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The Path of Least Resistance

How established fashion and furniture retailers can implement renting into their business model and overcome consumer resistance

by

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Abstract

Title: The path of least resistance - How established fashion and furniture retailers can implement renting into their business model and overcome consumer resistance

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Thesis Purpose: The present research examines consumer resistance towards the innovative business model of fashion and furniture renting in regard to environmental consciousness and trend orientation, while also taking into account perceived financial, breakage and hygienic risks. Moreover, the business model frame allows to give guidelines on how retailers can successfully implement a sustainable renting format into their business model considering customer resistance.

Theoretical perspective: We built upon the diffusions of innovations theory by Rogers (2003) and Ram and Sheth's (1989) theory of consumer resistance. By combining both theories, we developed a framework depicting the relationships of environmental consciousness and trend orientation towards consumer resistance, influenced by three risks: financial, breakage and hygienic.

Methodology/Empirical Data Collection: A deductive approach and quantitative research method was applied, and data was collected with a web-based survey based on convenience sampling (n=191). To evaluate the relationships between the constructs, a correlation analysis was conducted.

Findings: Consumers are generally moderately resistant towards renting, with slightly higher resistance towards fashion renting. Environmentally consciousness consumers tend to show less resistance towards renting, especially within fashion. Trend-oriented consumers seem to show more resistance towards renting, with stronger resistance in the fashion renting context. Furthermore, in both industries, the three perceived risks of financial, breakage and hygienic risk had moderate to substantial direct relationships with consumer resistance towards renting. All three perceived risks, especially the perceived financial and hygienic risks of fashion renting clearly and substantially lead to more resistance. In the furniture sector this observation is even stronger. These findings reveal that the worries of consumers cannot be ignored by the retailers who want to implement renting as a way to become more circular.

Practical Implications: We give guidelines on how fashion and furniture retailers can implement renting into their business models. To overcome customer resistance, we suggest adapting to the needs of environmental conscious and trend-oriented consumers by offering added environmental value and at the same time a convenient and flexible renting experience. With regard to the perceived risks of renting, retailers will need to implement fair usage-based pricing, quality and cleanness checks and ensure durability of the rented products.

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1. Introduction

1.1 Background

How can retailers become more sustainable while remaining profitable? This question is possibly one of the most common ones posed in the retail sector nowadays. Due to the steadily increasing consumer awareness about sustainability issues and environmentally conscious shopping behaviour, retailers must somehow react to these drivers. Responses to these challenges are often connected to innovative business models and new formats in the realm of retail (Jørgensen & Pedersen, 2019). Furthermore, the following quote visualises the motivations and responses of retailers regarding all sorts of challenges:

> "Why are you doing this? How are you making a difference? What is your reason for being, besides making money? There is no engine or vehicle like business to make a difference."
>
> - Walter Robb, Co-CEO, Whole Foods (Meyers, 2011)

But how exactly can retailers make a difference in the sustainability matter? Generally, several new measures have been implemented so far, including more eco-friendly packaging, emphasising CO_2 reduction, and a few integrated recycling options (Nicasio, 2020). These, however, only seem to be a drop in the ocean considering the massive impact retailers have on the environment. As an example, the fashion retail industry alone accounts for 8.1% of the global CO_2 emissions (Quantis, 2018). Therefore, solutions tackling the bigger picture, namely the business models, need to be found in order to reduce the overall production and consumption of goods and resources.

The concept of *circular economy* touches upon that very issue. In contrast to the *linear economy*, which is based on produce-and-dispose (Government of the Netherlands, n.d.), the *circular economy* aims to reduce waste and pollution as much as possible and to keep resources in use (Ellen MacArthur Foundation, 2017). Furthermore, the shift from a linear to a circular business model is proven to generate new business opportunities, provide environmental and societal advantages, and to build long-term resilience (Ellen MacArthur Foundation, 2017). But what exactly do *circular economy*-based business models entail? Within this realm, two consumption phenomena that have been gaining importance recently are the sharing economy or collaborative consumption as well as access-based consumption as an alternative to owning products (Ekström, Ottosson & Parment, 2017). The concept of the sharing economy aims at reducing the use of resources by sharing them more collectively and can be seen as a criticism of consumer society from an ideological and practical point of view (Ekström, Ottosson & Parment, 2017). Access-based consumption may be regarded as a construct of the sharing economy since both do not involve a transfer of ownership (Bardhi & Eckhardt, 2012) and includes formats like renting. Given the fact that sharing economy services have demonstrated skyrocketing growth in value since 2014 (Statista, 2017), and that traditional retailers are faced

with enormous competition (Jin & Shin, 2020), retailers cannot ignore this trend and may need to reinvent their business models and formats. Furthermore, sharing economy formats are also expected to reduce retail's negative impact on the environment and societal problems like over-consumption (Hamari, Sjöklint & Ukkonen, 2016). Parallelly, the service of allowing customers to rent products like cars, clothing, furniture or housing instead of purchasing them is one way of putting the sharing and circular economy into practice. Originally, renting services have been pushed especially by challengers mainly active in e-commerce, such as *Rent the Runway* in the fashion sector or *RentoMojo* in the furniture sector (Pal Kapoor & Vij, 2021). However, we argue that in the not purely online world of retail, renting as a construct of the circular economy can be seen as a more sustainable alternative to the produce-and-dispose oriented linear economy. Introducing a circular business model (CBM) like renting into a retailers' established business model is therefore a way to become more sustainable in the long term, as CBMs are a more specific subtype of sustainable business models (Geissdoerfer, Moriaka, Carvalho & Evans, 2018).

However, with the mentioned benefits in mind, one might ask themselves why the big retail players have not yet engaged in this format. Of course, this is always easier said than done, but are there perhaps different challenges regarding business model innovation (BMI) and consumers? Although retailers like H&M and IKEA have started to test renting formats (H&M Group, 2019; INGKA Group Media Relations, 2019) which shows that there definitely are major underlying dynamics, there is to our best knowledge no large-scale renting format in fashion or furniture retail yet. So, what are the challenges that established retailers like IKEA and H&M have to overcome in order to introduce a CBM like renting into their established business model? Is there resistance from their customers, who are not willing to change their consumption habits? And what causes the eventual resistance? Consequently, this thesis aims to shine a light on that topic specifically and problematise innovation in retail business models with a special focus on consumer resistance to innovation.

1.2 Problematisation

One big challenge for standardised retailers lies in integrating an incremental innovation as renting into their already established business concept, as suggested by Burt, Johansson and Thelander (2011) which is our starting point in the problem definition. Acknowledging that retailers like IKEA and H&M with their linear business models might struggle or be criticised in the long-term brings up the idea to rethink their business models in order to stay competitive in the long run (Todeschini, Cortimiglia, Callegaro-de-Menezes & Ghezzi, 2017).

Even though implementing renting as a way to become more circular has, as mentioned, several benefits, the literature in the fields of access-based consumption, consumer behaviour and retail has shown barriers and resistance from consumers towards renting. To start with previous research on renting fashion, two studies proposed risks such as financial risk, performance risk, psychological risks, and high psychological ownership needs (Lang, 2018; Lee & Chow, 2020) as barriers to the non-ownership model of renting. In furniture renting, Gullstrand Edbring, Lehner and Mont (2016) identified specific obstacles for furniture renting that are "desire to

own", "concern for hygiene" and "unfamiliarity with the concept". Furthermore, the authors specifically call for researching more on barriers to renting furniture, an area that has been scarcely explored. More knowledge and data is needed to understand the barriers towards renting instead of owning furniture. In addition, the literature is partly inconsistent regarding the significant risks, barriers, and motivations for renting, which shows that there is a need for more research into this topic.

Comparing findings from Gullstrand Edbring, Lehner and Mont (2016) with the ones from Lang (2018) and Lee and Chow (2020), one might assume that barriers towards renting differ across industries and are related to the rented object itself. This is one reason why it is important to re-evaluate renting as a business model and to compare it across different industries, since to date a direct comparison between fashion and furniture renting is missing. Even more importantly, it is relevant to evaluate resistance towards renting in the context of Covid-19, which may have an additional impact on consumer resistance. Also, acknowledging that sustainability has been gaining even more importance within retail recently (Wertz, 2020), we see a need to re-evaluate this determinant against findings from Moeller and Wittkowski (2010). Although Moeller and Wittkowski (2010) could not find a significant impact of environmentalism on attitudes towards renting eleven years ago, we postulate that it is worthwhile evaluating this factor again now. Furthermore, Moeller and Wittkowski's (2010) findings showed a significant impact of trend orientation on the preference of non-ownership modes of consumption, which we consider relevant to evaluate again as well.

Last but not least, looking at the access-based business model of renting from an outside-in perspective gives retailers the customer focus which is crucial for implementing new formats. We believe that with such focus, retailers can then closely evaluate how and why consumers might struggle to adopt, and how the retailers can overcome these inhibiting factors. Furthermore, it is important for retailers to understand the consumer side since they have a significant influence on the success or failure of a company nowadays. This importance of customers is fuelled by the ease to spread opinions, criticism, and news on social media, and it is also visible in the trend of co-creation and customer-centricity that many retailers offer (Deloitte, 2020). Hence, this research will give more insights into how retailers can adapt their business models towards circularity according to the industry they are operating in.

1.3 Research Motivation

IKEA and H&M, two global players operating under a mainly standardised retail concept, announced 2019 to test the circular formats of renting (H&M Group, 2019; INGKA Group Media Relations, 2019) as an alternative to the traditional ownership model in which people buy, permanently own and then dispose of a product. Both IKEA and H&M aim to become circular by 2040 and 2030 respectively (H&M Group, 2021a; IKEA, 2021a), focusing on reusing, recycling, and repairing garments and furniture in order to drastically reduce waste and become more sustainable. As both retailers are globally known players in their respective industries, it is particularly interesting to research customers' perceptions and possible resistance towards a CBM and how these two global retailers can acknowledge and integrate

them. We further argue for our focus on two Swedish retailers with the fact that Sweden is constantly ranked among the most sustainable nations, while at the same time being a hub for eco-innovation (European Commission, 2021).

This thesis is above all motivated by its aforementioned relevance in the context of innovation in retail business models (RBMs) and sustainability. We argue that retailers cannot ignore greater shifts in the retail environment that have been brought by CBMs such as renting clothes or furniture instead of owning them. Such circular business models have been gaining importance within the last years, as an alternative to wasteful linear business models (Geissdoerfer, Pieroni, Pigosso & Soufani, 2020). As mentioned, CBMs can be considered a subcategory of a sustainable business model (SBM) with the additional characteristic of reducing the use of resources and close resource loops (Geissdoerfer, Vladimirova & Evans, 2018). CBMs in retail are exemplified by start-ups mainly active in e-commerce such as *MyWardrobe HQ*, *Rent the Runway* or *ByRotation* in fashion, and *Feather and Furnish* in furniture (Conlon, 2020; Pisani, 2020), offering renting services based upon rental fees.

Our motivation is further based on the goal of understanding consumer resistance towards innovative business models in retail. Researching into the area of consumer resistance towards innovative business models allows us to identify potential obstacles from a consumer perspective, which is crucial for understanding and getting a better knowledge about the connection that business models and consumers have.

1.4 Relevance and Contribution

This thesis contributes to the research streams of access-based consumption and consumer behaviour by explicitly adding an outside-in perspective on the implementation of CBMs that will be valuable for research and retailers. Furthermore, this thesis provides a general understanding of business models and sustainable innovations in retail and connects innovation in RBMs, consumer perceptions, and sustainability, which constitutes the biggest point of relevance for this thesis. Gaining more insights into consumers is vital here since they represent the market demand and are necessary for innovation to reach a profitable mass scale. Moreover, the sustainable business model innovation of renting has, to our best knowledge, not been evaluated with the theory diffusion of innovations (Rogers, 2003) and the theory of consumer resistance towards innovation (Ram & Sheth, 1989) yet. However, we believe that by doing this we can reveal a lot more valuable insights about the challenges retailers face when implementing renting.

Based on a quantitative survey, this research will contribute to the field of consumer behaviour and link it with retail innovation and renting as a sustainable and circular business model. This thesis will take a distinctive point of view in the sense that it uses an outside-in perspective with business model literature as a frame to understand consumer resistance towards innovation and sustainability in RBMs. We argue that this is important since the topic of sustainability is not new anymore which leads one to think that consumers are aware and would have very few

objections to reducing their ecological impact by using renting services. Hence, it is essential to find out why this is not exactly the case.

Moreover, to our best knowledge, no research has yet compared the CBM of renting in the fashion and furniture industry. Furthermore, no research on consumer resistance towards CBMs has been conducted in the context of the ongoing Covid-19 pandemic. It is therefore of great interest for both researchers and practitioners to understand consumer resistance under these circumstances and additionally gain further insights from comparing two industries. Lastly, by connecting our insights from the quantitative study to the implementation of CBMs, this thesis will contribute by giving highly relevant managerial implications to practitioners.

1.5 Research Objective

The objective of this study is to research customers' resistance towards new and more sustainable business models in retail, with the example of the two Swedish retailers IKEA and H&M. Therefore, this research aims to measure the impact of environmental consciousness and trend orientation on consumer resistance towards renting, including three potential perceived risks of renting. More specifically, this study investigates consumer resistance towards renting as a non-ownership business model by comparing the renting of fashion with furniture renting as new RBMs in the respective industries. Which issues do the big furniture and fashion retailers have while testing to implement renting services in their business models to become more sustainable? Is there resistance from the customer side to innovations like renting services? And if yes, which factors can explain that resistance? Adopting an outside-in perspective, how can retailers overcome an eventual consumer resistance towards the business model of renting? Consequently, this thesis will investigate the impact of environmental consciousness on consumer resistance. Moreover, as hygiene has become a vital factor during the current Covid-19 pandemic, this factor will also be evaluated. In addition, two more risks, financial and breakage, of fashion and furniture renting that can interfere with the two main impacts should also be looked into. Based on these research interests, the following three research questions are formulated for this thesis:

RQ1: How resistant are consumers towards renting in the fashion and furniture sector? And which role do environmental consciousness and trend orientation play?

RQ2: What are the differences/how strong are the differences in consumer resistance towards renting in the fashion and furniture industry?

RQ3: How can retailers successfully implement a sustainable renting format into their business model considering customer resistance?

The first two research questions will be answered with the help of empirical data, while the answer to the last question will be obtained by a combination of several aspects: the quantitative results, literature regarding SBMs, and the theoretical and practical application of the business models of IKEA and H&M as examples for large, established retailers.

1.6 Thesis Outline

In total, this thesis consists of seven chapters, with the first chapter serving as an overview, including relevant background information and the research motivations. Following that, the second chapter comprises the theoretical review, synthesising existing literature on the relevant topics of business models in retail and the renting format itself to lay out a frame. Subsequently, environmental consciousness, trend orientation, and the potential risks of renting and their possible influences will be evaluated thoroughly with the help of state-of-the-art research. To be able to look at their impact on consumer resistance, this concept is to be reviewed as well, leading to our final hypothesis at the end of the second chapter.

Having elaborated on the existing findings, gaps, and discrepancies, the third chapter presents the applied methodology, followed by the practical application of the business model review for the retailers IKEA and H&M in the fourth chapter. Then, in chapter 5, the results of the conducted quantitative study will be presented. The sixth chapter brings together everything by discussing all of the findings and insights in-depth, which leads the reader to the conclusions and implications, both for practitioners, managers, and researchers, that will be presented as the seventh and final chapter of this thesis.

2. Theoretical Review

2.1 Business Model Perspective

This first theoretical subchapter of this thesis addresses the business model perspective in retail. Relating to our purpose of understanding consumer resistance towards sustainable business model innovation applied to fashion and furniture retail, a framework and an understanding of business models in retail is needed. We argue that BMI can aid retailers in several ways with becoming more sustainable which will help to create value not only for a narrowly defined group of stakeholders but also for more broadly the society and the environment. Thus, this chapter will define business models and innovation in retail, provide an overview of findings concerning sustainable business model innovations, and lead to a framework depicting how retailers may implement a sustainable business model into their established one.

2.1.1 Business Model Definition

In order to understand how and through which values an organisation operates, one needs to look at its business model. The existing literature offers a multitude of definitions of a business model; however, the most prevalent ones are now to be explained. Osterwalder and Pigneur (2010) describe a business model as "the rationale of how an organisation creates, delivers, and captures value" (p.14). Additionally, a business model serves as an outline for the business strategy to be applied with the help of processes, structures, and systems (Osterwalder & Pigneur, 2010). Zott and Amit (2010) see a business model as "a system of interdependent activities that transcends the focal firm and spans its boundaries. The activity system enables the firm, in concert with its partners, to create value and also to appropriate a share of that value" (p.216). Moreover, Wirtz, Pistoia, Ullrich and Göttel (2016) characterise a business model as the cumulated and simplified depiction of the company's activities that shows "how marketable information, products and/or services are generated by means of a company's value-added component" (p.41). Based on these definitions, it is clear that a business model captures how a company creates and delivers value with the help of all of its available connections, employees, partners, offers, and logistics.

But what makes a business model, and in particular a circular one, successful? Kavadias, Ladas and Loch (2016) identified six keys to success for transforming a business model which can be applied to transforming an established business model into a CBM. First of all, a more personalised product or service better fitted to individual consumer needs, could mean an easy renting and return process in the case of a CBM like renting**.** Secondly, closed-loop processes, substituting linear consumption processes with recycling of materials as it is the case within a CBM may reduce resource costs and contribute to a business' return on investment (ROI) in the long-term. As a third point, asset sharing also reduces costs and needed capital by sharing costly assets, often as an intermediary via two-sided online platforms. Next, the authors see usage-based pricing as another way to leverage potential, arguing that customers benefit since they only need to pay when they receive actual value, which may in turn grow the company's

customer base. Usage-based pricing is in fact the way fashion or furniture renting works, with the customers paying a price depending on the duration of the rental period, thus creating value for both the renting company and the customer. As the fifth key to success, Kavadias, Ladas and Loch (2016) explain how a collaborative ecosystem can pay off for a company based on improved collaboration with supply chain partners and thus create more value with lower costs. Last but not least, an adaptive and agile organisation is better at meeting market and consumer needs which results in an improved value for the customer and potentially lower costs for the business. The authors show that the more of these six aspects a new business model can fulfil, the bigger its potential for success. IKEA for instance, ticked four of these boxes: personalisation, closed-loop, collaborative ecosystem and agility. All in all, it becomes evident that a lot about a successful CBM is connected to the value it provides to the customers. This aspect is also reflected in Johnson, Christensen and Kagermann's (2008) work on business model innovation. According to them, the first question executives should ask themselves before starting a new business model is if you can "nail the job with a focused, compelling customer value proposition" (p.65). We assume that this aspect is essential for any retailer wishing to innovate, but especially within the area of renting as it will change customers' habitual purchasing and consumption practices. and it will be brought back in chapter 2.5 of this thesis, but from a different, more consumer-focused perspective.

