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Elisa Arrigo, PhD

Author Details:

Elisa Arrigo, Ph.D.

Associate Professor

Department of Economics, Management and Statistics (DEMS),

University of Milano-Bicocca,

Piazza dell'Ateneo Nuovo 1,

20126 Milan

Italy

Mail: elisa.arrigo@unimib.it

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Elisa Arrigo, PhD
University of Milano-Bicocca

Abstract

Fashion is one of the most polluting industries in the business world and especially the fast fashion business model's advent has caused a significant downside in terms of social and environmental sustainability. However, recent macro-trends such as those of circular economy and sharing economy have led to innovative business models that are centred on preserving social, economic and environmental sustainability. Among these, collaborative consumption has emerged as a new paradigm focused on people sharing and collaboration to satisfy personal needs. The research aims at exploring collaborative consumption in the fashion industry in order to provide an overview and a deeper understanding of fashion libraries, a subscription service for clothing that allows customers using and having access to specific items for a limited period and paying a fee. Due to the limited academic research on collaborative fashion consumption and the newness of this topic, a qualitative methodologic approach has been adopted based on case studies of some fashion libraries.

Keywords: Corporate Sustainability, Fashion Libraries, Fashion Retailing, Collaborative Fashion Consumption, Sharing Economy

1. Introduction and objectives

The fashion industry has become progressively global and complex, by producing significant challenges to fashion supply chains such as growing market saturation, uncertainty, demand volatility and predictability (Christopher, 2000; Christopher, 2004). To face the increased competition trying to satisfy more and more price-conscious customers, fashion companies, and especially those working in the low-cost segment, have been forced to develop new business models (Lueg et al., 2015). This has led to mediocre garments' quality to preserve low prices, faster changing fashion trends, and increasing waste (Dissanayake and Sinha, 2015). Moreover, the pressure to outsource production has caused unfavourable side effects such as lower controllability of operations, and wide availability of low cost clothes; this has turned in an over-consumption, namely purchasing more than is needed (Pookulangara and Shephard, 2013).

The fashion industry is even one of the most polluting industries in the business world (Greenpeace, 2016) due to its heavy consumption of natural resources such as water and energy in clothing manufacturing and an uncertified use of dangerous chemicals in dyeing and tanning (Gardetti, 2017). Customers' protests have taken place to push fashion companies towards sustainability policies (Jung and Jin, 2016) and a circular economy approach (Geissdoerfer et al., 2017) that seeks to move beyond the fashion linear model of 'take, make and waste'. Among the various possible initiatives under the sharing economy umbrella, the UK resource efficiency agency (WRAP) has recently recognised fashion rental as an innovative business model to provide clothes with a longer life while reducing at the same time their consumption (Braithwaite, 2018). The idea of collaborative consumption (CC) has thus entered the fashion industry. CC is ultimately about people sharing and collaborating to meet specific

needs (Botsman and Rogers, 2010; Pedersen and Netter, 2015) and refers to concepts like sharing, trading, swapping, and renting (Botsman, 2013).

In particular, the aim of this research is to examine fashion libraries, a subscription service for clothing that allows customers using and having access to many fashion items for a limited period and after a subscription fee. The project aims at exploring the key features of fashion library's business models and the barriers to turn them in a mainstream business model for the fashion industry.

2. Theoretical Background

Sustainability Issues in the Fashion Industry

In 1987, the World Commission on Environment and Development (WCED) published the Brundtland Report and sustainable development was defined as the "development that meets the needs of the present without compromising the ability of future generations to meet their needs" (WCED, 1987, p. 43). In 1994, John Elkington coined the expression "Triple Bottom Line" (Elkington, 2013) to specify that companies can achieve sustainable development only if three elements, namely the social, economic and environmental aspects, are used to balance it. Many studies have focused on the concept of environmental, social and economic sustainability in the fashion industry (Khurana and Ricchetti, 2016); however, according to Kozlowski et al. (2015), some difficulties arise in embedding sustainability in this context due to two relevant factors. Firstly, the fashion industry is split into many retail markets and the sustainability issues associated to each one are different from the others. Moreover, the creation of global fashion supply chains has made complex the introduction and management of sustainability practices through many supply chain members (suppliers, manufacturers, distributors, retailers, etc.).

