

## Can Explicitly-Stated Environmental Benefits Alleviate the Effects of Consumers' Concerns on Ambivalence and Hesitation Toward the Fashion Sharing Economy?

Jiyun Kang, Ph.D., Purdue University  
Catherine Johnson, M.S., Texas State University

With an increased awareness of the substantial environmental impact of fashion (Benoualid, 2019; UN News, 2019), some consumers rent clothing rather than purchasing new garments. While consumers can rent items from other peer consumers (P2P or C2C model) or businesses (B2C model), both of which are a part of a sharing economy that allows products or services can be shared for a fee (Nadeem et al., 2019), the present research focuses on the latter model: *fashion subscription services* provided by retailers. A retailer allows consumers to choose a certain number of items, rent them for a certain period of time, send them back, and receive new items, typically for a monthly fee. Given that empirical studies on fashion subscription service are scarce, personal benefits can be inferred from those of renting non-apparel items like automobiles and accommodations: modest initial cost, no long-term commitment, and minimal ongoing maintenance (Hu et al., 2014). As to environmental benefits, such services can help reduce overconsumption and overproduction by circulating products through the hands of different consumers for extended periods, thus lengthening the life cycle for a given piece of clothing. In fact, doubling the use period of clothing from one to two years decreases emissions from clothing production by 24% (Pymnts.com, 2020), in addition to decreasing the volume of apparel that is disposed of every year.

Despite these benefits to consumers and the environment, most consumers still do not participate in fashion subscription services. *What makes consumers so hesitant to engage in the new fashion sharing economy?* Although there were a few studies on consumer behavior relevant to renting clothing yet focused on factors associated with “intention to rent” in a C2C context (e.g., Lang et al., 2019), there is little research that investigates what keeps consumers from engaging in B2C services, where established retailers are offering them. Consumers may dislike the idea of not personally owning clothing, especially given that it has been in their nature to always purchase apparel outright (Adam et al., 2018). Even if consumer concerns about such a service inevitable due to the nature of fashion consumption, *is there a way for retailers to communicate better to alleviate the effects of consumer concerns on their hesitation to subscribe to these services?* To answer those questions, we shed light on consumer hesitation and ambivalence, diving into the consumer decision-making process for such new services, especially in the B2C context. Specifically, we examine (1) the concerns consumers may have about fashion subscription services that significantly affect their hesitation, (2) whether consumers' mixed positive and negative feelings on fashion subscription services (ambivalence below) are a significant mediator in the relationships between consumer concerns and hesitation, and (3) whether a service provider's communications regarding the benefits of fashion subscription services for environmental sustainability (explicitly stated environmental benefits below) can alleviate the effects of consumers' ambivalence and hesitation.

Based on the hierarchy-of-effects theory (the HOE theory; Barry & Howard, 1990; Lavidge & Steiner, 1961), we posit that when information about a new fashion subscription service is provided, consumers will go through a hierarchical sequence of decision-making processes: cognition (evaluating the service through consideration of different risks and issues), which affects emotion (developing mixed positive and negative feelings about a service), and in turn conation (hesitating to take an action toward a service). We also take account into a broad spectrum of consumer concerns throughout the consumption process: from acquisition (relative financial risk, scarcity concern) to maintenance (hygiene concern, compatibility issue, maintenance concern) through disposition (ownership risk). To make the practical implications feasible, we intentionally focus on consumer concerns that retailers may be able to address while eschewing others, such as social risk, that are more relevant to individuals' intrinsic propensities.

In the main study, we tested the model that specifies the relationships among six types of consumer concerns (exogenous variables), ambivalence (a mediator), hesitation (an ultimate endogenous variable), explicitly stated environmental benefits (a moderator), and gender (a control variable). We collected data using an online survey with a nationwide sample of US adults (N = 1,050) purchased from Qualtrics. All constructs were measured by established scales. Using the stimuli developed in a preliminary study, each respondent was randomly assigned to either the EB (n = 525) or non-EB (n = 525) condition. We analyzed the data with multi-group structural equation modeling. For brevity, we present the key results here. With a good fit (CFI = .96; TLI = .95; RMSEA = .04), chi-square difference tests showed that the models worked differently across the two groups:  $\Delta\chi^2 = 47.35$  ( $\Delta df = 31$ ), supporting the view that explicitly stated environmental benefits work as a significant moderator in the model. Further inspection showed, overall, a larger number of concerns affected ambivalence and hesitation among the non-EB group than among the EB group. Importantly, critical ratio (C.R.) difference testing revealed that the effects of relative financial risk (concerns that paying a monthly subscription fee would be financially riskier than purchasing new clothing) on hesitation were much weaker for the EB group than the non-EB group. The effects of *scarcity concern* (a worry about what if the wanted items ran out when they need) on ambivalence were also significantly weaker for the EB group than the non-EB group. Indirect effect testing confirmed that ambivalence significantly mediated the effects of consumer concerns on hesitation. By identifying the major concerns that shape consumers' reluctance and lack of certainty about subscribing to a fashion subscription service, we inform retailers of what to prioritize in seeking to allay consumer ambivalence and hesitation to adopt fashion sharing services. Whereas most retailers focus solely on the personal benefits of such services (e.g., an unlimited wardrobe with constantly up-to-date styles) in their communications, this study provides evidence for the importance of highlighting environmental benefits. Even though a consumer's evaluation that subscribing fashion items may be relatively riskier than owning them would cause the consumer to feel unsure and hesitate to subscribe to such a service, if he/she is clearly informed that the service positively impacts on the environment, then the effects of those concerns on ambivalence and hesitation can be weakened. Likewise, by creating a more powerful demand for these services and have more consumers subscribe, a more sustainable type of fashion consumption can be nurtured.

## References

- Adam, M., Strähle, J., & Freise, M. (2018). Dynamic capabilities of early-stage firms: Exploring the business of renting fashion. *Journal of Small Business Strategy*, 28(2), 49-67.
- Barry, T. F., & Howard, D. J. (1990). A review and critique of the hierarchy of effects in advertising. *International Journal of Advertising*, 9, 121-135.
- Benoualid, 2019 Benoualid, C. (2019, November 15). *The sharing economy and its impact on fashion and apparel*. Computer Generated Solutions. Retrieved from <https://www.cgsinc.com/blog/sharing-economy-and-its-impact-fashion-and-apparel>
- Hu, Z. H., Li, Q., Chen, X. J., & Wang, Y. F. (2014). Sustainable rent-based closed-loop supply chain for fashion products. *Sustainability*, 6(10), 7063-7088.
- Lang, C., Seo, S., & Liu, C. (2019). Motivations and obstacles for fashion renting: A cross-cultural comparison. *Journal of Fashion Marketing and Management*, 23(4), 519-536.
- Lavidge, R. J., & Steiner, G. A. (1961). A model for predictive measurements of advertising effectiveness. *Journal of Marketing*, 25, 59-62.
- Nadeem, W., Juntunen, M., Hajli, N., & Tajvidi, M. (2019). The role of ethical perceptions in consumers' participation and value co-creation on sharing economy platforms. *Journal of Business Ethics*, 60, 1-21.
- Pymnts.com. (2020, September 8). *Wardrobe: Recommerce meets the sharing economy in bid to become the 'AirBnB of fashion.'* Retrieved from <https://www.pymnts.com/news/retail/2020/wardrobe-recommerce-meets-the-sharing-economy-in-bid-to-become-the-airbnb-of-fashion>
- UN News. (2019, March 25). *UN launches drive to highlight environmental cost of staying fashionable*. Retrieved from <https://news.un.org/en/story/2019/03/1035161>