2.1.2 Definition Sustainable Business Model

Having defined the traditional understanding and composition of business models, this part is dedicated to a more focused view of SBMs in retail. With CBMs being a subcategory of SBMs, we discuss relevant literature that applies to both CBMs and SBMs alike.

Thinking in terms of sustainability applied to business models has been gaining interest in academia, with a growing number of publications in journals specialised in corporate sustainability and responsibility (Pedersen, Gwozdz & Hvass, 2018), speaking for its relevance and present importance. In contrast to the broader definition of business models as presented above, a SBM "aligns interests of all stakeholder groups, and explicitly considers the environment and society as key stakeholders" (Bocken, Rana & Evans, 2014, p.44). The majority of authors in the field of SBMs (Bocken et al., 2014; Bocken, Rana & Short, 2015; Geissdoerfer, Vladimirova & Evans, 2018; Pedersen, Gwozdz & Hvass, 2018) speak for a holistic view of value in the sense that both social and environmental goals, next to economic value, are to be considered in SBM thinking. This perspective is shared by Joyce and Paquin (2016) who argue for a triple bottom line perspective including the three components economic, social, and environmental value and all relevant stakeholders in their understanding and framework of SBMs. Their conceptualisation explicitly addresses the need for businesses nowadays to integrate ecological and sustainable innovations into their established business models.

Hence, it becomes clear that the traditional understanding of business models with a focus on a narrow set of stakeholders and economic value creation only is not satisfying in terms of sustainability that touches upon broader goals including society and the planet. Geissdoerfer,

Vladimirova and Evans (2018) further reviewed existing literature on sustainable business model innovation and gave a more encompassing definition, stating that SBMs are "business models that incorporate pro-active multi-stakeholder management, the creation of monetary and non-monetary value for a broad range of stakeholders, and hold a long-term perspective" (pp.404-405). Thus, the probably most distinguishing characteristic of a SBM is its scope, meaning that a wide range of stakeholder interests are taken into account that go beyond interests internal to the firm and include society and the environment (Bocken et al., 2014; Geissdoerfer, Vladimirova & Evans, 2018; Joyce & Paquin, 2016).

2.1.3 Sustainable Business Model Innovation in Retail

Arguing from the logic of SBMs with its scope of integrating diverse stakeholder interests, it is evident that consumers and wider societal interests have to be considered by retailers more than ever. In its study and outlook on "The New Retail Operating Model of the Future", Deloitte (2020) points out customers as one of the four main drivers influencing the direction of the retail market. Furthermore, customers that are well-informed demand healthier and more sustainable products, and at the same time have heightened expectations towards firms' sustainable and corporate social responsibility practices (Deloitte, 2020). Pedersen, Gwozdz and Hvass (2018) pick up this point by arguing that retail innovations with a focus on SBM merge corporate sustainability with the concept of BMI, making it a progressive form of corporate social responsibility and sustainability. Bocken, Rana and Short (2015) defined a sustainable BMI as an "innovation to the way business is done by creating a competitive advantage through superior customer value while contributing positively to the company, society, and environment while minimising harm*"* (p.68). This definition shows that Bocken, Rana and Short (2015) agree with Joyce and Paquin's (2016) view of a triple-bottom line in SBMs, addressing wider stakeholder interests while including the environment as a fundamental component of SBMs.

Lange and Velamuri (2014) explicitly state three main advantages of BMI in retail, arguing with a strategic perspective for retailers to innovate in order to create value and stay competitive in the long run. In their view, BMI can aid retailers in several ways, most importantly with becoming more sustainable; but also by adding new revenue streams to the established business model; and lastly by enhancing customer relationships with distinct customer segments (Lange & Velamuri, 2014). Pedersen, Gwozdz and Hvass (2018) argue with the advantages of strategic partnerships that may open new market potentials, improve operational flexibility and result in cost benefits. Based on the aforementioned factors, we assume that the long-term outcomes of a sustainable BMI can help retailers in staying competitive and add value not only to the firm and its customers but to wider society and the environment in being less harmful and using resources. One should keep in mind, however, that the process of implementing a sustainable BMI into an established RBM can take up time, require adaptations, and is demanding in the sense that value creation takes place at the triple-bottom line of customers, society and environment.

But now, what does a sustainable BMI actually entail? In a general sense, Björkdahl and Holmén (2013) argue that a BMI does not require the innovative aspect to be new to the world, but new to the organisation. Thus, a BMI may entail the reconfiguration of an existing product or service, a process innovation or also a new revenue model. An example of a BMI was IKEA's way of moving from mail order to selling their furniture and household goods at their own stores, innovating in the sense of how consumers buy these goods (Björkdahl & Holmén, 2013). However, to qualify as sustainable, a BMI needs to address a wider range of stakeholders that are customers, society, and the environment and consequently create not only economic but also social and environmental value (Bocken, Short, Rana & Evans, 2013; Joyce & Paquin, 2016; Pedersen, Gwozdz & Hvass, 2018). More concretely, Geissdoerfer, Vladimirova and Evans (2018) describe four types of sustainable business model innovation, of which two are especially relevant for retailers. The authors present "sustainable business model transformation" as one type which entails a change of the prevailing business model, whereas "sustainable business model diversification" describes the add-on of a SBM without changing the current business model significantly. Most importantly, a sustainable BMI comprises value creation for a broad range of stakeholders, which makes it a "new integrated logic of how the firm creates value for its customer and how it captures value" (Björkdahl & Holmén, 2013, p.214). Todeschini et al. (2017) further confirm this by listing value proposition, besides customer relationships and key partners, as one of the main parts to be subjected to change during a sustainable BMI. Hence, a successful BMI introduces a new way of value creation by considering all stakeholders' and consumers' requests for more sustainable practices in business.

Generally speaking, examples taken from the fashion and furniture industry show both a need and external drivers that require retailers to become more sustainable (Fletcher, 2012; Pedersen, Gwozdz & Hvass, 2018). External drivers demanding SBMs in the fashion industry are mainly due to consumer pressure, coming from consumers who realised that the fast-paced fashion industry with changing styles every season results in a "throwaway fashion culture" (Pedersen, Gwozdz & Hvass, 2018, p.17). Main points of criticism towards the fashion industry are based on using up extensive amounts of resources and energy as well as harmful chemicals in the production, ending up in overconsumption due to the ephemeral nature of fast fashion (Niinimäki, Peters, Dahlbo, Perry, Rissanen & Gwillt, 2020; Pedersen, Gwozdz & Hvass, 2018). The latter authors exemplify sustainable BMI with big fashion retailers such as H&M, Levi's and Patagonia that started experimenting to address sustainability challenges and integrate more sustainable elements into their business models. These initiatives including reselling, reusing, and recycling programmes are still in their experimentation phase and cannot be regarded as fully established SBMs, but they portray the rising awareness of sustainability in the fashion industry. Patagonia, for example, is a good example for a brand using an incremental process of becoming more sustainable by improving and re-designing parts of its business model, as pointed out by Stappmanns (2015). Patagonia's approach is based on making their supply chain shorter, more transparent, and sustainable through their 'Footprints Chronicles initiative' (Stappmanns, 2015), whereas H&M focuses more on reusing and recycling initiatives, and potentially also on renting clothes (H&M Group, 2021a). In the

furniture sector, on the other hand, IKEA communicates to drive change by addressing the rising global awareness of sustainability with its understanding of a circular furniture industry:

> We want to be circular in every aspect of our business. We want to make it easier for customers to acquire, care for and pass on products in circular ways, such as repairing, reusing, reselling, and recycling them. To do this, we are committed to designing all of our products to be 100% circular from the beginning, using only renewable or recycled materials, and to developing circular capabilities in our supply chain. But we can't do this alone. To get there, we are building new partnerships and cooperations with others. Our ambition is to be 100% circular by 2030 (IKEA, 2021a).

IKEA takes noticeably a more direct and drastic approach in stating that its business model will become fully circular by 2030. In both industries, the access-based business model of renting can potentially become a major component of a SBM, driven by customer pressure and the rising awareness of sustainability. We conclude that sustainable BMI in retail is mainly due to "consumer pull" (The Crowd & Fishburn, 2014) and can be considered an ongoing process (Frankenberger, Weiblen, Csik & Gassmann, 2013), rather than a radical innovation with adding more sustainable elements to the established business model of a retailer.

2.1.4 Challenges

As one may suspect and as mentioned, there are certain challenges with addressing BMI in retail. Factors that might impede the integration and implementation of a new business model into the existing one may be internal (e.g. from managers within the firm that are reluctant to change), but can also be external from the customer side. This assumption is confirmed by Frankenberger et al. (2013), who identified a variety of challenges for each of the different phases of a BMI. More specifically, the two challenges a firm encounters in the first phase of initiation are fully understanding the needs and wants of the stakeholders, as well as the careful identification of the relevant change drivers. We see this first challenge as highly relevant for this thesis, since it confirms our suggestion that the customer side is crucial for understanding how to successfully perform a BMI, which has also been pointed out by Dassen and Lombardi (2020). Then, having overcome these first challenges, it is also possible to struggle with overcoming the prevalent business logic, adapting to a business model mindset, or not having the necessary systematic tools to develop new business model ideas. In integration, which is phase three, challenges a company might face include the proper integration of all elements of the new business model and the management of the partners involved. Last but not least, in phase four called implementation, overcoming internal resistance and conducting tests and experiments of the new business model potentially create the last two problems for a company (Frankenberger et al., 2013). This shows that challenges can be of internal as well as external origin and differ in nature depending on what stage the company is currently in. We consequently assume that a successful BMI needs to be customer-centric and requires adaptations during all four phases of initiation, ideation, integration, and implementation.

Furthermore, Johnson, Christensen and Kagermann (2008) state that a big issue regarding BMIs and a reason why pulling off BMIs is so difficult for firms, is that few businesses actually understand their existing business model well enough. More precisely, it is difficult to say when a firm can leverage its current business model or when it needs to generate a new one in order to succeed if natural interdependencies, strengths, and limitations are not clear to the executives. One way to overcome this challenge from a retailer perspective is to fully understand its current business model internally before starting to implement a new one. Since the focus of this thesis is to address how to overcome consumer resistance towards the BMI of renting in retail, the following part will elaborate on the building blocks of a successful business model, leading to the business model frame of this thesis.

2.1.5 The Triple Layered Business Model Canvas

The Triple Layered Business Model Canvas (TLBMC) builds upon the economic layer of Osterwalder and Pigneur's (2010) Business Model Canvas (BMC), an universal framework that covers the main aspects of a firm's business model and which is widely accepted within academia and among practitioners alike (Bocken et al., 2014; Burt, Johansson & Dawson, 2016; Geissdoerfer, Vladimirova & Evans, 2018; Joyce & Paquin, 2016). However, Joyce and Paquin (2016) argue for the add-on of two additional layers to the original BMC that include an environmental and a social layer, addressing explicitly sustainability-oriented businesses. Their argumentation is based on the triple-bottom-line view of value creation, including economic, environmental, and social value (Bocken, Rana & Short, 2015; Joyce & Paquin, 2016), providing a holistic view of a SBM. Also, Osterwalder and Pigneur (2011) acknowledge themselves that their initial BMC does not fully suffice in creating sustainable BMI because of its sole economic value creation perspective, which has become a common criticism (Bocken et al., 2013; Joyce & Paquin, 2016; Upward, 2013). These aspects led us to proceed with the more advanced TLBMC by Joyce and Paquin (2016), providing a focused view on corporate sustainability and BMI. In the following paragraphs, all three layers will be shortly discussed.

The economic layer

The economic layer of the TLBMC is equal to Osterwalder and Pigneur's (2010) BMC and comprises nine elements. C*ustomer segments* are the core of any business model and are grouped into different segments (mass market, segmented, diversified, multi-sided platforms), from which we consider the mass market and multi-sided platform segments being of main importance for large-scale retailers like IKEA and H&M. *Value proposition*s comprise the actual product or service offering that create value to the customers. Furthermore, Osterwalder and Pigneur (2010) depict *channels* as the means by which a firm reaches its customers to deliver the value proposition and further differentiate between five phases that are awareness, evaluation, purchase, delivery, and after-sales. The authors of the BMC further distinguish between the different kinds of relationships a company has with its customers in *customer relationships*, pointing out dedicated personal assistance, self-service, automated services, communities, and co-creation as means to establish those. *Revenue streams* are related to the

actual economic value and can be either transaction-based single payments or recurring revenues based such as usage fees, subscription fees, or renting/leasing fees. Furthermore, within the BMC and for any firm, *cost structures* are important to consider in terms of financial value as well and relate to all costs required to make the BM work. Within a cost-driven BM, a firm sets its focus on decreasing costs at any possibility, whereas a value-driven BM has a stronger focus on value creation, usually offering premium value. *Key partnerships* comprise the partner and supplier networks that support the firm to operate the business model, with Osterwalder and Pigneur (2010) specifying the four main types of strategic alliances, coopetition (cooperation between competing companies), joint ventures, and buyer-supplier relationships.

Furthermore, according to Osterwalder and Pigneur (2010), both key activities and key resources are the most important building blocks to make a business model work. *Key activities* are classified as production, problem-solving, offering new solutions to customer problems, and platform/network activities and are important in creating the value proposition. They sustain relationships with customers and generally serve to make the business model work, which makes them crucial for the implementation of a new business model. *Key resources*, on the other hand, can be categorised into physical, intellectual, financial, and human resources that altogether foster value creation from the business model (Osterwalder & Pigneur, 2010). Relating this understanding of a business model to Johnson, Christensen and Kagermann (2008), it becomes evident that they present a similar composition of a business model with customer value proposition, profit formula, key resources, and key processes as interlocking elements. We can therefore assume that value proposition, key resources and key processes are predominant for the maintenance of an existing business model and become even more important for the successful implementation of a new business model like renting within the retail sector. To be an attractive option for customers, it requires seamless and convenient service processes, high-quality products, and adequate financial and human resources as the main building blocks of a new business model.

The environmental layer

Joyce and Paquin's (2016) environmental layer explicitly addresses the environmental impact of a firm's business model, assessing a product's or service's impact from a lifecycle perspective. The aim is to analyse and understand how an organisation can create more environmental benefits than causing environmental harm. This layer is divided into the nine elements of functional value, materials, production, supplies and outsourcing, distribution, use phase, end-of-life, environmental impacts, and environmental benefits, as visualised in figure 1. The following paragraph describes the nine elements of the environmental layer based on Joyce and Paquin's (2016) TLBMC, leading to the framework for assessing a CBM like renting in fashion and furniture retail.

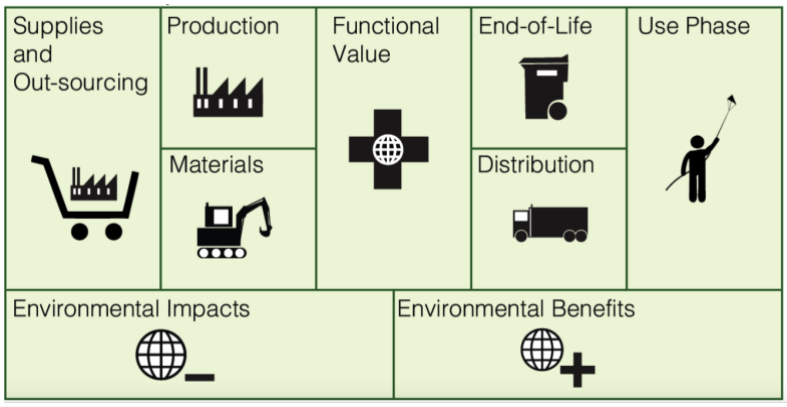

Figure 1: The environmental layer of the TLBMC (Joyce & Paquin, 2016, p.1479)

Functional value focuses on the output of a firm's products or services under a lifecycle assessment and is used to find alternatives in order to improve the product or service lifecycle. *Materials* build upon the key resources element from the original BMC, examining specifically the natural resources used to provide functional value. In *production,* Joyce and Paquin (2016) extend Osterwalder and Pigneur's (2010) layer of key activities focusing on production activities with high environmental impact. *Supplies and outsourcing* refer to all other production and material activities that are, however, not at the firm's core but still support value creation. Similar to the original BMC, *distribution* refers to the mode(s) of transport of the organisation's products, adding the actual distances for distributing and the goods' weight in the environmental layer. Distribution plays an important role in reducing carbon footprint, with keeping in mind further issues such as the actual packaging and delivery logistics (Joyce & Paquin, 2016). *Use phase* regards the actual product's lifetime within the hands of a customer, taking into account eventual repairing and maintenance, as well as energy consumption related to the usage. End-of-life refers to the point when a customer decides not to use a product or service anymore and considers thus the topic of recycling, repurposing, or disposal. Lastly, *environmental impacts* and *environmental benefits* are possibly the most important and distinguishing elements of this layer, since actual environmental benefits should outweigh the environmental costs in order to be considered sustainable (Joyce & Paquin, 2016). While environmental benefits address particularly the environmental value and thus sustainability through reducing harmful impact on the environment, environmental impacts include CO_2 emissions, health, and the use and exploitation of natural resources and energy.

