the customer promise better.	You figure out overtime what kind of units of inventory are better for long-term use, basically.				
EFFICIENCY	Vertical Integration		We control our own destiny because we have built everything ourselves			We are a technology company. We wanted to be able to develop our own software and brand at the quality level that we look for at our interactions.	Now, to do that you, you can't do that if you don't control the whole technology and the process in the data collection around it and that's really what we did.	the process of building the business you realise the fundamental importance of technology, logistics and data science and all these other things that I naively thought I could outsource at the beginning. Then I realised that the majority of what we needed to do was like build proprietary software, build out a reverse logistics platform.		You can't take something through an automated process. You have to triage when you get it back to your warehouse, and therefore we've had to vertically integrate and run the world's largest dry cleaning operation out of our warehouse.	And when we looked at the numbers, the fundamental key numbers of the economics, we concluded that the way we can control our supply economics better is if we build the whole thing end to end ourselves, and we control the whole thing ourselves. So we touch it, we care for it, we control the timing and the flow of it, and that's how we can control the longevity [?] in the long term. It was critical to our supply economics. And that insight came from slicing and dicing the first 6 months to an year of the entire operations supply chain.

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EFFICIENCY	Importance of technology & data					Analytics team have been set up since the beginning. All of our buying decisions are very much informed by past buying decisions from consumers, projections of what's going forward, yes trends but also what cuts are most flattering, easiest fit, have the best dry cleaning process, constantly iterating on these analytics.	We have had to develop IP on every single style, where it was created, their level of quality, the fabrics they use, how we should care for that garment to ensure that it's restored and that it can be rented many times.	We have an amazing data science team at Rent the Runway that forecasts our demand and looks at our customer segmentation and builds our inventory in that way... So our recommendation engine and the technology behind that is what will really fuel the subscription process.	So we have to be experts in restoring this blazer to perfect condition wherever we receive it back from a customer so in order to do that, Number one we need a lot of data, so we need to understand everything down to the factory this was made, and how it was stitched, what chemical should be used in a dry cleaning process in order to preserve it in the highest quality, and so we have a kind of a treasure Trove of intellectual of IP on every single unit of inventory right now.	Running models on each individual dress, what is made of, what is fabric is and the dry cleaning mix that it's getting and the more that we've done that with more garments we can be pretty sure that like that should go out 28 times and that you know and then it should be ending its life
COMPLEMENTARITIES	Physical vs Online		The mission behind the physical store is both to introduce the brand in the most beautiful way possible and get the brand out there to that entire market so it's the most efficient use of marketing dollars. But more importantly, it provides a customer experience guarantee to everyone who lives in the market so what I mean is we rent clothes, there is a certain % of a time where you are going to receive a package from us							
NOVELTY + EFFICIENCY	Operational Challenge		We are primarily a logistics company, right? We are not just renting fashion, like all this fashion is coming back to us...When we go into another market, there is a huge expense in setting that operational capability in that market, so we also need to understand not just where we can the most money where the customer demand is going to be there but also where the logistical system is going to be ready? What markets have shipping systems that we can plug into and rely on?	Complaints from people that churn is can we have more outfits at a time, and can the items get here faster?	It means that we are in the 100% returns business and when we get that clothing back, we can turn it around to customers within 12 hours, so with a 0-day turnaround.		Now what we do is when we buy the inventory when its brand new, and we put it up when its brand new, but we keep it running on the site until it doesn't look brand new anymore	In fact, when it comes to damage less than a quarter of a percent of all items that are rented come back with any damage whatsoever. So people are wearing something that they've always dreamed of wearing, they feel amazing, they feel self-confident, they tell everyone they know and they take really great care of it.	The inherent issues with Rent the Runway make that really really complicated it's not like you're normally e-Commerce business where you have the same amount of pants and split it evenly depending on where you're close enough to. We have a scarcity built into our inventory and sometimes we only have a certain amount of something and sometimes we bought as much as we could and it's been around for a couple years and some of it is aged out so we have less of that inventory, so it means that we cannot split our inventory evenly among these two facilities and therefore need to develop a technology framework that is constantly thinking, geofencing inventory, and individuals and seeing various different sets of inventory based on their likes and what we can service them and using their shipping labels to actually calibrate inventory because we send a backup size with every dress so those two sizes need to be coupled and going from the same warehouse for this to make economic sense, and so this is all really hard to do and duplicate and to nail and I am doing it right now.	

