



The two-sided effect of the COVID-19 pandemic on online apparel renting

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Introduction. The global outbreak of COVID-19 has been affecting consumer behavior in a significant way. The collaborative consumption businesses, such as online rental services, is one of those sectors that have been immensely disrupted by the pandemic because many of ‘sharing’ services require high touch and human contact (Cuff & Grant, 2020; Whitney, 2020). Industry experts claim that the online apparel rental (OAR) service may be uniquely impacted by the pandemic. On the one hand, it would experience a reduced demand as consumers now become more cautious about sharing items with other strangers due to their hygiene and safety concerns (Bond, 2020; Chen, 2020). On the other hand, the pandemic might bring more values around mindful consumption, and OAR could be a more attractive option to those who desire to simplify their consumption by allowing them not to possess too many clothes (Amed et al., 2020). Yet, it remains unclear whether this two-sided effect of the pandemic actually comes into play in the consumer’s mind. To examine this issue, the present study proposes the two pandemic-related factors, namely vulnerability to disease and the desire for simplification, and examines the way they influence the consumer’s intention to adopt OAR. To this end, a two-phase, mixed-method study was conducted to identify the specific determinants of OAR (Study 1) and to empirically test the model of OAR acceptance with the pandemic-related moderating variables (Study 2).

Study 1. Given the lack of research on OAR motivations, we first conducted the consumer interviews with OAR users. Participants were recruited by sending an email to a random sample of 5,000 female faculty, staff, and students enrolled in a U.S. Southwestern university. Phone interviews were conducted until a saturation in user experience was reached, which included 15 participants. Each interview required 30-60 minutes. Among participants, 86.6% of them were Caucasian, with most participants in the 18-22 age range. Using the grounded theory approach, each interview script was analyzed. An iterative analysis of core themes revealed five determinants of OAR, including *affordable access* (“OAR service would allow me to access high-end products that I could not ordinarily afford.”), *shopping convenience* (“Using an OAR service would help me save time and effort for apparel shopping.”), *try before you buy* (“Trying products before purchasing via an OAR service will be useful.”), *never wear same dress twice* (“An OAR service will be useful because it keeps me from wearing the same apparel item twice.”), and *special occasion* (“Using an OAR service will be worthwhile for the clothes that will be worn only once for a special occasion.”).

Study 2. To propose and test the model of OAR acceptance, first, the core attitudinal model was proposed based on the technology acceptance model (Davis, 1989). The model suggests that perceived ease of use and usefulness of an OAR service have a positive effect on attitude and intention toward using an OAR service. Next, the five

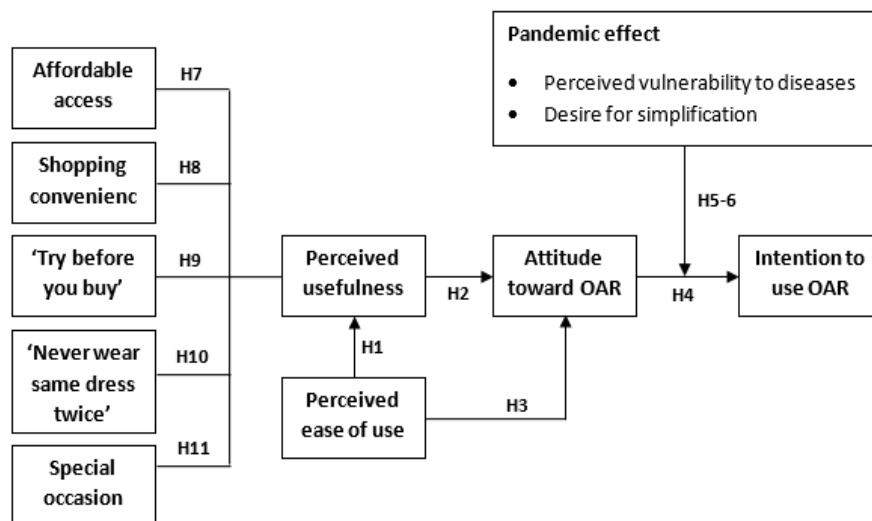


Figure 1. Research Model

OAR determinants that emerged from Study 1 were added to the core model. Further, we extended the research model with the two pandemic-related factors. Literature suggests that consumers might be less likely to adopt OAR if they are concerned about the possibility of virus exposure from the goods that have been used by other consumers (Bond, 2020; Chen, 2020). Thus, the relationship between attitude and intention toward OAR would be attenuated with greater perceived vulnerability to diseases. In contrast, OAR involving only the utility of a material good can play in the current shift toward more mindful consumption, and those who desire to simplify their consumption may find the value of OAR as an alternative to buying and possessing clothes (Amed et al., 2020). Since these consumers may be guided by their intrinsic motivation to simplify consumption, their attitudes toward an OAR service as a determinant of adoption intention would be less important. Hence, the relationship between attitude and intention would be weakened with greater desire for simplification. In sum, eleven hypotheses about OAR determinants and the pandemic-related moderating effects were proposed, as depicted in Figure 1. For Study 2, to increase generalizability of findings, the U.S. national sample was recruited from an online market research firm. Among 387 female adult consumers, about 83.5% were Caucasian, and the largest number (25.3%) of respondents was aged 51-60, followed by 61-70 (18.6%) and 31-40 (18.3%). All measurement scales were adapted from the literature. Confirmatory factor analysis was conducted to test the measurement model. The model exhibited an acceptable fit as well as convergent/discriminant validity. Then, structural equation modeling examined causal relationships among latent constructs. All hypotheses except H9 were supported.

Discussion. This study has several important contributions to the literature. First, through the interviews with actual OAR users, it identifies the five determinants of OAR, some of which have not been revealed in previous theory-based studies on OAR. For instance, such factor as ‘never wear same dress twice’ applies only to OAR but not to other traditional consumption context, thereby providing unique insights into the OAR behavior. Second, this study provides important implications for OAR retailers by confirming the two-sided effect of the pandemic on OAR. The moderating effect of perceived vulnerability to disease indicates that consumers’ perception of physical risk involved in rented items can be a strong deterrent to the use of an OAR service. Thus, OAR retailers should communicate clearly about their cleaning policy and address any possible concerns or questions associated with virus in their marketing communication. The moderating effect of the desire for simplification implies that those with greater desire for simplification are likely to try an OAR service regardless of their preexisting attitude toward OAR. Thus, the pandemic may be an opportunity for OAR retailers to expand their market to a broader group of consumers by emphasizing the message of more mindful, simplified consumption through renting (versus buying). Finally, the insignificant effect of ‘try before you buy’ warrants further examination. An explanation may be that many of those who pointed out this factor during the interview were those who had sizing/fit issues with clothing. To them, trying multiple sizes without commitment to buying was an important benefit. Thus, while this determinant might be relevant to the OAR service catering to a specific segment (e.g., plus size consumers), it may not explain all OAR users’ motivations.

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