The social layer

Without discussing this layer in-depth since it would go beyond the scope of this thesis, the social layer represents the second add-on of Joyce and Paquin (2016) to extend Osterwalder and Pigneur's (2010) BMC. As argued by many (Bocken et al. 2013; Bocken, Rana & Short, 2015; Joyce & Paquin, 2016; Pedersen, Gwozdz & Hvass, 2018), an all-encompassing approach to BMI should include wider stakeholders in order to measure social impact on wider society that goes beyond a firm's financial value. Based on this argumentation, Joyce and Paquin (2016) complement Osterwalder and Pigneur's (2010) BMC with the social layer as third main

component of the TLBMC with the elements of social value, employees, governance, communities, societal culture, scale of outreach, end-users, social impacts, and social benefits. Similar to the environmental layer, the goal of this conceptualisation is to give firms a tool to balance the social benefits they give to society with the social impact they have. For our further analysis of fashion and furniture business models in chapter 4, we will exclude the social layer and proceed with the economic and environmental layer only, since these two allow for accounting and measuring a retailers' efforts in shifting towards the CBM of renting. First, however, the next subchapters elaborate on the other relevant elements regarding fashion and furniture renting of this thesis.

2.2 Environmental Consciousness

We define the term environmental consciousness on the basis of two studies (Gullstrand Edbring, Lehner & Mont, 2016; Moeller & Wittkowski, 2010) as the degree to which consumers are aware of sustainability issues and the degree to which they incorporate that consciousness in their thinking and behaviour. Mun (2013) as well as Armstrong, Niinimäki, Kujala, Karell and Lang (2015) and Gullstrand Edbring, Lehner and Mont (2016) found environmental consciousness as a motivation for participating in the sharing economy, including renting. In contrast to these findings, Moeller and Wittkowski's (2010) assumption saying that consumers favouring environmentalism show a preference for a non-ownership consumption did not prove to be significant. However, considering the publication date of the study, it should be evaluated in today's time and environment again. Even more so since, as already discussed above, renting can be considered environmentally friendly due to its potential to reduce the production of new items and therefore also reducing the usage of resources, hence it should be attractive for environmentally conscious consumers (Schrader, 2001). This is also supported by the concept of compatibility later on. Moreover, the importance of sustainability has only grown during the past decade, which makes it one of the most recent and pressing issues of this day and age. Looking at environmental consciousness with the business model perspective, we argue that for environmentally conscious consumers, renting services provide additional value due to their more sustainable nature. Consequently, this study treats environmental consciousness as an important consumer trait that needs to be measured when looking at consumers and their willingness to participate in renting services. The concept will be discussed more in relation to renting itself further along in this thesis.

2.3 Trend Orientation

Trend orientation, also often related to variability in the existing literature about renting, describes the goal of consumers "to obtain access to the newest products" (Moeller & Wittkowski, 2010, p.181). Similar to sharing, renting can be an easy and cost-efficient way to expand, diversify, and perhaps also upscale one's wardrobe (Belk, 2007) which leads us to assume that renting can potentially also be a convenient way to update and exchange one's home furnishing. Moreover, Lawson's (2011) results show that one of the main motivations for

renting is adding variety to one's life and trying new things more frequently without high costs. Consequently, and similar to environmental consciousness, the service of fashion and furniture renting should be more popular the more trend-oriented the consumers are. Connecting this to the business model perspective also implies looking at this as an additional source of value for the customer. Nevertheless, the concept of trend orientation has gotten, to our best knowledge, very little attention in the research about consumer perceptions and behaviours. We believe it is essential to evaluate trend orientation, since in regard to today's fast-changing and multi-faceted purchasing behaviour it could possibly be a major influence related to consumer resistance towards renting services. More insights into the concept of trend orientation will also be given further along the next subchapters.

2.4 Renting

After having set the frame for this thesis, namely the business model perspective, it is time to tackle the actual business model innovation this research is focused on. The introduction and integration of renting as a service for well-established retail companies into their business model to make it more sustainable and circular definitely requires substantial effort and changes, but what exactly does the renting service entail? And what is already known about renting services and consumers' perceptions about it in the existing literature?

2.4.1 Renting as an Access-Based Consumption Model

Renting can be seen as a construct of access-based consumption that removes the aspect of ownership by giving customers temporary access to a product in exchange for a rental fee (Moeller & Wittkowski, 2010). Access-based consumption is financially oriented, making it a market-mediated form of sharing without a transfer of ownership, and has gained importance and demand as an alternative approach to ownership (Bardhi & Eckhardt, 2012; Moeller & Wittkowski, 2010). This trend cannot only be potentially attributed to the rising concern about sustainability and conscious consumption, but also to affordability and an increased product variety (Moeller & Wittkowski, 2010).

Next to car and apartment renting, one of the most researched product categories of the non-ownership service renting is the fashion or apparel category (Lang, 2018; Lang, Li & Zhao, 2020; Lee & Chow, 2020; Lee & Huang, 2021; Yuan & Shen, 2019). Here, the literature examines related constructs and effects such as ownership, advantages, costs, risks, enjoyment, gratification, compatibility, and environmental value in regard to renting, which will be partly discussed in the following subchapter. In general, however, Moeller and Wittkowski (2010) identified renting as a consumption alternative that does not have the so-called "burdens of ownership" which are several kinds of risks with regard to product alteration and obsolescence, wrong product choice, and cost of infrequent usage. Furthermore, the authors found that the main reasons for preferring renting over buying are trend orientation and convenience orientation. More precisely, consumers who always want to have the newest versions of a product, and who want to live more conveniently without the burdens of ownership are more

likely to rent instead of buying products. Moreover, and besides the potential economic benefits, renting can be regarded as a way to make a business model more sustainable and circular. This is due to its nature of reducing and re-using resources (Ekström, Ottosson & Parment, 2017) instead of producing, selling, and eventually disposing of them, which leads to a lower carbon footprint (Lee & Huang, 2021).

2.4.2 Renting Fashion

As a construct of access-based consumption within the circular economy, renting fashion specifically has been gaining importance within the last years among academics and practitioners alike (Machado, Ordovás de Almeida, Bollick & Bragagnolo, 2019; Zhang & Lang, 2018). Recent predictions suggest that the global rental clothing market will continue its growth at a compound annual growth rate (CAGR) of about ten percent and become a noteworthy sub-sector within the fashion industry by 2025 (Shrivastava, Jain, Kamble & Belhadi, 2021; Zhang & Lang, 2018). This makes the fashion industry a worthy playground to try to become more sustainable and circular.

Overall, the majority of existing research and literature in the field of access-based consumption and renting fashion focuses on attitudes and values that strengthen customers' willingness to rent clothes instead of owning them (Lang, Li & Zhao, 2020; Lee & Huang, 2021; Lee & Chow, 2020). Findings from Shrivastava et al. (2021) for instance reveal that consumers generally believe that renting fashion is an appropriate way of reducing waste and promoting circular business models. Broadly, one can say their findings match the ones from Lee and Chow (2020) and Lee and Huang (2021) in the sense that they all point out consumers' attitudes and social norms as main motivators for renting fashion. Furthermore, Lee and Huang (2021) point out a general positive impact of perceived compatibility and perceived environmental importance on consumers' attitude towards online fashion renting. Perceived compatibility relates to the degree to which renting fits into existing lifestyles and values, and according to the authors renting generally shows high compatibility for the respondents. Consequently, with high compatibility, the intentions to rent fashion were also higher.

Regarding environmental importance one should take away that renting fashion was perceived as more sustainable and responsible and that it can be seen as more as a niche market for especially environmental consumers (Lee & Chow, 2020; Lee & Huang, 2021). Therefore, the aforementioned benefit of renting for more sustainable business models also applies to the fashion sector. However, it is worth stressing here that Lee and Huang's (2021) study was conducted in an online fashion renting context, but we assume that their findings are nevertheless important for a brick-and-mortar retailer like H&M. Integrating renting into its established business model will thus require H&M and other fashion retailers to ensure a seamless omnichannel experience, making it as easy as possibly for the customers to rent and return products.

Lee and Chow's (2020) findings match closely with those of Lee and Huang (2021) and add more motivators to the aforementioned ones, accentuating performance attributes, environmental concerns and intrinsic motivators as determinants in forming a positive attitude

towards renting fashion. Lang, Li and Zhao (2020) researched more concretely into the perceived benefits of renting fashion and found four main motivators; experiential value, financial value, ease of use and utilitarian value, which further addresses the need for companies to make the renting experience as convenient as possible. We can argue, consequently, that motivators towards renting fashion are related to sustainability, but also to the experience, performance and ease of use of the renting service.

Moreover, trends are deeply manifested in the nature of fashion. Big fashion retailers like Zara and H&M release new collections every few weeks and fashion magazines and social media further push this trend orientation in consumers. Nevertheless, renting can also add variability to consumers' closets, but in a more sustainable way. As briefly mentioned before, Moeller and Wittkowski (2010) specifically define trend orientation as "the aim of some consumers to obtain access to the newest products" (p.181), which is made possible by renting services. The authors therefore propose that trend-oriented consumers are more likely to get involved with fashionable or innovative products or services.

Together with the findings about renting as a service in general, we conclude that within fashion specifically, there are two important motivations for renting that need to be evaluated again: environmental consciousness and trend orientation. As previously stated, a variety of literature stresses that renting can reduce a company's environmental impact. Combining this aspect with the findings about compatibility, we argue that if a consumer wants to behave more sustainably, he or she should prefer renting over buying fashion, since it is the more compatible with his or her values. Moreover, the same logic applies to the factor of trend orientation: as the literature suggests, renting increases the variability in one's closet and has economic benefits, therefore it is more convenient for people who want to follow the newest trends.

2.4.3 Renting Furniture

Considering the main effects of furniture production on the environment, e.g. the chemicals used in production, a vast use of energy and large volume of waste, concerns about sustainability in the furniture sector are rising with retailers becoming more aware about their impact on the environment (Parikka-Alhola, 2008). With furniture being amongst the products with the highest environmental impact in the sourcing phase using tree-logging, it is a suitable product category for reusing (Gullstrand Edbring, Lehner & Mont, 2016). Solutions to the problems mentioned above require strategies either aiming at improving the sourcing, production and usage of the furniture product or the implementation of a new concept such as leasing or renting furniture (Parikka-Alhola, 2008). Focusing on the latter one, renting furniture instead of owning is a more sustainable alternative to the prevalent mode of a linear business model, under the assumption that the product is made in a durable way (Gullstrand Edbring, Lehner & Mont, 2016).

However, the option of renting furniture to individuals is barely explored. To our knowledge, only Pal Kapoor and Vij (2021) and Gullstrand Edbring, Lehner and Mont (2016) take a closer look into furniture rentals with regard to individual sustainable consumer behaviour. The former authors provide evidence that the concepts of perceived value, social gratification,

customisation, psychological ownership, occupational mobility and complementary services have a significant impact on online furniture renting conversions. The latter authors analyse the three consumption models second-hand consumption, access-based consumption and collaborative consumption with regard to home and furnishing products. Their results show that furniture renting is more popular on a short-term basis than on a long-term basis due to the perceived higher costs. In contrast to this, Moore and Taylor (2009) found that renting furniture is the preferred option for short periods even if the costs are equal in both options.

To conclude, due to the given environmental impact of producing furniture, we assume that furniture customers prefer renting if they care about the ecological consequences. Based on the fact that shorter rental periods are preferred in the furniture sector, we argue that trend orientation also plays a role here. To be able to change up the furniture and design of one's apartment or house within shorter time frames can in our opinion also be connected to trend orientation. However, as research is not as advanced as in the fashion sector, we support these assumptions by the general findings of renting. Consequently, we suggest that the chosen constructs of environmental consciousness and trend orientation for fashion renting likewise apply to furniture renting. Noteworthy is the fact that there are not only positive influences on consumers' attitudes towards renting. This specific element, and how it affects resistance towards renting, is discussed in the section below.

2.4.4 Risks of Renting

As explained above and considering the fact that we are to test perceived risks later on, we generally assume for this thesis that the motivations, but also the risks of renting are similar across the sectors of fashion and furniture. This is why the potential risks and their consequences are discussed all together in the following part.

First and foremost, compared to motivations, potential barriers towards renting are less explored. Lee and Chow (2020) for instance only point out high psychological ownership needs, while Lang, Li and Zhao (2020) highlight unsatisfactory service, poor product performance and insufficient inventory as triggers for rejecting access-based models like fashion renting. Moreover, findings from previous studies about renting fashion propose risks such as financial risk, performance risk, psychological risks, and high psychological ownership needs (Lang, 2018; Lee & Chow, 2020) as potential barriers to the non-ownership model of renting. In addition, there are recurrent themes in favour of buying furniture: the concern of damaging the furniture, creating other uses for old furniture and not disposing of them and the enjoyment of owning (Moore & Taylor, 2009). Similarly, Gullstrand Edbring, Lehner and Mont (2016) found that the desire to own, concern for hygiene, and unfamiliarity with the concept are said to be the main obstacles towards furniture renting. They request further research and call for researching more on barriers to renting furniture. Another starting point for further research mentioned by these authors is an analysis of consumers with different attitude sets towards sustainability and consumption, in order to be able to develop strategies to engage different types of consumers in CBMs.

Summarising these overall findings, it becomes clear that there are some repetitive factors that are often mentioned as risks across both the fashion and furniture sectors. Therefore, this thesis focuses on three of them, namely financial risk, breakage or performance risk, and hygienic risk. The first one, financial risk, refers to the fear of wasting money on something that cannot be owned and not fulfilling the expectations (Lang, 2018). Moreover, people might not want to rent fashion or furniture because of the recurring costs (Gullstrand Edbring, Lehner & Mont, 2016) that might end up being higher than if the product was purchased. Breakage risk is, as the name suggests, the fear of breaking, destroying or staining the object of desire, which could lead to a new fee. It is mentioned in a variety of literature (Gullstrand Edbring, Lehner & Mont, 2016; Moeller & Wittkowski, 2010; Moore & Taylor, 2009), however, sometimes under a different name, like anxiety (Gullstrand Edbring, Lehner & Mont, 2016). Lastly, the hygienic risk refers to the concern of consumers that the rented product is not clean after being used by a different consumer (Gullstrand Edbring, Lehner & Mont, 2016). Moreover, Bardhi and Eckhardt (2012) also identify contagion by pests or other people as a crucial risk of renting. Regarding this, Catulli (2012) suggests emphasising that "the tangible element (product) component […] is NOT a second hand product, it is a reutilized product which goes through a rigorous process of reconditioning for use by the next users" (p.16). Moreover, he believes that offering and stressing the cleaning and even sterilising of the rented products is helpful to minimise these perceived risks. We assume that the ongoing Covid-19 pandemic additionally increased people's fear of poor hygiene, which makes this factor utterly important for this thesis in the pandemic context.

2.5 Consumer Resistance to Innovation

Having described and argued for all of the factors that come with the BMI of integrating a renting service into a retail business model, the last subchapter of this literature review is dedicated to the end consumer and the processes that take place when confronted with such an innovation. This thesis makes use of two recognised theories in order to understand consumer resistance better: the diffusion of innovations theory by Rogers (2003) which has a focus on the BMI itself and how its' attributes affect consumers, and the theory of consumer resistance by Ram and Sheth (1989) which focuses on actual barriers for consumers in accepting innovations and how they can be broken.

2.5.1 Diffusion of Innovations Theory

In one of his most famous works, Rogers (2003) focuses, although not specifically connected to business models, on innovations. Nevertheless, due to its generality, it serves as a great insight into how consumers react to innovations. Therefore, we use Roger's diffusion of innovation theory as the first bridge between BMI and consumers.

The most important takeaways from the diffusion of innovations theory are the five main attributes of innovation that influence how fast it will be adopted by the consumers.

The first attribute, relative advantage, relates to how much better the innovation is perceived compared to its previous solution. Often, this is measured as economic profitability or social prestige (Rogers, 2003). We therefore suggest that the aforementioned financial risk of renting is an important factor in how well the consumers perceive the new format. If renting seems too financially risky, or in other words that it is not worth it compared to regular purchasing, the relative advantage is too low, and the innovation's adoption is slowed down. Furthermore, we suggest that relative advantage can be expressed via the breakage and hygienic risk of renting. If the worry of the renters regarding hygiene or breaking or staining the item is too big compared to their usual form of consumption, they are less likely to engage in the act of renting furniture or fashion. This aspect is also related to the second attribute of compatibility, which we already shortly touched upon in this thesis. Rogers (2003) defines compatibility as follows:

> the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters. An idea that is more compatible is less uncertain to the potential adopter and fits more closely with the individual's situation. Such compatibility helps the individual give meaning to the new idea so that it is regarded as more familiar (p.240)

Based on this definition, we propose that compatibility can be expressed in many ways. However, based on previous literature on the advantages and motivations of renting, the consumer characteristics of environmental consciousness and trend orientation seem to be two of the most important ones. Consequently, with the logic of compatibility in mind, consumers showing high interest and awareness for sustainability, but also for new trends, should be more open towards renting. As the third attribute of innovations, Rogers (2003) mentions complexity. It can be understood as the perceived difficulty to use and understand the innovation. Trialability, the fourth attribute, is characterised by how much innovation can be tried out and tested which often results in the creation of meaning for the individual. Furthermore, it is often cherished by consumers to try out an innovation under one's own conditions. Lastly, observability refers to "the degree to which the results of an innovation are visible to others (Rogers, 2003, p.258).

To conclude, the two most influential attributes of innovations, relative advantage, and compatibility (Rogers, 2003), are also the most important for this thesis. The former can be seen as related to perceived risks of renting, while the latter serves as a base for acknowledging specific consumer traits. To further go into the consumer perspective, this thesis and its assumptions are also based on Ram and Sheth's (1989) theory of consumer resistance which is discussed next.

2.5.2 Theory of Consumer Resistance

Ram and Sheth's (1989) theory about resistance to innovation serves as a second bridge between BMIs and consumers for this thesis. In short, the authors postulate here that consumers

face a range of barriers that heighten the resistance to innovations. This resistance seems to be a habitual and instinctive response of consumers towards innovations. Consequently, we use this theory to lead and argue from the business model frame to the actual consumers and how they perceive the innovation of fashion and furniture renting.