Inside the fashion industry, the clothing market is probably the most affected by sustainability concerns (Pedersen et al., 2018); in fact, together with the growing demand of fashion goods caused by lower prices, a massive use started of natural resources such as water, energy, cotton, textiles, and also chemicals, synthetic materials, pesticides, etc. Furthermore, the development of fast fashion business models (Park and Kim, 2016; Barnes and Lea-Greenwood, 2006, 2010) has originated a new approach to the consumption of fashion garments. In fact, they are bought to be worn for a limited period of one or two seasons and then they are end up as waste with a big damage for the environment (Kozlowski et al., 2015). To exemplify, the global fashion industry was responsible for over 5 % of the 32 billion tons of global carbon emissions in 2015 (Fashion Revolution, 2017) and up to 8.000 synthetic chemicals were used to turn raw materials into textiles (WRAP, 2017).

Sharing Economy and Collaborative Consumption

Collaborative consumption allows sharing assets, products and resources typically through websites and the adoption of information technology. Botsman and Rogers (2010) provided one of the first definitions of collaborative consumption by considering "traditional sharing, bartering, lending, trading, renting, gifting and swapping". However, this notion seems too broad for the specific aim of this research where collaborative consumption is considered as the "the acquisition and distribution of a resource for a fee or other compensation" (Belk, 2014).

Collaborative consumption is part of the so-called 'sharing economy' that has gained an increased attention in the last years; it is characterized by people interest to shift away from traditional ownership to newer ways in which to access products. In theoretical terms, the sharing economy is supposed to save resources, to save costs, to enable consumption to a wide audience, to provide new

jobs and to generate freedom (PwC, 2017). A study carried out by PwC in 2017 on 4,500 customers has found that owning things is perceived as emotional baggage that keeps a person from living, while sharing means freedom to do whatever they want. Moreover, the report has highlighted that across countries, more people have confidence in sharing economy and plan to use it during the next year in many industries such as transportation, accommodation, media and entertainment and even retail and consumer goods (PwC, 2017). In the clothing industry, collaborative consumption is based on a shared use of garments, and does not represent a novelty since clothing rental has existed for a long time in specific market niches such as those of children's and special occasions' clothing.

Recently 'fashion libraries' have spread in many countries as subscription service for using clothing (Pedersen and Netter, 2015; Zamani et al., 2017). In a similar renting model, the ownership of clothes and accessories remains with the company or the service provider that is further responsible for repairing, controlling, and maintaining the product, whereas the consumer pays a fee for the right to use the product (Becker-Leifhold, 2018).

3. Methodology

The research aims at examining fashion libraries, by exploring the key features of their business model and the potential obstacles to turn them in a mainstream business model for the fashion industry. Thus, due to the lack of accepted theoretical frameworks, the research has an explorative purpose and requires a qualitative research design (Gummesson, 2006; Eriksson and Kovalainen, 2015). The research design is based on a literature review about sustainability issues and collaborative consumption in the fashion industry in order to develop a theoretical framework appropriate to analyse some fashion libraries as case studies. The selected fashion libraries operate in Milan (Italy) and data have been collected through secondary sources, fashion libraries' websites and interviews with founders and company representatives with the aim of detecting the main development drivers but also usage barriers.

4. Findings and Discussion

Preliminary findings from the analysis of the literature review, secondary sources and interviews display the main features of fashion libraries business models and show some motives, costs and barriers related to the customer decision to become a member of fashion libraries. Among the reasons in favour of fashion rental, having access to countless clothes at a relative low cost and following the last fashion trends are the first ones; environmental sustainability appears among the motivations but not at the first places. On the other side, the main barriers to become a mainstream business model for the fashion industry are related to a materialism need of customers beyond to warned hygiene risks. The discussion of findings will be further deepened during the conference.

5. Conclusions

The research highlights the key aspects of fashion libraries business models by identifying their main drivers and obstacles. Surely, fashion rental is still in its infancy in Italy however, a collaborative consumption may support a restraint to environmental problems generated by the fashion industry and by promoting a shared use of clothes and accessories it can surely limit the generated waste.

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