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EFFICIENCY	Importance of technology & data	So we now know all of these data points about any given fabric, how to restore it to perfect conditions and how to maximise the turn while it still looks brand new.		Everything in our stores is powered by our centralised inventory tracking system. So we have hundreds of thousands of units, but we only have a thousand of items that we can put out on the floor, so making sure that's what our customer is looking for is really critical. We have to target what we are sending and really paying attention to what is going on.	Online recommendations is fairly easy because you have unlimited items and you are targeting just one person and you can make a suggestion. And everytime we send something to a company we have to ship it there, and when is there, it's not somewhere else and we are really trying to maximize, you know we really are a sharing economy company and that is absolutely what we are doing.		<p>A) be incredibly good at building a brand so consumers would try it and be proud of it. And B) we had to be really good at making the economics and the back-end infrastructure work. And that's where tech and data really came into play.</p> <p>So, we do that and then we get this rich data points on what actually is being, not only consumed, but what actually people genuinely wearing and not wearing, and for what reasons. And that actually also feeds back into the buying process, right? Because we can start looking for signals on, okay, this thing is popular but it has certain issues with fit with certain types of people. So, maybe we should do something, we should get something else that is like this item that probably has a better fit profile. So, we can do the same calculation that we did for true demand.</p> <p>So, the eight years of knowledge really where data's played a very critical role is figuring out how to take these units of inventory with different fabrications and different uses and figure out the optimal way to take care of them. That makes sense. So, by doing that, we're able to prolong how long again actually it can last and then we're able to get more value out of the unit of inventory.</p> <p>we get feedback from you on every single unit, which is a very rich tapestry of data. Did you wear it or not, right, first of all? If you did wear it, did you like it, did you love it, or it was just okay? If it was just okay, why was it just okay? Now, did you not wear it? If you did not wear it, why? Was it a fit issue? Was it because it wasn't flattering? If it was fit issue, then tell me where the fit issue was. Was it the chest, was it the waist, was it the height? If you can think about that, data points that we are collecting on every single item, and you actually cannot go pick your next item until you give feedback on the previous items that you actually selected...</p>		Most of the clothing in our warehouse is actually turned around with a zero day turnaround time, meaning same day.		
COMPLEMENTARITIES	Physical vs Online		Now we have subscribers who are coming in before work in the morning to pick up or drop something. We have retail as a point of interaction. You don't have to come to our store, there are added benefits to it.	She is favouriting things online and we are putting things in store because she has favourited them. The business is about building a tech stack. Our stores are functioning as service centers.	The thing that you can't do when shopping online is - You can't see them, you can't feel them, you can't imagine yourself with them. And I think for clothes, there is nothing like "it fits me!"	if something gets shipped to me and something is wrong with it, they can come resolve it in store.			Now, that I can actually serve women in the city of Chicago better now that I have a store but also a basement where I can hold thousands pieces of inventory. We have built the stores with the technology to enable them to be a logistics facility. Number 2 is that with a new consumer behaviour, there are cohorts of women who feel more comfortable trying RTR for the first time after having the experience of trying on clothes.	WeWork lobbies across the country are going to have Rent The Runway drop boxes, where our subscribers can take back the clothing they've already worn, drop it in the drop box, and then immediately on their app, choose the next items they want, and receive them, either same day or the next day. It really expedites how quickly you're going to be able to turn around the clothing you have, and therefore the average subscriber can go from using us 120 days of the year to potentially 150 or 175.	
NOVELTY + EFFICIENCY	Operational Challenge					Our customers have accounts with us, we have different model, the first interaction you have is that you become a member with us, we know what you've rented, we know what you thought, with the app we know when you were in the store.					

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NOVELTY	Sustainability			All I am doing is making the rental process more sustainable (instead of renting through fast fashion, where they buy a trendy Zara piece or a piece that falls apart after a few uses).						From a consumer behaviour standpoint, there is a profound belief at RTR, Fast fashion is essentially a rental anyway you just have your just not accustomed to thinking about it because you're either, it's either going to disintegrate in three times after you wash it or you are going to get bored of it after a certain amount of time.
NOVELTY	New Consumption Habits/Consumer Behaviour		We really think about how do we make sure that we have the right merchandizing for all her use cases. Someone who is 15 has a rationale for RTR, someone who is 55 still has a rationale for RTR. So, it's really providing her an amazing experience every single time so that she evolves in her life she thinks about us for every single use case that comes up.			Would people want to talk about it? renting? and they found that yes, people didn't mind sharing that their clothes were rented. Women are bragging about renting the runway.		No I think that's actually a huge cultural shift when the behavior of rental has become normalized across digital products. renting is anew behaviour, renting feels very different for a woman to rent clothing we had to first normalize the behavior of renting clothes. So prior to Rent the Runway women had never rented clothes before, and it was easier to do that around a special occasion a Gala, a wedding you were going to when you knew that you were going to buy something that you were likely only going to wear once or twice.		
MISCELLANEOUS	"Icky" Factor	We restore garments to perfect use				They thought it would be a factor, but because of their dry cleaning customers receive almost new items. there is a lot of trust from the customer standpoint that we are sending them inventory that is like in brand new condition.	In the seed and series a investors we had to prove that women would rent clothes and not consider it to be completely disgusting.	That was a huge risk associated with the business, that if even we could convince people to wear clothing that other women had worn before, would anyone ever share this?		i think that younger generations are comfortable with this behaviour. So remember, you know, we're running all of the logistics behind it so when you receive an item is in like new condition.
	Opportunity for customer acquisition		When women get pregnant their body changes, they don't like to buy clothes because they know what their size is when they are 3 or 4 months pregnant, is not their real size and they are wasting money on those clothes				One of the things that i am the proudest of today is that 90% of our costumers have heard of us from a friend. so women are so proud that they have rented, they view it as being smart, they want to bring in their friends and colleagues into the experience.			

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NOVELTY	Sustainability										
NOVELTY	New Consumption Habits/Consumer Behaviour	we really had to partner with designers to show them that this was an entirely new customer base for them and a new revenue stream, and that this is just how young people are thinking about ownership across-the-board.								The industry, over the last 30 years, has moved away from that. And, in fact, close to 85% of the purchases in this \$2.4 trillion industry are kind of one-time use or two-time use purchases. We go into a store with the intention of, "I'm going to buy this quick fix. It's something that I want right now." It's an impulse purchase. It fulfills a trend.	
MISCELLANEOUS	"Icky" Factor										
	Opportunity for customer acquisition										