Most importantly, the authors identify three functional barriers to innovations: *usage barrier*, *value barrier,* and *risk barrier*. *Usage barrier* refers to the degree of compatibility the innovation has with existing habits and workflows. The more consumers have to change about their current behaviour, the more resistant they are towards the innovation. This idea matches with Roger's (2003) and Lee and Huang's (2021) work, as elaborated on above, and further confirms the importance of a match between the nature of renting and consumers' values and lifestyles. The *value barrier* is based on the perceived price-performance value of the innovation. This value needs to be higher compared to existing alternatives, otherwise the resistance is higher. The *risk barrier* represents the fear of physical, economic, functional, and social harm or damages the innovation might have on consumers. Next to the functional barriers, Ram and Sheth (1989) also identify two psychological barriers: the *tradition barrier* and the *image barrier*. The former refers to the degree of cultural change the innovation demands from the consumer. The greater the deviation from established traditions, the greater the resistance. The latter assumes that an innovation adopts an identity from its origin. When such associations are negative, the resistance to that innovation is higher.

Ram and Sheth (1989) then continue by suggesting strategies for overcoming these barriers. Each barrier has its own specific examples which lower the resistance: for example, the value barrier can be reduced by clearly communicating the product's or service's added value and/or by reducing the price. The usage barrier with the corresponding issue of compatibility can be minimised by integrating the innovation extremely well and smartly into existing offers instead of having it as an isolated extra option. To overcome the risk barrier, Ram and Sheth (1989) suggest designing an integrated communication strategy including testimonials and offer trials as part of the market strategy. Meanwhile, the tradition barrier can be resolved by educating customers and understanding and respecting existing traditions and habits. However, it is questionable if this kind of silo-thinking can be applied to the real world since the aforementioned solutions may apply to more than one sole barrier and thus improve the overall adoption of the innovation.

Looking at the access-based consumption format of renting in the furniture and fashion sector, one can assume that this is an innovation. This is due to the fact that in these sectors, the biggest players such as H&M and IKEA have so far based their business models on traditional consumption and linear business models. However, as already mentioned, the demand for more circular business models and a shift to more sustainable ways of consumption is steadily growing.

As elaborated above, literature has suggested that environmental consciousness could have a positive impact on consumer attitudes towards non-ownership and renting in specific. However, results from Moeller and Wittkowski (2010) regarding this effect were not significant. Nevertheless, due to the ever-growing importance of sustainability, the increasing demand for new, more circular business models and the call of other studies (e.g. Gullstrand Edbring,

Lehner & Mont, 2016; Svensson, 2019), we find it relevant to evaluate environmental consciousness again. Additionally, and in terms of the resistance towards innovation theory and its aforementioned weaknesses, we postulate that environmental consciousness has a positive impact on the consumer attitude towards non-ownership. This is due to the assumption that the environmental benefit of renting adds value to the business model, and hence decreases the value barrier. Environmentally conscious consumers therefore have a more positive attitude towards renting and parallelly show less resistance. Furthermore, as the compatibility between environmentally conscious consumers and renting should be high, it also lowers the usage barrier if integrated properly.

Our framework combines environmental consciousness with the concept of trend orientation, due to the fact that sustainability, but also furniture and fashion trends are relevant in today's consumption world. For trend orientation we assume a positive impact on attitude, since renting can increase not only the variability in one's home and closet, but also sustainable behaviour can be seen as a trend affecting consumption. This trend can also be viewed in terms of the tradition, value, and usage barrier of the resistance to innovation theory: consumers that are used to following the newest trends do not want to change their behaviour in order to adopt an innovation. Moreover, being able to increase clothing variability in general also increases the value of renting. Consequently, the resistance towards fashion and furniture renting should be lower with more trend-oriented consumers.

However, we postulate that the risk barrier of renting weakens the impact of environmental consciousness and trend orientation to non-ownership as a moderator. This is due to the fact that the three risk components can be viewed as a sort of overall negative perception or as worries that consumers have about renting. In this case, it is made up of the following components: the fear of having invested money in something that does not satisfy in terms of price-performance, which is called financial risk. The fear of some sort of punishment if the rented product breaks or stains is here named risk of breakage. In addition to the theory of innovation resistance, both of these risks also appear in the existing literature about non-ownership. The same applies to the fear of bad hygiene, however, it is now more important than ever to evaluate this risk, considering the ongoing Covid-19 pandemic. As a consequence, all of these factors are relevant to be evaluated once again, and in this combination with each other. Moreover, comparing the fashion and furniture sector and identifying potential differences in attitudes further contributes to the current research. Finally, the hypotheses of this thesis are the following:

Hypothesis 1: Environmental consciousness negatively affects consumer resistance towards renting.

Hypothesis 2: Trend orientation negatively affects consumer resistance towards renting.

Hypothesis 3: Perceived financial risk moderates the relationship between environmental consciousness and consumer resistance towards renting.

Hypothesis 4: Perceived financial risk moderates the relationship between trend orientation and consumer resistance towards renting.

Hypothesis 5: Perceived breakage risk moderates the relationship between environmental consciousness and consumer resistance towards renting.

Hypothesis 6: Perceived breakage risk moderates the relationship between trend orientation and consumer resistance towards renting.

Hypothesis 7: Perceived hygienic risk moderates the relationship between environmental consciousness and consumer resistance towards renting.

Hypothesis 8: Perceived hygienic risk moderates the relationship between trend orientation and consumer resistance towards renting.

The answers to these hypotheses will then be combined with the theoretical and applied business model frame of this thesis to give valuable insight into what the consumer challenges for a company and its business model are and how to overcome them to successfully become more sustainable and circular from within. The resulting framework for this thesis is visualised down below in figure 2.

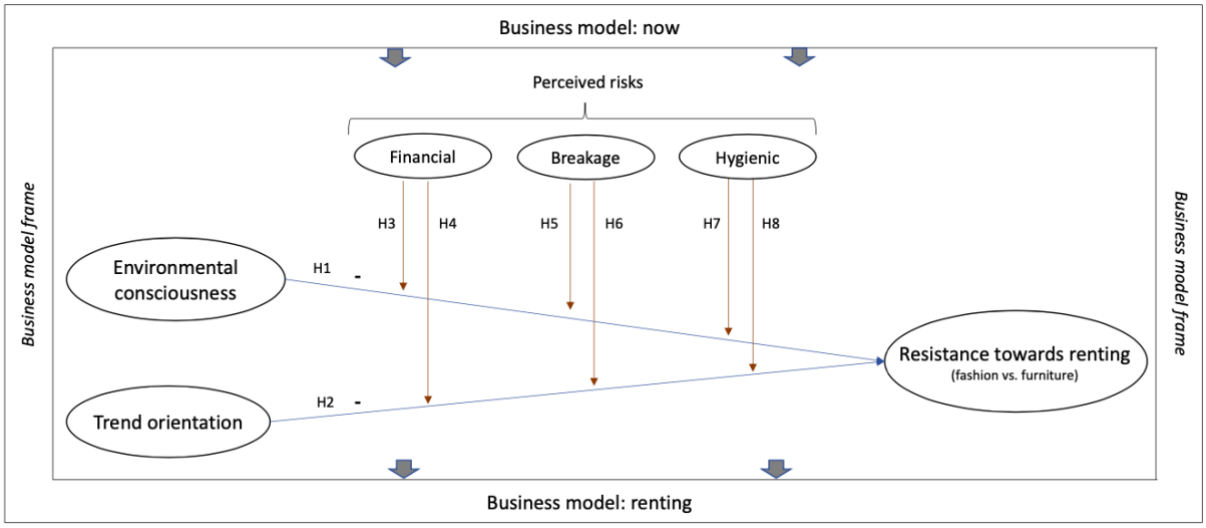

Figure 2: Conceptual framework for this thesis

3. Methodology

3.1 Introduction

In order to write this methodological chapter in the most structured way possible, we will take the so-called research onion by Saunders, Lewis and Thornhill (2009) as a guide. This model, shown in figure 3, includes all relevant aspects that need to be covered to fully understand the whole research process and motivations.

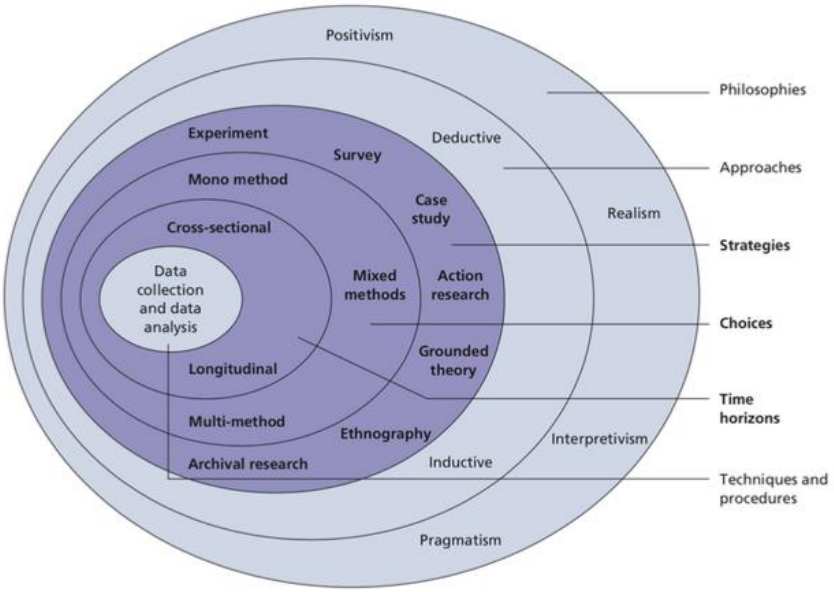

Figure 3: The research onion (Saunders, Lewis & Thornhill, 2009)

Consequently, the following subchapters will cover our research philosophy, approach, and strategy. Then, this chapter goes more deeply into the chosen research method, the time horizons, sampling and data collection methods, measurements, data analysis method, and lastly reliability and credibility of research findings combined with ethical considerations.

3.2 Research Philosophy

Starting with the outer layer of the research onion, we defined our research philosophy. Within research and philosophy, there are two main strands that should support the conducted research: ontology and epistemology (Easterby-Smith, Thorpe, Jackson & Jaspersen, 2018). According to the authors, ontology deals with questions such as ‘what is reality?’, whereas epistemology is about knowledge and how we acquire it. Each of these strands has two poles that take on different assumptions on these topics. Ontology’s poles are realism and nominalism which are explained by Easterby-Smith et al. (2018) in the following way: realism is “an ontological position which assumes that the physical and social worlds exist independently of any observations made about them” (p.65). Furthermore, there is a single truth, and facts can be

discovered. On the other side is nominalism, "an ontological view that objects in the world are 'formed' by the language we use and the names we attach to phenomena" (p.66). Therefore, that position assumes that there is no truth, since everything is created by humans.

Epistemology, "the study of nature of knowledge" (Easterby-Smith et al., 2018, p.69), constitutes two opposing views, positivism, and social constructionism. The former holds the belief that the social world exists externally and that the properties should be measured objectively. The latter assumes that reality is constructed by people rather than by external and objective factors. But why is this important? Well, the chosen research philosophy gives essential information about how one views the world, and it will therefore support the selected research strategy and method (Saunders, Lewis & Thornhill, 2009). Furthermore, it is important to note that, according to Easterby-Smith et al. (2018), both ontology and epistemology are linked to each other: realist ontologies fit with positivism and nominalism fits with social constructionism. Consequently, and since the reality is independent of any observers, it is the task of research to reveal underlying theories and laws. Given these explanations, this thesis adapts a mainly realist and positivist research philosophy. This research philosophy leads us to the verification or falsification of theories with the means of quantitative data (Easterby-Smith et al., 2018).

3.3 Research Approach

The next layer of the research onion regards the research approach. Due to our positivist research philosophy, the research approach of this thesis is deductive. This approach implies designing a research strategy to test certain hypotheses based on theory in contrast to induction, which means building theory based on data (Saunders, Lewis & Thornhill, 2009). Ultimately, the goal of deduction is the aforementioned verification or falsification of the theory and hypotheses used. Furthermore, deduction has a top-down nature as it goes from very general to specific (Burns & Burns, 2008).

In the case of this thesis, the theory of diffusion of innovations by Rogers (2003) and the theory of consumer resistance by Ram and Sheth (1989) are used as a basis for the deductive approach. By means of these theories, this thesis builds hypotheses regarding consumer resistance towards the retail business model innovation of fashion and furniture renting services. The data collection and analysis allow us to verify or reject the proposed hypotheses and therefore enable us to draw conclusions about how retailers can successfully modify their business model while taking into account the consumer perspective.

3.4 Research Strategy

As a next step, we defined our research strategy. In order to formulate sound and substantive research questions, one has to understand the purpose of one's research. An *exploratory* research purpose attempts to learn more about a phenomenon with the goal of understanding a problem and providing more tentative insights, which is usually done in a qualitative way that

may be tested and confirmed by further research subsequently (Malhotra, 2010; Saunders, Lewis & Thornhill, 2009). In contrast to exploratory research, a *descriptive* research approach demands hypothesis formulation before conducting the study and usually requires a clearly structured planning stage and large samples in order to be able to make solid statements (Malhotra, 2010; Saunders, Lewis & Thornhill, 2009).

This study attempts to answer two research questions of descriptive nature, with the first one seeking to answer how resistant consumers are towards renting fashion and furniture, taking into account environmental consciousness and trend orientation. The second research question aims to identify and pinpoint differences in consumer resistance between fashion and furniture renting in retail. The main part of our research is thus based on a quantitative data and a deductive approach with hypotheses derived from previous research (Burns & Burns, 2008). However, our third research question cannot be classified that clearly, since it aims at giving guidelines to retailers on how to implement the renting format into their business model considering customer resistance. Our answer to this last research question therefore originates from the gathered quantitative data but it melts in with the frame of this thesis, the business model perspective, to explore what can and should be done by retailers to accommodate the renting format successfully.

The predominant nature of this research investigates relationships among variables, requiring a quantitative method with a large number of cases to analyse data and derive reliable results. Hence, an online survey was developed for primary data collection with a cross-sectional approach, collecting data at one point in time (Burns & Burns, 2008). The survey was designed as a structured-direct survey, presented as an online questionnaire with fixed-alternative questions from which the respondents selected their answers. The questionnaire was structured in a pre-arranged order so that every participant receives the questions in the same order. Advantages of the survey data collection method are its simple way of administering it and the outcome of having reliable data since the response possibilities are limited to the predefined alternatives (Malhotra, 2010). Furthermore, online surveys are easy to spread, low-cost and convenient, since they are relatively easy and quick to prepare (Evans & Mathur, 2018). The aggravated circumstances with the ongoing Covid-19 pandemic further pressured us to use a contactless, cost-efficient, and convenient way to gather data. To conclude, the aforementioned reasons and our research purpose support our choice of an online survey as primary data collection method.

3.5 Research Method and Time Horizons

After having defined the research strategy, the choice of research methodology is linked to the aim of the study, the researcher's beliefs, and epistemological concerns (Ahmed, Opoku & Aziz, 2016). More concretely, for the choice of method, three approaches are commonly used and accepted in business management research: qualitative, quantitative, and mixed or multiple methods (Ahmed, Opoku & Aziz, 2016; Saunders, Lewis & Thornhill, 2009).

Using a single data collection technique is referred to as mono method choice that chooses either a quantitative or a qualitative method. The data collection in quantitative methods is related to questionnaires and data analysis approaches based on statistics or graphs (Saunders, Lewis & Thornhill, 2009). On the other hand, a mixed or multiple-methods choice comprises a combination of quantitative and qualitative techniques to data collection and permits to make use of different methods in one study (Ahmed, Opoku & Aziz, 2016). Although choosing a mixed method is growingly supported in business research and allows for using quantitative and qualitative methods together (Saunders, Lewis & Thornhill, 2009), we decided to take a mono method due to the given time constraints.

This study uses primarily quantitative data attempting to explain the relationships between the variables *environmental consciousness*, *trend orientation*, and *resistance towards renting*, moderated by *financial*, *breakage*, and *hygienic risks*. To get back to the business model frame of our study, we build up on the findings of the quantitative study and use secondary data to establish the building blocks of a SBM for fashion and furniture retailers including renting.

As the next part of the research onion, the choice of time horizon is another important determinant to consider. The choice of time frame is independent of the research strategy and method and answers the question whether data is collected at one or several points in time (Saunders, Lewis & Thornhill, 2009). It consequently sets the frame for how data is collected.

Because of the nature of our study and time constraints, we use a cross-sectional approach by collecting data at one point in time. Cross-sectional studies only measure at one point in time across different groups (Burns & Burns, 2008), which is further aligned with our aim to gain insights into the current state of customer resistance towards fashion and furniture renting.

3.6 Sampling and Data Collection Methods

3.6.1 Sampling Method and Primary Data Collection

Coming closer to the core of the research onion, the sampling method and data collection methods have to be decided. As a first step of the sampling process, the target population is to be defined in order to attain a large enough, but precisely defined sample (Burns & Burns, 2008; Malhotra, 2010). The definition of a target population requires a clear distinction of the elements to be included in the sample from those not to be included, which demands speaking of sampling unit, extent, and time (Burns & Burns, 2008). Since this thesis deals with resistance towards the introduction of a SBM focused on renting fashion and furniture, the target population includes consumers of both industries. The target population further includes the range from 18-to 50-year-olds, with the younger group of Millennials being the main target of mass-market retailers such as IKEA and H&M (All Answers Ltd., 2018; Dudovskiy, 2019). However, we decided to also include elements from the older age group of 50+ year-olds since these older segments are gaining importance due to a generally aging population and increasing life expectancy in Western countries (Lange & Velamuri, 2014). There are no restraints regarding educational background or income since this could result in very different outcomes.

To sum up, the target group includes the following characteristics: consumers of the fashion and furniture industry, aged 18 to 50.

As a next step, we defined the sample size. Generally, the larger the sample size, the better to avoid making false conclusions based on the margin of error and to have sufficient accuracy in results (Saunders, Lewis & Thornhill, 2009). As pointed out by Burns and Burns (2008), the Central Limit Theorem offers a solid base for determining sample size. With a sample consisting of at least 30 respondents, the distribution will advance towards a normal distribution. Furthermore, as stated by Marañon (2021), the minimum requirement for marketing studies sample size is 200 participants. Therefore, our aim was to recruit around 200 participants since this is sufficient to receive genuine results with a low sampling error.

Due to the current circumstances, taking the Covid-19 pandemic into account, participants were sampled via convenience sampling. Convenience sampling offers the benefits of accessibility, low cost, and an uncomplicated way of selecting participants (Burns & Burns, 2008). Furthermore, non-probability sampling is used since probability sampling does not allow for an easy collection of enough responses in the given time period with very limited financial resources. As a result, the probability of any individual of the population being sampled cannot be stated, making it uncertain that the sample reaches sufficient generalisability (Easterby-Smith et al., 2018). However, convenience sampling was used since it was the best way to conduct this study considering financial, time, and pandemic restraints.

To obtain the necessary primary data, we created an online questionnaire and distributed it through various online channels, which is an easy and fast way to recruit participants to conduct the survey. Surveys based on questionnaires are the most widely used and accepted means of collecting quantitative data from a large sample size, making it the tool of choice for explanatory and descriptive research (Saunders, Lewis & Thornhill, 2009). The broadness of the target group made it possible for us to share the survey with friends and family online. It is important to keep in mind, however, that self-selection bias cannot be avoided with this method (Easterby-Smith et al., 2018). Furthermore, the survey was posted on Facebook, LinkedIn, and Instagram, both on our feeds and in several groups (e.g. “International students in Lund 2021/2022”, “Student Survey Exchange” & “Dissertation Survey Exchange”) in order to get a large enough sample. The survey was open for 17 days, from April 30 until May 16, 2021, and resulted in 192 respondents, with 191 remaining after data cleaning. Data cleaning included checking for inconsistencies and missing responses (Malhotra, 2010), and confirming the seriousness check. We configured the questionnaire in a way that answering each question was required which led to no missing responses, and only had to remove one participant because of a negative seriousness check. Furthermore, no extreme values or outliers were detected which is due to the nature of Likert scales that made the data cleaning process straightforward.

3.6.2 Secondary Data Collection

For the literature review, the use of secondary sources was essential to provide a critical review of the current state of research relating to the topic of fashion and furniture renting, consumer resistance, and sustainable business models. Business and management research literature

(Burns & Burns, 2008; Malhotra, 2010) emphasises the need of a solid theoretical literature review in order to provide context, elaborate on the exact research problem and provide a theoretical base for this research. In order to provide a sound understanding and background to the stated research problem, this thesis utilises a variety of sources to collect secondary data. Previous studies and other pieces of information were found through different research engines such as Google Scholar, Lund University's LUBsearch, and Elsevier's Scopus. We furthermore evaluated the sources in terms of peer reviews, citations, and the publication in academically recognised journals, such as the Journal of Cleaner Production, Journal of Retailing and Consumer Service, International Journal of Product Development, Innovation for Sustainability, Sustainable Production and Consumption, Journal of Retailing and Consumer Services. Other literature included books, grey literature, and online articles and websites, for which we made sure to use commonly known sites and the official company websites of IKEA and H&M to get reliable information especially for the business model application.

We furthermore followed a strategic approach by using relevant search keywords related to our research topic. The most common used keywords included sustainable business models, circular business models, business model innovation, access-based consumption, fashion renting, furniture renting and consumer resistance.

3.7 Measurements and Questionnaire

The conceptual framework of this thesis consists of several parts: two independent variables (IVs) called environmental consciousness and trend orientation, three moderating variables (MVs) reflecting different types of risks, and ultimately one dependent variable (DV) called consumer resistance towards renting. Generally, the IVs are the variables that influence the DV, and the MVs interfere with that very impact between IVs and DV (Burns & Burns, 2008).

The first IV, environmental consciousness, reflects the degree to which the consumers value sustainability and sustainable products and it is measured with a seven-point Likert scale with three items by Moeller and Wittkowski (2010). Trend orientation is measured with a three-item scale from Moeller and Wittkowski (2010), however, the wording was slightly adapted for our purposes. In both scales, the participants are asked to indicate their agreement (1 = strongly disagree and 7 = strongly agree) to three statements each for fashion and furniture (e.g. "*Environmental protection is very important to me*" and *"It is important to me that my home furnishing is up-to-date"* respectively).

Furthermore, this study tests the influence of three MVs: financial risk, breakage risk, and hygienic risk. These have been identified as possible influencers in attitudes and resistance of consumers regarding renting, as mentioned in the literature review. In addition to trend orientation, the MVs and the DV are also measured twice, once for renting fashion and once for furniture, to check for eventual differences between the sectors. Firstly, perceived financial risk is measured with a seven-point Likert scale containing three items, asking for the participants' agreement to statements (e.g. *"I will feel that I wasted money to rent*

clothing/furniture just for a shorter time"). The scale was taken from Lang, Seo and Liu (2019) and was adapted to furniture and fashion wording.

Breakage risk, describing the fear of breaking or staining the rented product, is also measured by the means of a three-item, seven-point Likert scale concerning the agreement. However, this scale is a combination of two existing scales (Kang & Kim, 2013; Moeller & Wittkowski, 2010). Its reliability is, along with the other scales, analysed further down in this thesis but the pre-test did not show any evident problems. An example item here would be *"Having to think about the eventual staining / damaging of rented clothing can hinder me from renting".*

The last MV called hygienic risk is also operationalised by a seven-point Likert scale with three items from Lang, Seo and Liu (2019), with the wording slightly adapted for our purpose. Once again, the participants are asked to indicate the degree to which they agree to the three different statements (e.g. *"I am worried about the cleanness of rented clothing"*) on a scale from 1 to 7.

Finally, the DV of this thesis, which we suggest showing an influence of the previously mentioned variables, is measured by a scale from Mani and Chouk (2018). The scale contains six items that aim to measure how resistant consumers are to both fashion and furniture renting (e.g. *"I would be making a mistake by using furniture renting services"*). One last time, the participants are to indicate the degree to which they agree to the six statements. As mentioned, this is done twice, once for furniture renting and once for fashion renting. Table 1 shows the constructs and their operationalisation for this thesis.

Table 1: Operationalisation of the constructs

Variable	Items
Environmental consciousness (adapted from Moeller & Wittkowski, 2010)	- Environmental protection is very important to me - If consumer goods are environmentally-friendly, I accept other sacrifices (such as costs) - In my consumer behaviour I hold environmentally-friendly products in high regard
Trend orientation fashion/furniture (adapted from Moeller & Wittkowski, 2010)	- It is important to me that my wardrobe/home furnishing is up-to-date - I like to keep up with the latest trends in fashion/furniture
Perceived financial risk fashion /furniture (adapted from Lang, Seo & Liu, 2019)	- I will feel that I wasted money to rent clothing/furniture just for a shorter time - It will cost a lot to manage and keep the rented clothing/furniture in good shape - I will feel that I wasted money to rent clothing, but not own it

Perceived breakage risk fashion/furniture (Kang & Kim, 2013; Moeller & Wittkowski, 2010)	- Having to think about the eventual staining / damaging of the rented clothing/furniture can hinder me from renting - I would be inclined to rent durable clothing/furniture, but I'm not prepared to pay a fine for stained / damaged clothing/furniture - I would feel insecure that the rented fashion/furniture item will be easily damaged / stained
Perceived hygienic risk fashion/furniture (adapted from Lang, Seo & Liu, 2019)	- I am worried about the cleanness of rented clothing/furniture - It will not be easy to clean the rented clothing - I will not feel comfortable when wearing/using the clothing/furniture that has been worn/used by others
Resistance towards fashion/furniture renting (adapted from Mani & Chouk, 2018)	- In sum, a possible use of fashion/furniture renting services would cause problems that I don't need - I would be making a mistake by using fashion/furniture renting services - The use of fashion/furniture renting services would be connected with too many uncertainties - The fashion/furniture renting services are not for me - I'm likely to be opposed to the use of fashion/furniture renting - I'm likely to be opposed to the discussions praising the benefits of fashion/furniture renting

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The questionnaire used in this study is divided into seven parts: welcome page & seriousness check, environmental consciousness & trend orientation, fashion renting risk perceptions, fashion renting resistance, furniture renting risk perceptions, furniture renting resistance, demographics. The full questionnaire can be found in Appendix A. The first part checks the seriousness and voluntariness of the respondent for filling out the survey with a single-choice question. The second, third, fourth, fifth, and sixth parts assess attitudes and perceptions with single-choice questions on a seven-point Likert scale. The last part, demographics, uses single-choice close-ended questions to determine age, gender, highest completed level of education, monthly net income (in Euros), and open-ended questions to determine the country of residence and nationality.

The questions were developed based on the literature as described above and the wording was slightly modified with the exact vocabulary fitting to the research topic. With the help of the survey administration software Google Forms, we created the online questionnaire and pretested it with six participants, who provided constructive feedback. Based on the pre-test participants' feedback, we made some minor adaptations to have a clear and easy-to-understand

questionnaire. The questionnaire was then sent via a direct link to friends and distributed through different online platforms such as Facebook, LinkedIn, and Survey Exchange.

3.8 Data Analysis and Method

With our goal of testing our hypotheses and understanding the relationships between the IVs and DV, and the moderation effects of the risk perceptions, correlation analysis is an adequate means of assessing the strength of the relationship between variables (Saunders, Lewis & Thornhill, 2009). The correlation coefficient allows quantifying the strength of this relationship and the values range from -1.00 to 1.00 with a value of +1 constituting a perfect positive correlation and a value of -1 indicating a perfect negative correlation. A value of, or close to 0 shows that there is no meaningful relationship between the two variables (Saunders, Lewis & Thornhill, 2009). For the correlation analysis, the coefficient Pearson's 'r' was computed since scale data is being used, and since it is the most common correlation coefficient and gives the most accurate results (Burns & Burns, 2008).

After sufficient data collection with a large enough sample with around 200 respondents, the main analysis was conducted with the help of the statistical program SPSS. This step consists of computing the mean indices for all of the variables and testing them for correlations. First, we checked for an eventual correlation between environmental consciousness and consumer resistance towards renting. Secondly, we looked for a possible correlation between trend orientation and consumer resistance towards renting. Then, the partial correlations between perceived financial, breakage, and hygienic risks were evaluated in order to check if they have a moderating role. In order to give a little bit more insight into the meaning of the zero-order and partial correlations, a short test (Soper, 2021) of the correlation coefficient difference significances based on Fisher (1921) was conducted. One needs to keep in mind, however, that it is an approximate test since it is primarily used for testing differences between two zero-order correlations. The results of this test are shortly presented in the results section of this thesis, and the detailed values are found in Appendix B.

3.9 Reliability and Credibility of Research Findings

In order to be able to replicate research findings, which is the ultimate quality proof of research, the findings need to be consistent, stable, and reliable (Burns & Burns, 2008). Therefore, this thesis assesses the reliability of the scales used with the help of Cronbach's Alpha (α). It shows how internally consistent the different items of a scale are with each other, and a Cronbach's Alpha (α) value above .60 is considered to be satisfactory (Burns & Burns; Taber, 2018). The reliabilities of this thesis' scales are shown in table 2, which indicates that no item needs to be deleted.

Table 2: Reliability of the constructs

Construct	# of items	Cronbach's α
Environmental consciousness	3	.815
Trend orientation (fashion)	2	.839
Trend orientation (furniture)	2	.846
Financial risk (fashion)	3	.712
Financial risk (furniture)	3	.759
Breakage risk (fashion)	3	.654
Breakage risk (furniture)	3	.782
Hygienic risk (fashion)	3	.760
Hygienic risk (furniture)	3	.798
Resistance towards fashion renting	6	.894
Resistance towards furniture renting	6	.920

Besides the concept of reliability, the concept of validity must not be neglected when collecting and analysing data. While reliability deals with the question if the results will be similar or even the same when the measurement is repeated, validity deals with the question if the assessment tool actually measures exactly what it is wanted. This is often known as internal validity (Burns & Burns, 2008). To ensure high internal validity for this thesis, we utilised already used and tested questions and scales from existing peer-reviewed literature. In addition, we conducted a pre-test with six participants to ensure logical soundness and to receive general feedback. In the pre-test, the participants are asked to indicate any unclarities or comments regarding the questions and the questionnaire design and usability to perfect the survey for the actual data collection. The participants of the pre-test are then excluded from the data collection to guarantee most genuine results.

In addition to internal validity, Burns and Burns (2008) identify a second type called external validity. This is mostly referred to as generalisability (Saunders, Lewis & Thornhill, 2009), and deals with how well the findings can be transferred correctly to a population and other research settings (Burns & Burns, 2008; Saunders, Lewis & Thornhill, 2009). In the case of this thesis, we used non-probability convenience sampling due to time constraints, which unfortunately does not guarantee a high representativity, nevertheless it can still provide valuable insights (Easterby-Smith et al., 2018). However, one still needs to take into account the methodological limitations that might arise with such sampling. To start with, this study may contain some random sampling error, which represents "an imperfect representation of the population of interest" (Malhotra, 2010, p.85). Also, the sample size is also too small to receive significant, clear and strong results. Furthermore, some sort of bias might be included since the survey was distributed in theme relevant Facebook groups and among student groups. Lastly, some sort of inability error (Malhotra, 2010) due to the English language of the questionnaire and potentially

some social-desirability bias based on the human nature to leverage their image (Easterby-Smith et al., 2018) could influence our results.

Finally, ethical considerations have to be taken into account when conducting a study. According to Easterby-Smith et al. (2018), key principles in research ethics include the protection of research participants, and the protection of the integrity of the research community. Most importantly, the issues of confidentiality, privacy, anonymity, and voluntary consent to participate have to be ensured during data collection and at the reporting stage of research in order to not cause any harm to the participants and their privacy (Easterby-Smith et al., 2018; Saunders, Lewis & Thornhill, 2009). To ensure ethical procedures during primary data collection, we informed participants about our adherence to GDPR principles at the beginning of the study. We furthermore gave the option to withdraw from the survey at any point in time. Considering ethical issues with secondary data, we ensured to only include data coming from published sources with authorised access.

4. Practical Application Business Models

This chapter discusses the current business models of H&M and IKEA from a sustainability perspective. To do so, the environmental layer of Joyce and Paquin's (2016) TLBMC is applied to the prevalent business models of H&M and IKEA, without taking the option of renting into account. We decided to exclude the economic and social layer for the analysis because the main focus of our research is based evaluating on how retailers like H&M and IKEA could become more sustainable, which does not require a thorough assessment of all three layers.

4.1 Sustainable Business Model Canvas – H&M

Suppliers and out-sourcing relate to the element of key partners from the economic layer, speaking about H&M's around 700 suppliers and 20 global production centers, but also designers, marketing & branding companies (Canvanizer, 2021; Raysita, 2015). H&M states to have strong, long-term oriented supplier relationships and to choose new partnerships carefully according to its values and has the overall goal of reducing supplier emissions by 20-25% by 2030 (H&M Group, 2021b). Another aspect of sustainability in this element can be found in H&M's aspiration to build a circular supply chain, based on the elements of its water roadmap, being toxic free by 2030, and eliminating fossil fuels in production (H&M Group, 2021a). Although we see positive developments in becoming more sustainable regarding H&M's suppliers and key partners, we assume that the aforementioned initiatives are not enough to be considered sustainable.

Regarding *production*, it is noteworthy that H&M's business model is strongly focused on outsourcing non-essential activities, for instance by not owning a single factory, which makes strong and long-lasting partnerships crucial (Raysita, 2015). Furthermore, H&M uses artificial intelligence to run its manufacturing and distribution and for its integrated supply chain model. Hence, H&M follows lean production and agile manufacturing processes to be able to deliver the newest trends to its customers (Paliichuk, 2020), which does favour production speed. However, one needs to keep in mind that faster, trend-oriented production might not be aligned with the view of a SBM that aims at becoming more sustainable. As stated by H&M in its Sustainability Report 2020 (H&M Group, 2021b), a big focus lies on using renewable energy with the goal of achieving 100% renewable energy use with currently obtaining 90% of energy from renewable sources. More broadly, H&M follows a strategy that aims at reducing its carbon footprint across its operations and works towards more circular production processes (H&M Group, 2021b).

Materials build upon the *key resources* element of the economic layer and specifically examine the natural resources used to provide functional value. To date, 64.5% of materials used for garment production by H&M come from recycled or other sustainable sources, and the retailer aims at continuously improving its sustainability efforts in choosing more sustainable material choices (H&M Group, 2021b). Furthermore, taking the product lifecycle into account, we argue that a better choice of durable materials would help to increase a garment's lifespan and avoid

unnecessary over-production. We consequently presume for this element that the careful choice of durable and sustainably sourced materials could add more environmental value to a SBM.

Speaking about value, more specifically H&M's value proposition and *functional value,* it is all about delivering inexpensive quality products, serving different price segments (Canvanizer, 2021) with "fashion and quality at the best price" (Raysita, 2015). Such a value proposition itself cannot account for as sustainable, which requires a further investigation on functional value as proposed by Joyce and Paquin (2016) within this element of the environmental layer. *Functional value* regards the output of production, thus any produced fashion item, from a lifecycle perspective. Very recently, in January 2021, H&M made environmental impact data of a lifecycle assessment public for the first time in order to be more transparent towards its customers (H&M Group, 2021b). However, concrete data on lifecycle assessment is missing, which leads us to assume that there is huge room to improve in terms of thinking about sustainable and environmental value.

End-of-life relates to the point when a consumer no longer uses a product or service anymore and may consider recycling, repurposing or disposing of it. Since this aspect is closely linked to the *use phase* of a product, prolonging the actual use phase would be a way to become more sustainable. Exact data for end-of-life of H&M's products is missing, but we assume that end-of-life for fast fashion clothing is comparable across this sector. In general, fashion items' lifespans are very short, estimations presuming that about 80% of fast fashion items are disposed of after only six months (Niinimäki, 2017), producing huge amounts of waste.

With regard to *distribution*, H&M's distribution channels include its traditional offline stores, but the retailer is increasingly moving towards an omnichannel experience built upon an integration of its various online channels, notably its e-commerce website, mobile commerce, and social media (Canvanizer, 2021; Charlton, 2020). H&M further claims to become "climate neutral" throughout all their operations by 2040, meaning that it will reduce its greenhouse gas emissions to a point that it does not produce any additional emissions compared to what its value chain emits (H&M Group, 2021c). From an environmental perspective, distribution regards the usually quite long transport distances of any produced fashion item as well as the resulting carbon footprint.

For the actual *use phase* of a fashion item, this element regards the whole lifespan of a product taking into account the use phases of different consumers. It depends on how long each customer is actually using an item before disposing of it. Klepp, Laitala and Wiedemann (2020), for instance, argue that creating longer use phases of a product can have a huge impact on sustainability within the fashion industry, avoiding unnecessary production, transportation, and waste. As mentioned earlier in end-of-life, actual data accounting for the average use phase of H&M produced fashion items is missing, but we assume it to be similar across companies in the fast fashion sector, speaking of very short use phases of only 6 months (Niinimäki, 2017).

Environmental impacts include any harmful impact fashion production and usage have on the environment. Environmental impacts of fashion production and consumption include the aforementioned unnecessary production of waste, but also water pollution, with the fashion

industry accounting for about 20% of global impact (Niinimäki, 2017). H&M, criticised by many, had to face the enormous amount of unsold clothes worth 4.1 U.S. dollars in 2019, which were consequently used to fuel a power plant in Sweden (Segran, 2021). Waste is consequently a major issue, next to greenhouse gas emissions from production and transportation.

Lastly, with *environmental benefits* address the environmental value and thus sustainability through reducing harmful impact on the environment. As stated on their website, H&M aims to become "climate positive" by 2040, use 100% of renewable energy and make circularity the core of its value chain (H&M Group, 2021c). However, we do not see any clear environmental benefits in H&M's current business model. Based on the aforementioned facts, we assume that H&M can achieve environmental benefits through the implementation of more initiatives aiming at reducing its overall climate footprint, which we will analyse in our discussion with the SBM of renting.

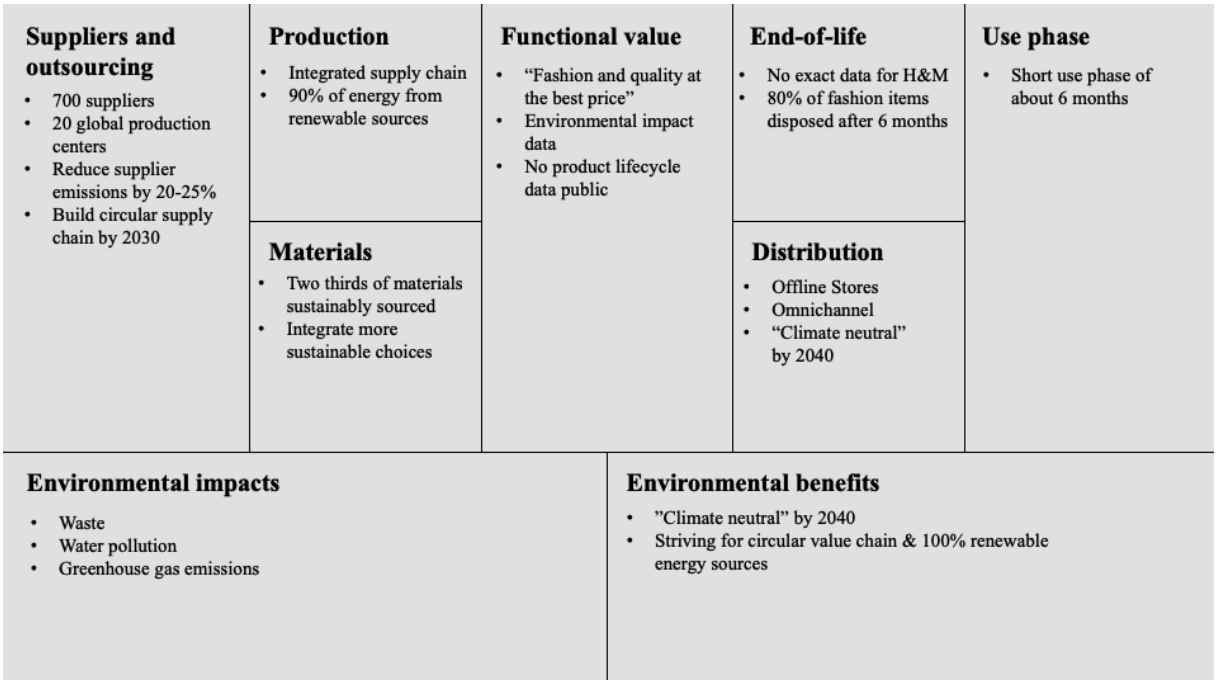

Figure 4: Sustainable business model canvas H&M

4.2 Sustainable Business Model Canvas – IKEA

This subchapter applies the sustainable layer of the TLBMC by Joyce and Paquin (2016) on the retailer and brand IKEA in order to evaluate the current business model in terms of sustainability.

S*uppliers and outsourcing* include all production and material activities that are not at the core of IKEA's business, speaking of about 1,600 suppliers in more than 50 countries worldwide (IKEA, 2021b). With its goal to become fully circular by 2030, IKEA monitors and audits its

suppliers and imposes its "IKEA Way on Purchasing Products, Materials, and Services (IWAY)" code of conduct in order to achieve its circular aspirations (IKEA 2021a; Szerakowski, 2017). Core components of IWAY include setting environmental, animal welfare, social and working requirements within ten IWAY principles in order to ensure high sustainability and social standards among IKEA's suppliers (IKEA, 2021c). Furthermore, some of IKEA's key partners include not-for-profit oriented ones like partnerships with the United Nations Children's Fund (UNICEF), the World Wide Fund For Nature (WWF), and the United Nations Development Programme (UNDP), as well as some social entrepreneurs in order to fulfil its social mission (Studiousguy, 2021; Szerakowski, 2017).

Within *production,* and especially focusing on key activities with high environmental impact, the main components are IKEA's furniture design and manufacturing of the products, as well as running the supply chain and its physical stores with efforts in creating a seamless customer experience (Johansson, 2020). To date, IKEA's climate footprint on production is measured at 2.5 million tonnes CO_2 eq, which shows a reduction of -15.5% compared to 2016, that is, however, still below the goal of reducing the value of 3.0 million tonnes CO_2 eq from 2016 by 80% until 2030 (IKEA, 2020). It is noteworthy to mention that IKEA aims at using 100% renewable energies until 2030 in all its production activities, which has increased slightly towards a percentage of 46% in 2020 (IKEA, 2020), but is still far from its target. Although one can pinpoint positive developments in becoming more energy-efficient and using renewable sources in production, IKEA will need to find more ways to ensure sustainable growth while experimenting with new business models like renting.

The sustainable layer of *materials* builds upon the economic layer of key resources and examines the impact of natural resources used for providing functional value. *Key resources* lie in IKEA's competence in product development and its wide supply chain network, but also its extensive know-how on stores and physical assets (Johansson, 2020; Studiousguy 2021). The gradual implementation of new delivery points and outlets, aiming at providing a seamless customer experience, are further key resources that help to strengthen the prevalent business model (Johansson, 2020). In 2020, IKEA's climate footprint within its materials was measured at 9.6 million tonnes CO_2 eq, showing a slight increase of 0.6% compared to 2016 (IKEA, 2020). While IKEA is on a way to actively reduce its climate footprint and environmental impact through different actions, e.g. through sourcing 98% of its wood from sustainably certified sources or through recycling (IKEA, 2020), the focus could shift on producing less and thus using robust materials, for which renting furniture could become a real asset.

Concerning value, IKEA's general value proposition can be described as "value-for-money home furnishing for the many people. We do our part, you do your part" (Johansson, 2020, p.14), but also its DIY system of furniture assembly, with price, novelty, and design altogether forming the core of its value proposition (Studiousguy, 2021; Szerakowski, 2017). To account for sustainable value, the element of *functional value* regards the general output of a firm's products and services from a lifecycle perspective. IKEA actively communicates its efforts in becoming fully circular by 2030 (IKEA, 2021a; Szerakowski, 2017) which can be considered a change in strategy, aiming at creating a positive impact on the planet through its circular and sustainability-oriented endeavours. For instance, IKEA executes a circular product assessment

in which it re-evaluates more than 9,500 of its products in terms of circularity and lifecycle perspective to improve each one in terms of circular product design (IKEA, 2020).

The sustainable layer of *end-of-life* assesses the point when a customer decides to stop using a product and consequently recycles, repurposes, or discards it. In the case of IKEA, it measures the climate impact of product-end-of-life at 0.8 million tonnes CO_2 eq, which shows improvements of 7.1% compared to 2016 (IKEA, 2020). With about 4% of IKEA's whole climate footprint coming from end-of-life, we assume that a CBM could further improve this element.

While the *use phase* is indirectly linked to end-of-life and regards the product's lifetime in the hands of a customer, it is an element that can be hardly controlled by IKEA. Similar to fashion, it depends largely on the customer on how long the product will be used. One initiative by IKEA to extend the use phase, however, is to increase the availability of spare parts to make it easier for customers to repair and keep the furniture in a good state (IKEA, 2020). With its overarching goal of becoming fully circular by 2030 and finding more solutions to extend the use phase of products, the need for a more circular SBM is evident.

Distribution, but also the actual packaging and delivery logistics play a crucial role in reducing carbon footprint and refer to the modes of transport of the organisation's products, adding the actual distances for distributing and the product's weight. IKEA's main channels are currently its IKEA stores and increasingly e-commerce with online product sales, but also social media channels and commercials (Johansson, 2020; Maarten & Parisa, 2021). To date, IKEA's product transport climate footprint accounts for 0.98 million tonnes CO_2 eq, showing an improvement of reducing by -14% compared to 2017 (IKEA, 2020). IKEA furthermore aims for bisecting the footprint of its value chain by 2030 and strives for 100% of renewable energy use by 2030 (IKEA, 2020). The challenge linked to distribution climate footprint with implementing renting into its established business model will require to make the supply chain as smart as possible in order to avoid unnecessary transportation.

Environmental impacts include overall CO_2 emissions and the use and exploitation of natural resources and energy. Although IKEA strives for becoming fully circular and actively communicates its sustainable efforts, the retailer's business still has a huge impact on the environment. For instance, it uses about 0,5-1% of the world's cotton supply (Szerakowski, 2017; IKEA, 2020) and 1% of the world's total wood supply (Cosmo & Yang, 2017). Furthermore, it has been criticised for palm oil in its candles and some wood products having a destructive impact because of deforestation that causes further pollution and the emission of further greenhouse gases (Cosmo & Yang, 2017).

Lastly, *environmental benefits* address particularly the environmental value a firm creates through its business model. Positive to mention in the case of IKEA is its striving for improving its whole business model and the willingness to become fully circular in order to create a more sustainable future (IKEA, 2021a; Szerakowski, 2017). IKEA (2020, p.28) argues:

> By 2030, IKEA is committed to becoming climate positive by reducing greenhouse gas emissions in absolute terms by more than the IKEA value chain emits, while growing the

IKEA business. This is how we contribute to limiting the global temperature increase to 1.5°C by the end of the century.

We presume that further environmental benefits could be achieved through the implementation of a CBM, which we will analyse in our discussion with the CBM of renting.

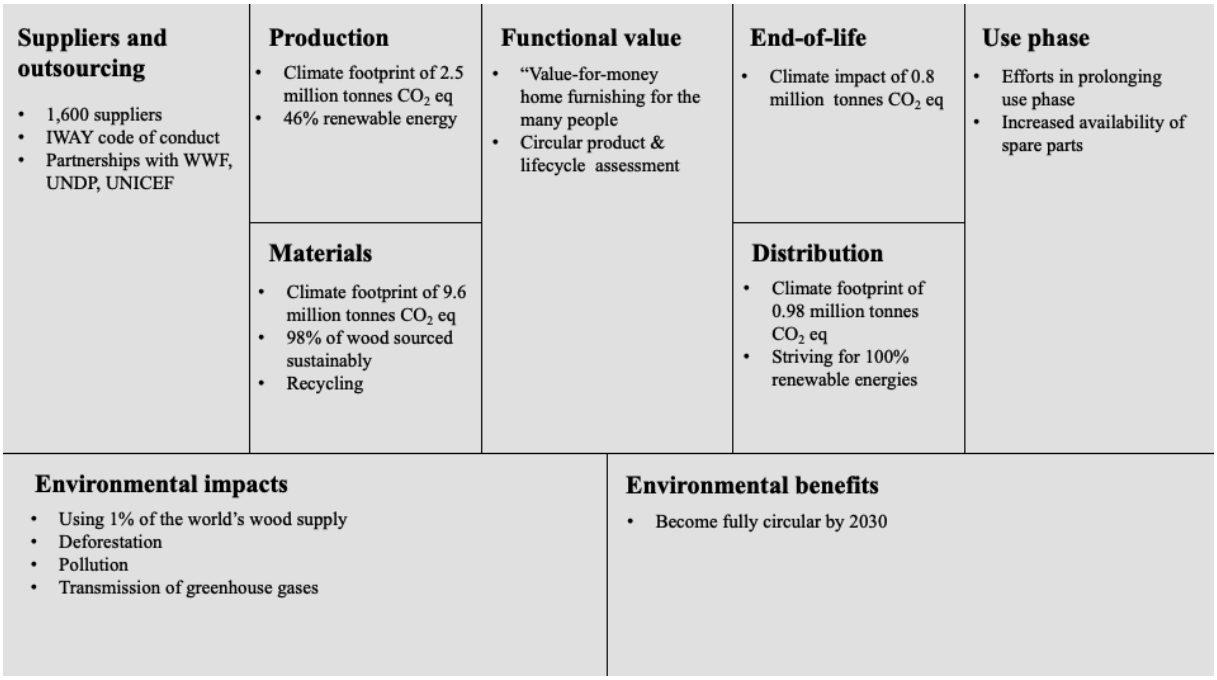

Figure 5: Sustainable business model canvas IKEA

5. Results

5.1 Data Cleaning and Preparation

In total, our online survey had 192 respondents during the course of 17 days, which is only a bit less than we had aimed for. Nevertheless, the sample should still be large enough to calculate valuable and normally distributed insights. One participant, although, had to be removed from the data set since he or she answered the seriousness check negatively ("*I agree to fill out this survey voluntarily & truthfully"*). The remaining 191 respondents were then screened for extreme outliers and abnormalities, which we did not come across. For these participants, we adjusted the open text answers of nationality and country of residence to the same format (e.g. from nationality "Austria" to "Austrian"). Then, we calculated mean indices for the constructs. In order to be able to compare the fashion and furniture sector, we mostly computed for separate mean indices.

5.2 Descriptive Statistics

Before analysing the collected data and testing our hypotheses in-depth, a general overview of the data should be given. A visualisation of the demographics age, gender and education are to be found in table 3. In the total of 191 respondents, the most prominent age groups are 18- to 25-year-olds and 26- to 32-year-olds. Almost two thirds of the respondents are female, and almost one third are male. Moreover, most participants have an academic degree, and half of the sample earns up to 2,000 Euros monthly. These descriptives show that the majority of the sample is made up of students and/or young professionals. Nationality-wise, the largest part of the sample is German, followed by Swedish and Swiss and Dutch. In total, 35 different nationalities were indicated. Similarly, out of 28 countries of residence, many of the respondents live in Germany, Sweden and Switzerland, as visualised in Appendix C.

Table 3: Demographics – age, gender, education

Age	Frequency	Percent	Cumulative Percent
18-25	81	42.4	42.4
26-32	52	27.2	69.6
33-40	19	9.9	79.6
41-49	13	6.8	86.4
50+	26	13.6	100.0
Total	191	100.0	
Gender	Frequency	Percent	Cumulative Percent
Female	125	65.4	65.4

Male	62	32.5	97.9
Other	1	.5	98.4
Prefer not to say	3	1.6	100.0
Total	191	100.0	
Education	Frequency	Percent	Cumulative Percent
Bachelor's degree	78	40.8	40.8
Master's degree	63	33	73.8
High school / A-levels	32	16.8	90.6
Apprenticeship	11	5.8	96.4
PhD	5	2.6	99.0
Prefer not to say	2	1	100.0
Total	191	100	

The mean scores of the different variables range from 1 to 7 due to the use of Likert-scales and are visualised in table 4. Looking at the arithmetic means can also give valuable information into the consumer perspective of fashion and furniture renting and provide insights into eventual differences between the moderators and sectors. First, it becomes evident that the general environmental consciousness among the participants is relatively high. The second IV trend orientation is lower and demonstrates a tendency of trends being more relevant in the fashion than in the furniture sector. Across the risks, only the perceived financial risk seems to be perceived quite similarly between the fashion and furniture sector. In contrast, perceived breakage and perceived hygienic risk both have higher scores in the fashion sector. Moreover, it is noteworthy that perceived breakage risk in the fashion sector scored the highest, which needs to be considered by the renting providers. Consequently, this also shows resistance towards fashion and furniture renting, which is higher in the former sector. All in all, however, resistance towards renting is only moderately high, which is a good starting point for retailers.

Table 4: Descriptive statistics of the constructs

	Mean	Standard Deviation
EC	5.55	1.04
TO fashion	3.55	1.55
TO furniture	2.76	1.46
FR fashion	4.35	1.31
FR furniture	4.27	1.51
BR fashion	4.82	1.27

BR furniture	4.57	1.48
HR fashion	4.08	1.55
HR furniture	3.63	1.60
RTR fashion	3.94	1.40
RTR furniture	3.66	1.48

EC=environmental consciousness, TO=trend orientation, FR=financial risk, BR=breakage risk, HR=hygienic risk, RTR=resistance towards renting

5.3 Assumptions Check for Correlation

This subchapter has the purpose of checking the necessary assumptions for a correlation analysis listed by Burns and Burns (2008). The authors state five assumptions to be made before conducting the correlation analysis: firstly, the data must come from related pairs, which means that each person must have a X and Y score. In our study, this is the case since we have no missing values in our data set. Secondly, the scale of measurement must be at least interval. The questionnaire used utilises seven-point Likert-scales, and the research does not agree on the appropriate scale of measurement for scales like these; both ordinal and interval can be appropriate. However, Burns and Burns (2008) state that one can consider a seven-point Likert scale as interval (scale) data and also Wu and Leung (2017) argue that it theoretically would be an ordinal scale. However, it is acceptable to define it as an interval by having a larger number of points. Therefore, also the second assumption for correlation is met. Thirdly, the variables should show a normality distribution. For our data, the histogram but also the normal Q-Q Plot for the DV indicate normality. Fourthly, Burns and Burns (2008) state that correlation requires the relationships between the constructs to be linear. The visual check for linearity for our data shows that we can assume linear relationships between the IV and DV. Lastly, for correlation analysis, the variability across the values should be more or less similar, which is also known as homoscedasticity. The scatterplot shows a random distribution of points which allows us to assume homoscedasticity, and all the relevant outputs are to be found in Appendix D. Consequently, all assumptions for the correlation analysis are met.

Following the successful check of assumptions comes the actual testing of this thesis' hypotheses by conducting the correlation analysis. This is done by again splitting up the results of the fashion and furniture sector. It is important to note that due to the non-probability sampling, the tests of significance are not the main focus, and correlations will be predominantly evaluated based on the correlation coefficient Pearson's 'r'.

5.4 Correlation Analysis: Fashion

In order to test the hypotheses of our framework, the direct correlations between the variables are calculated first (see table 5). Since we found significant correlations among the risks and resistance towards renting fashion, we also analysed those. For better clarity and readability, this subchapter tackles the fashion sector and its corresponding hypotheses.

Table 5: Correlation coefficients fashion

Correlations		EC	TO	RTR	FR	BR	HR
	EC						
	TO	.044					
	RTR	-.176*	.118				
	FR	-.159*	.145*	.625**			
	BR	-.010	.175*	.371**	.382**		
	HR	-.122	.187**	.537**	.400**	.239**	

** Correlation is significant at the .01 level (2-tailed) * Correlation is significant at the .05 level (2-tailed) N=191. EC=Environmental consciousness TO=Trend orientation RTR=Resistance towards renting FR=Perceived financial risk BR=Perceived breakage risk HR=Perceived hygienic risk

Starting with hypothesis 1 for fashion, the analysis shows a slight but significant negative correlation between the IV environmental consciousness and the DV resistance towards fashion renting. This result indicates a relationship between environmental consciousness and resistance towards fashion renting, more precisely that people with higher environmental consciousness tend to show less resistance towards fashion renting. Thus, hypothesis 1 can be accepted for the fashion sector.

Moreover, our analysis shows a slight but not significant correlation between the trend orientation and resistance towards fashion renting. Leaving the significance level aside, however, it is interesting to note that the predicted negative relationship between fashion trend orientation and resistance is positive. Contrary to our prediction, trend-oriented consumers may thus show slightly more resistance towards fashion renting. Hence, hypothesis 2 is to be rejected for the fashion sector.

Moreover, we consider it of interest to take into account the correlations across the risks as it could give insights into how they interact with one another. The correlation coefficients for the relationships between financial risk, breakage risk and hygienic risk perception indicate significant weak to moderate relationships. These results show that all three risk perceptions correlate significantly with one another.

The correlation analysis further revealed interesting results regarding the relationship between the three risks and resistance towards fashion renting. Although not hypothesised before, it is worth mentioning that all three risk perceptions show significant correlations with the DV resistance towards fashion renting. Financial risk, to start with, shows a moderate relationship with the DV of resistance towards fashion renting. Consumers scoring high on financial risk perception are consequently more averse to fashion renting. Breakage risk holds a weaker but still significant correlation with the DV resistance towards fashion renting. This result indicates that people afraid of breaking, damaging or staining rented fashion are more averse to fashion renting. Lastly, the relationship between hygienic risk perception and resistance towards

fashion renting can be described as moderate, suggesting further impact from this variable. From this finding, we can assume that consumers concerned about hygiene and the cleanness of rented clothing exhibit even more resistance towards fashion renting.

Then, we conducted six partial correlations using SPSS to test if the perceived risks have a moderating effect on the relationships (see table 6).

Table 6: Zero-order and partial correlations fashion

	EC				**TO**			
	Control variables				Control variables			
	none	FR	BR	HR	none	FR	BR	HR
EC					.044	.069	.047	.069
TO	.044	.069	.047	.069				
RTR	-.176*	-.099	-.185**	-.132	.118	.035	.058	.021

** Correlation is significant at the .01 level (2-tailed) * Correlation is significant at the .05 level (2-tailed) N=191. EC=Environmental consciousness TO=Trend orientation RTR=Resistance towards renting FR=Perceived financial risk BR=Perceived breakage risk HR=Perceived hygienic risk

Hypothesis 3 states that perceived financial risk moderates the relationship between environmental consciousness (EC) and consumer resistance (RTR) towards fashion renting. Comparing the correlation coefficients of EC and RTR with and without financial risk partialled out, it becomes evident that perceived financial risk moderates the relationship since controlling for financial risk seems to weaken the correlation. This finding is supported by the aforementioned moderate and significant relationship between perceived financial risk and resistance, showing that financial risk plays a foremost direct role in consumers' resistance. These results imply that financial risk may be a moderating variable in terms of the relationship between EC and RTR, however, the partial correlation is not significant. Furthermore, the difference is minimal, and our further analysis of the difference between the correlation coefficients turns out to be insignificant. These results lead us to reject hypothesis 3 regarding fashion renting.

In hypothesis 4, we assumed that perceived financial risk moderates the relationship between trend orientation (TO) and RTR fashion. Following the same logic as before, by comparing the correlation coefficients with and without financial risk, it becomes clear that financial risk affects the relationship between TO and RTR. Financial risk can be seen as a moderator of this relationship, but in a sense that it strengthens the relationship between TO and RTR. This result might be further explained by the aforementioned moderate positive relationship between financial risk and RTR. Both correlations show non-significant values, however, the further analysis of the coefficients suggests a significant difference. However, due to these

inconsistencies, the small sample size and the convenience sampling, we reject hypothesis 4, nonetheless.

We stated in hypothesis 5 that perceived breakage risk moderates the relationship between EC and RTR towards renting fashion. The significant correlation coefficients show that when perceived breakage risk is partialled out, the relationship between EC and RTR towards fashion renting increases slightly at a significant level. However, when considering the minimal difference between the two values, we must reject hypothesis 5. This is also confirmed by the additional approximate analysis of the coefficient differences, which turns out to be insignificant. However, the significant weak relationship between breakage risk and resistance still hints at the importance of taking into account breakage risk when looking into consumer resistance towards fashion renting.

With hypothesis 6 assuming that breakage risk moderates the relationship between trend orientation and consumer resistance towards renting, it is imperative to analyse a possible moderating effect of breakage risk on the relationship between TO and RTR. Comparing the correlation coefficients with and without breakage risk, it is evident that perceived breakage risk impacts resistance towards fashion renting. Nevertheless, there is again only a small difference between the values, and both are insignificant. The additional approximate test of the coefficient differences confirmed the insignificant results. Although there is a weak significant correlation between RTR and breakage risk, this result does not allow to draw more conclusions other than saying that there is a small, but not large enough effect. We can therefore reject hypothesis 6.

The seventh hypothesis regarding fashion renting states that perceived hygienic risk moderates the relationship between environmental consciousness and consumer resistance towards renting fashion. Comparing the correlation coefficients with and without hygienic risk partialled out shows that hygienic risk strengthens the relationship between EC and RTR towards fashion renting. Someone concerned about hygienic aspects related to fashion renting may show higher resistance towards fashion renting. This result is further supported by the fact that the correlation between EC and RTR is only significant with hygienic risk included. Moreover, the direct correlation between that risk and resistance is significant and moderate, proving the importance of hygienic risk. Nonetheless, the zero- and partial-order correlations difference is too small and insignificant, so we consequently reject hypothesis 7.

Perceived hygienic risk moderates the relationship between trend orientation and consumer resistance towards renting fashion, as stated by fashion hypothesis 8 of this thesis. Looking at the correlation coefficients with and without hygienic risk partialled out shows that the relationship between TO and RTR is stronger with hygienic risk included. Therefore, we can assume that hygienic risk plays a role in terms of consumer resistance towards renting; however, with such minimal and insignificant difference, we also need to reject hypothesis 8.

Figure 6 down below shows the overview of the tested fashion hypothesis within the fashion sector. It clearly shows that only the first hypothesis can be accepted but there are tendencies of possible influences among the other variables.

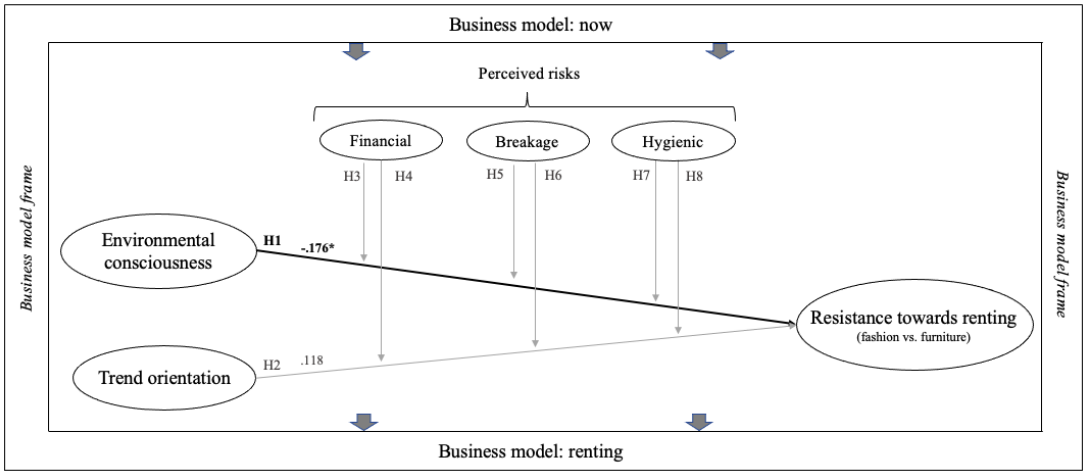

Figure 6: Tested framework fashion

5.5 Correlation Analysis: Furniture

After having elaborated on the correlation results for the fashion sector, the same needs to be done for the furniture sector. Here, the analysis for the main correlations shows the following results:

Table 7: Correlation coefficients furniture

Correlations		EC	TO	RTR	FR	BR	HR
	EC						
	TO	.057					
	RTR	-.066	.065				
	FR	-.036	.062	.745**			
	BR	-.040	.129	.574**	.581**		
	HR	-.037	.166*	.611**	.556**	.598**	

** Correlation is significant at the .01 level (2-tailed) * Correlation is significant at the .05 level (2-tailed) N=191. EC=Environmental consciousness TO=Trend orientation RTR=Resistance towards renting FR=Perceived financial risk BR=Perceived breakage risk HR=Perceived hygienic risk

First, the analysis demonstrates a slight and negative but non-significant correlation between the first IV environmental consciousness (EC) and the DV resistance towards furniture renting (RTR). Therefore, we can state that there is no real relationship between these two variables. In other words, the extent to which consumers think and act environmentally friendly has no connection to their resistance towards furniture renting. Consequently, hypothesis 1 for furniture needs to be rejected.

As the table shows, the second IV furniture trend orientation (TO) has a slight positive and non-significant correlation with the RTR furniture. If one disregards the significance level, it is interesting to see that this works, like in fashion, against our second hypothesis, which states that more trend-oriented consumers should theoretically show less resistance towards the rental service. However, in this case, more trend-oriented consumers also tend to show higher resistance, even though just to a slight extent. To sum it up, hypothesis 2 for the furniture sector needs to be rejected as well.

Secondly, it is of interest to see how the three risks correlate with each other, as it could give insights into how they interplay and how they can be delimited. The correlation coefficients of perceived financial risk, perceived breakage risk and perceived hygienic risk all show a moderate and highly significant correlation with each other. We believe this can be explained by the fact that the three risks can be seen as an interrelated, bigger picture and that their questionnaire items sometimes overlap in their formulations.

Lastly, we believe it is of added value to look at the correlations between the three different perceived risks and the DV, although this is not part of our hypotheses. Looking at table 7, it becomes apparent that all three risks positively and moderately correlate with resistance towards furniture renting substantially. More concretely, this tells us that with a highly significant effect, the higher the consumers perceive the risks of renting, the higher is the resistance towards it. This result is in line with the general and logical assumption that high risks hinder consumers from using a particular service, and it might even hint at certain moderation effects which will be analysed next.

Table 8 shows the correlations between the two IVs environmental consciousness and furniture trend orientation and the DV resistance towards furniture renting, with and without having controlled for each risk separately to test if they have a moderating effect on the relationships. Simplified, this means that the risks are taken out of the equation and then the differences in the correlation coefficient and significance level to the values before show if and how the risks impact the relationships. This relates to hypotheses 3 to 8 for the furniture sector.

Table 8: Zero-order and partial correlations furniture

	EC				**TO**			
	Control variables				Control variables			
	none	FR	BR	HR	none	FR	BR	HR
EC					.057	.060	.063	.064
TO	.057	.060	.063	.064				
RTR	-.066	-.059	-.052	-.054	.065	.028	-.010	-.046

** Correlation is significant at the .01 level (2-tailed) * Correlation is significant at the .05 level (2-tailed) N=191. EC=Environmental consciousness TO=Trend orientation RTR=Resistance towards renting FR=Perceived financial risk BR=Perceived breakage risk HR=Perceived hygienic risk

Hypothesis 3 within the furniture sector states that perceived financial risk moderates the relationship between environmental consciousness and resistance towards renting furniture. Looking at the value of the partial correlations and comparing it to the one before, it becomes evident that even though both correlations are insignificant, perceived financial risk minimally increases the negative relationship. Consequently, for consumers who think that renting furniture comes with financial risk, their environmental consciousness tends to be less critical regarding resistance towards furniture renting. So far, this seems to confirm our hypothesis in this case. However, one needs to remember the minimal difference in these two numbers, which lead to the rejection of furniture hypothesis 3. It is nevertheless valuable to keep in mind the significant and substantial relationship between financial risk and resistance itself.

The subsequent hypothesis suggests the same effect but in connection with trend orientation and resistance towards furniture renting. Comparing the correlation coefficients for TO and RTR with and without financial risk included, it becomes clear that there is a small effect of financial risk on this relationship. For trend-oriented consumers, perceived financial risk may increase resistance towards furniture renting slightly. It is noteworthy to mention here again that there is a significant substantial relationship between RTR furniture and financial risk. Nevertheless, the difference between the correlation coefficients for TO and RTR furniture regarding financial risk is small and both correlations are insignificant, which we could confirm with the approximate test for coefficient correlations. Because of the insignificance of both correlations and only a minor and insignificant difference in the correlation values, we also reject hypothesis 4 for furniture renting.

In order to test hypothesis 5, we look at the correlations between environmental consciousness and consumer resistance towards furniture renting when perceived breakage risk is controlled for. The comparison reveals that also that risk is involved in the relationship between the two other variables. More precisely, perceived breakage risk within furniture renting slightly strengthens the relationship between EC and RTR furniture, making sense given the significant and moderate direct correlation between the risk and RTR furniture. Nevertheless, similar to the hypotheses before, the difference in the correlation coefficients is not big enough and also not significant in order to be able to accept this hypothesis. As a consequence, the fifth furniture hypothesis needs to be rejected.

Hypothesis 6 states that perceived breakage risk moderates the relationship between trend orientation and consumer resistance towards renting furniture. The zero-order and partial correlations examination show that without the risk, the slight and positive (insignificant) correlation between TO and RTR becomes negative, which might be explained by the moderate positive relationship between RTR and breakage risk. This result shows furthermore that the risk itself strengthens resistance towards furniture renting. However, the values have been non-significant, which was confirmed by the approximate test of coefficient correlations. Again, because of the non-significant results and only a slight difference in values, we reject hypothesis 6 for furniture renting.

Concerning hypothesis 7, the effect of perceived hygienic risk on the relationship between environmental consciousness and resistance towards furniture renting needs to be evaluated. First, the correlations tables show that the relationship between environmental consciousness and resistance is slightly weaker without hygienic risk. This result theoretically hints at a possible moderation effect. However, the differences are again too small and insignificant, forcing us to reject hypothesis 7. Nevertheless, the significant direct correlation between hygienic risk and resistance towards furniture renting can still show that hygiene concerns can strongly predict resistance.

Regarding the effect of hygienic risk on the relationship between trend orientation and resistance towards furniture renting, comparing the two absolute correlation values shows that the risk slightly enforces the relationship between TO and RTR. This result shows a tendency for hygienic risk to be a moderator here. In fact, the relationship between TO and RTR is negative, as hypothesis two suggested when hygienic risk is controlled for. Only when the risk is taken into account, said relationship becomes positive. This supports the presumption that hygienic risk has the potential to have a great influence on resistance, as shown by the direct correlation. However, the differences in the zero-order and partial correlations are only minor and insignificant, making us reject furniture hypothesis 8.

Finally, the framework including the results of the furniture hypothesis testing is shown below in figure 7. Although all correlations here are insignificant with our sample, the grey arrows show symbolically that there is a tendency of influence.

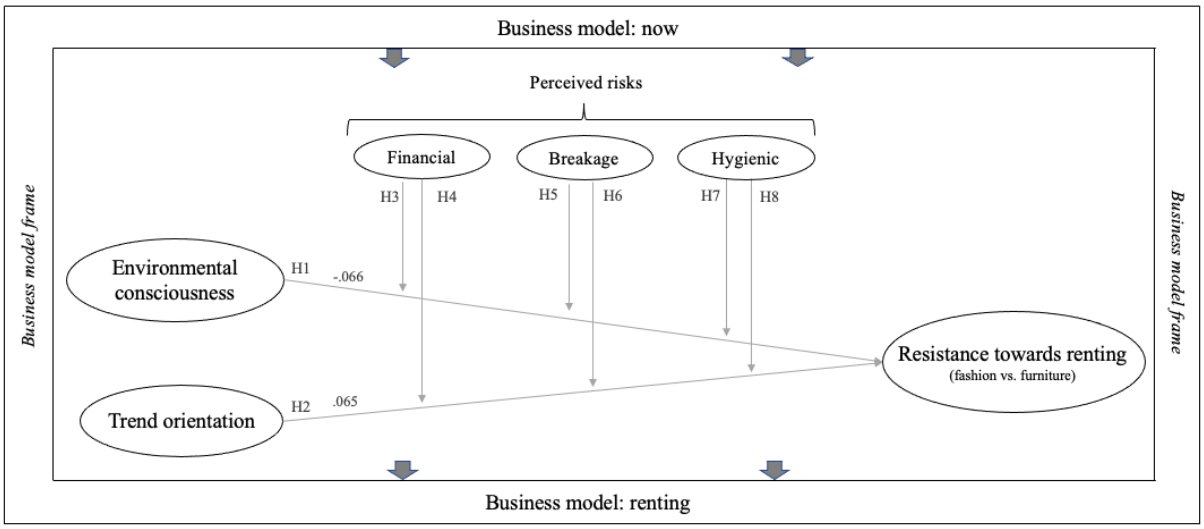

Figure 7: Tested framework furniture

6. Discussion

After having described the results of our analysis, this discussion chapter aims to discuss the findings more in-depth. Then, following the discussion of the survey results comes a practical application of the business model frameworks this thesis elaborated on in the literature review. The application of business model frameworks is done for H&M and IKEA as prevalent examples for the fashion and furniture industry respectively and includes the possible implementation of the BMI renting.

Overall, this thesis aimed to assess two consumer characteristics, environmental consciousness and trend orientation, as well as the different perceived financial, breakage and hygienic risks with regard to resistance towards both fashion and furniture renting. Moreover, the objective was to combine this knowledge with a business model frame to understand how big retailers like H&M and IKEA can implement the new renting format considering eventual resistance. Therefore, relevant literature including the diffusion of innovations theory (Rogers, 2003) and the theory of consumer resistance (Ram & Sheth, 1989) were used to gain more insights. Moreover, a quantitative study with a sample of 191 survey respondents was conducted to receive first-hand information on the consumer perspective. The results obtained by partial correlation analysis reveal a significant slight negative influence of environmental consciousness on resistance to fashion renting. All other impacts were too weak for us to accept them as influential, however, the tendencies still confirm our assumptions regarding the moderating risks. Trend orientation, also insignificant and weak, showed the opposite impact of what we expected for both sectors. Additionally, looking at the descriptive statistics, it shows that trend orientation is higher for fashion, financial risk is equal across the sectors, breakage risk is slightly higher for fashion, hygienic risk is moderately higher for fashion, and resistance is also slightly higher for fashion.

6.1 Environmental Consciousness

As suggested by the first hypothesis, the results for the fashion sector show that environmental consciousness does have a significant negative relationship to consumer resistance towards renting. Even though the relationship is rather weak, we can state that with higher environmental consciousness, resistance towards fashion renting tends to be lower as renting provides added value for environmentally conscious consumers. In contrast to that, however, there is no meaningful relationship between environmental consciousness and resistance towards renting within the furniture sector. These findings confirm the inconsistencies across the existing literature: Moeller and Wittkowski (2010), for example showed that consumers favouring environmentalism did not show a significant preference for fashion renting, while Gullstrand Edbring, Lehner and Mont (2016) found environmental consciousness to be a motivation for it within furniture. Hence, there are prevalent inconsistencies across the different sectors, which shows a need to further look into the specific differences.

Since renting, and in particular fashion renting, is described by the literature as an effective way to lower the environmental impact, it would only seem reasonable if this also applied to furniture renting. Nevertheless, the results of this thesis show that the general importance of environmental consciousness cannot be applied directly to the furniture sector, which might also explain the lack of focus on environmental advantages of furniture renting by the existing literature. With regard to the in the literature review explained diffusions of innovations theory (Rogers, 2003), the relative advantage of furniture renting does not seem to be high enough for consumers to accept the service easily. We assume that the reasons for that lie in the perceived risks, which are discussed further down. Roger's (2003) successive attribute, named compatibility, supports our findings of the negative relationship between environmental consciousness and resistance towards fashion renting: since renting is considered more resource-saving, more sustainable consumers tend to have lower resistance as it is compatible with their beliefs. Ram and Sheth's (1989) usage barrier can therefore be considered as surmountable in fashion. The furniture sector does not show this relationship, which supports our previous presumption that the environmental aspect is generally not that important for furniture yet and that the usage barrier is still too high. Parallelly, the furniture renting service does not seem to provide enough added value for the resistance to be lower, which speaks for the presence of the value barrier (Ram & Sheth, 1989).

6.2 Trend Orientation

The existing literature about trend orientation clearly showed a negative impact of trend orientation on consumer resistance towards renting due to the increased variability and flexibility renting could provide compared to owning (Belk, 2007; Lawson, 2011). Moreover, Lang, Li and Zhao's (2020) findings suggested that experiential value, which is closely related to variability, is an essential motivator for renting. However, the results of this thesis cannot confirm these previous implications. There is no significant relationship between trend orientation and consumer resistance towards renting for both the fashion and the furniture sector. Interestingly, however, if one just looks at the tendencies, it quickly becomes evident that the suggested negative relationship is rather positive. Moreover, it is slightly stronger for the fashion sector. Interpreting this on a deeper level implies that, against our initial hypotheses, more trend-oriented consumers tend to be slightly more resistant to fashion and furniture renting. We suggest that this could be caused by status and peer pressure (Lang, Seo & Liu, 2019; Schaefers, Lawson & Kukar-Kinney, 2016), specifically for fashion, including the perceived need always to have the newest of the newest, which renting cannot truly fulfil. The aspect of social prestige is also touched upon by Rogers (2003), who sees it as a relative advantage of innovation that influences the acceptance of innovations. Of course, the rented object is something new to one's wardrobe or living room, but it has been rented by others, which could lower the 'newness' value and the relative advantage for people prone to social pressure. Another explanation that was also picked up by previous literature could be the desire to actually own and keep the newly acquired items (e.g. Lang, 2018; Lee & Chow, 2020; Moore & Taylor, 2009). Additionally, renting apparently does not provide enough value with regard to follow trends, much more it looks like it might even counteract. Additionally, it is also

possible that consumers are simply used to buying new items when they feel like it, which can also be connected to Roger's (2003) principle of compatibility and Ram and Sheth's (1989) usage barrier. This aspect, however, could be easily overcome by the big retailers since their target consumers would already choose them for the regular purchasing of clothes or furniture. These customers would just need to be convinced in-store or online to rent instead of buying. Furthermore, our results also reveal that consumers are generally more trend-oriented within the fashion sector, which is in synchrony with how frequent big fashion retailers such as H&M or Zara release new collections. With regard to the low trend orientation within the furniture sector, it can be argued that in general furniture is seen as more of a long-time investment. The research thus needs to further differentiate between long- and short-term furniture rentals, like Gullstrand Edbring, Lehner and Mont (2016) and Moore and Taylor (2009) started with. The former identified high financial risk as the explanation for preferred short-term renting, which this thesis can partially confirm. However, this will be touched upon in the following subchapter about the perceived risks of renting.

6.3 Perceived Risks

Although not predicted by our model, all three risks (financial, breakage and hygienic risk) have shown significant direct correlations with resistance towards fashion and furniture renting. In general, our analysis has revealed higher means for the perceived risks within the context of fashion renting but higher correlations of the risks with resistance within the furniture sector. This is why we consider a discussion in relation to the stated literature as relevant, plus it will add value to our thesis and the implications for retailers.

Interestingly, financial risk exhibits the most substantial relationship with regard to both resistance towards fashion and furniture renting. It is essential to mention here that the mean values for both perceived financial risks in the furniture and fashion sector are quite similar, which allows for a direct comparison. If the perceived financial risk of renting is high, the resistance towards renting furniture tends to increase substantially. In other words, someone who has doubts about the financial value of renting furniture tends to be more averse towards renting a furniture item as opposed to owning it. Adding Gullstrand Edbring, Lehner and Mont's (2016) findings to the discussion of financial risk in furniture renting, an obstacle may be the cumulated higher price a customer pays in the long-term. This aspect is further exemplified in Ram and Sheth's (1989) theory of consumer resistance within the value barrier based on an innovation's expected price-performance value. If consumers perceive the financial value of renting a fashion or furniture item as lower than the existing alternative of owning the product, resistance towards the new business model is higher. We can argue that retailers need to make sure to design a fair, usage-based pricing model for renting that, at best, provides added financial value to both the customer and the business model itself.

Quite similarly, when financial risk perception is high, resistance towards renting fashion tends to increase moderately, showing a bit less of an effect compared to resistance towards renting furniture. Lang (2018) explained financial risk in relation to fashion with the fear of wasting money for something that cannot be owned, which might explain our findings to a certain

degree for fashion renting. Relating this discussion more broadly to the concept of relative advantage by Rogers (2003), we can confirm that with the financial risk being present, resistance towards renting tends to be higher both in the fashion and furniture industry compared to excluding perceived financial risk. Consequently, we argue that retailers like H&M or IKEA need to consider financial risk, especially when implementing renting into their business model to deliver added financial value to their customers.

With regard to breakage risk, we could also find significant relationships between this risk and resistance towards renting. Interestingly, the relation is stronger for resistance towards furniture renting, which has shown a moderate relationship between perceived breakage risk and resistance towards renting. One can say that the risk of breaking or damaging a rented furniture item may hinder consumers from renting, which could be related to anxiety (Gullstrand Edbring, Lehner & Mont, 2016). This finding is aligned with Rogers (2003) view of relative advantage, pointing at the impact of breakage risk on resistance and confirming that resistance is higher when relative advantage is low. Furthermore, Ram and Sheth's (1989) risk barrier can be related to breakage risk, as the fear of damaging or breaking a furniture item may hinder consumers from renting. Considering breakage risk in relation to resistance towards fashion renting, our analysis has revealed a weak relationship. This finding is quite surprising since we found the highest mean scores for perceived breakage risk for fashion, however, this does not seem to impact resistance considerably. We can thus argue that other variables come into play concerning the relationship between breakage risk perception and resistance towards fashion renting, which could be interesting for further research.

For both resistance towards fashion and furniture renting, hygienic risk shows a moderate positive relationship. To put it another way, people concerned about hygiene tend to be more averse to renting fashion and furniture than those with less hygienic concerns. Furthermore, the mean value for perceived hygienic risk was higher within fashion, which could be due to the fact that clothes are worn directly on the body. Although Gullstrand Edbring, Lehner and Mont (2016) found hygienic concerns to be among the top three impediments towards furniture renting, we can assume with our findings that this also holds true for resistance towards fashion renting. Since we did a cross-sectional study, we cannot directly pinpoint the impact of Covid-19 on perceived hygienic risk but suggest that further research could answer this question. Again, relating our findings for both fashion and furniture back to Rogers (2003), we can confirm that consumers are less likely to engage in a CBM like renting when relative advantage is lowered through the hygienic risk perception. One could argue here also with Ram and Sheth's (1989) theory of consumer resistance, including usage barrier as another impediment to renting because of hygienic concerns.

Furthermore, it is worth discussing the fact that all three risks correlate with one another, indicating stronger relationships among the furniture risks. While all three risks within furniture show moderate correlations to one another, the relationships among the fashion risks can be described as weak. Overall, this hints at the suggestion that the three risks generally form a bigger common group of influence which needs to be taken into account by retailers, in particular in the furniture sector. Considering all three risks together, we can clearly relate to Ram and Sheth's (1989) risk barrier that includes various fears that come into play considering

resistance towards an innovation. To sum up, we agree with the authors in the sense that resistance originates from different sources, as investigated by us through the three perceived risks of financial, breakage and hygienic risk, which all have to be considered when implementing a BMI. As mentioned, we see relations especially with Ram and Sheth's (1989) value barrier, risk barrier and usage barrier that need to be overcome from a retailer's perspective to provide added value with the format of fashion or furniture renting apart from its demonstrated environmental value. Moreover, it is not enough to focus on minimising one or two risks only; introducing the business model of renting needs to be planned and research well enough to understand all of the underlying consumer worries. Coming back to Ram and Sheth's (1989) perspective of different barriers and our critique that their silo-thinking might not be applicable to the BMI of fashion and furniture renting, the apparent relationships between the risks themselves suggest that reducing one risk can also account for overcoming another barrier, reducing overall resistance. Given Rogers' (2003) diffusion of innovations theory, overcoming that resistance by understanding innovation aspects deemed important for customers is vital for retailers to reach a profitable mass scale adoption of their BMI.

More generally, we see a connection between resistance towards renting fashion and furniture and loss aversion. Kahneman and Tversky (1979) stated in their prospect theory that people tend to avoid choices that might lead to a financial loss compared to a sure gain. Based on this, we connect the aforementioned high correlations among the risks and resistance and assume that loss aversion plays a role in weighing the risks that come with renting. It becomes clear that once possible risks arise, other personal values such as environmental consciousness, which appears to be quite important nowadays, tend to lose some of their importance suddenly.

6.4 Renting within H&M

The following subchapter builds upon the sustainable layer of the TLBMC by Joyce and Paquin (2016) on the brand H&M as discussed before, considering the possibility of renting fashion items. Coming back to the outside-in perspective, we use our findings from the empirical analysis to provide an all-encompassing picture of how a retailer like H&M could implement renting into their business model.

To start with *suppliers and out-sourcing,* H&M has strong partners that might help implement the new renting business model. However, we argue that to overcome resistance, especially from environmentally conscious consumers, H&M's current efforts to make its supply chain circular and cut supplier emissions need to be further accentuated. These efforts could be communicated more proactively through well-targeted communications campaigns aiming at environmentally conscious consumers, which is aligned by Ram and Sheth's (1989) suggestion to overcome the risk barrier. In comparison to IKEA that has already implemented a code of conduct for suppliers, we argue further that H&M should strive to impose environmental guidelines on its suppliers and become more sustainable. We further assume that the implementation of renting would require H&M to redesign its current organisational structure towards an agile and adaptive one. Such a structure could make a sustainable business model

transformation possible and at the same time profitable in the long term, which is aligned with the fifth and sixth key to success by Kavadias, Ladas and Loch (2016).

Regarding *production,* H&M's current efforts in becoming more sustainable within production can be considered a good starting point for implementing of renting into its business model. For a change towards the CBM of renting, it would be beneficial to move towards more closed-loop processes, including recycling processes in production, as mentioned by Kavadias, Ladas and Loch (2016). As our analysis has revealed, environmentally conscious consumers have shown less resistance towards renting, contrary to trend-oriented people who hold slightly higher resistance regarding renting clothes. Keeping environmentally conscious consumers in mind, implementing the CBM of renting could benefit both the retailer and consumers in delivering added economic and environmental value.

The next element of the sustainable layer concerns *materials,* which considers the materials used for the production of garments for renting purposes. Linking this element to our findings regarding breakage risk from the analysis, we can argue that fashion items produced for renting should be designed for durability and hold for a long lifetime, related to breakage risk. This argument can be connected to Sczyka (2020), who argued that materials used for the production of renting fashion items need to be carefully chosen based on their lifetime-value with a focus on long-term durability and cyclability. Furthermore, we relate here to the second key to success by Kavadias, Ladas and Loch (2016), who pointed out closed-loop processes and the recycling of materials as supporting for business model transformation.

Considering the *functional value* and H&M's recent efforts in becoming more transparent regarding its products' lifecycle assessment, we argue that the retailer would need to accentuate more on the added environmental value in its communications. Environmentally conscious consumers who have shown less resistance towards renting fashion will presumably appreciate such transparency efforts, assuming that the communications are honest and no greenwashing. Doing so can increase functional value for both the retailer and the consumers and potentially even attract more resistant consumers through word-of-mouth, assuming that H&M continues its transparency efforts and communicates effectively on the benefits of renting fashion. However, keeping in mind Ram and Sheth's (1989) value barrier, such efforts are likely to be successful only when a rented fashion item's perceived price-performance is not inferior to the one of bought and owned garments. We agree with Ram and Sheth (1989) in the sense that for overcoming the value barrier, a retailer like H&M should clearly communicate on the added environmental value of renting and implement smart, usage-based pricing to overcome financial risk perception.

Although there is no data about the *end-of-life* of H&M's clothing, we assumed it to be equal to estimations for the fast fashion sector (Niinimäki, 2017). From our findings, we can derive stronger resistance towards fashion renting from trend-oriented consumers in comparison to environmentally conscious consumers. We further assume that end-of-life is related to trend orientation and argue that highly trend-oriented consumers will return a product earlier than people with lower trend orientation, given the fact that trends in the fast fashion industry change within short periods of time. To overcome resistance from trend-oriented consumers, we suggest that a retailer like H&M should include new styles into their rental offering, adding

value through increased variability and make the return process as convenient as possible. Finally, this could lead to a win-win situation in the sense that H&M could convince more resistant trend-oriented people by adding variability to their closets and prolonging end-of-life through its renting format.

Within *distribution*, H&M's efforts in becoming "climate neutral" throughout all their operations by 2040 is a good starting point to move towards a CBM. However, implementing renting into its business model would not directly make distribution more sustainable since the actual transport distances need to be taken into account. From another perspective, relating distribution to Kavadias, Ladas and Loch (2016), it becomes evident that a fashion renting service needs to be fitted to individual consumer needs and make the renting and return process as convenient as possible. We can relate convenience to findings from Moeller and Wittkowski (2010) and Lang, Li and Zhao (2020), who see this aspect as a motivator for renting compared to buying a fashion item. Since our empirical analysis has shown that all risk perceptions correlate with resistance, we argue that distribution holds an important but risky role in a fashion renting business model. Considering the three risk perceptions together, distribution needs to ensure easy, convenient and affordable return processes, design customer-friendly procedures in case of breakage or staining and provide all means to ensure the cleanness of rented clothing.

As argued in this element for H&M's environmental layer before, increasing the *use phase* of a fashion item can contribute to more sustainability, since it could help avoid overproduction, transportation and waste. With very short use phases of only about six months within a linear model (Niinimäki, 2017), renting garments could drastically increase each product's use phase. However, to overcome the perceived financial risk that has a considerable effect on resistance, it is vital to keep the pricing aspect in mind. Consequently, the pricing of a CBM in fashion needs to be considered carefully and take the different dimensions of financial risk into account, especially the fear of wasting money for not owning a garment and potential costs that may occur if the clothing gets damaged during usage. Retailers should create transparent and fair procedures for such cases. We argue here that using intelligent usage-based pricing can be a way to overcome the financial risk perception and eventually deliver added value to both the consumer and the retailer (Lavadias, Ladas & Loch, 2016).

To become more sustainable in *environmental impacts*, renting could reduce excessive production of garments and consequently waste. We generally assume that a renting business model would help to reduce environmental impacts due to the decreased need for producing new fashion items, consequently using fewer natural resources and energy. Fletcher (2012), for instance, argued for the environmental benefit of reused clothes based on a drastic decrease in energy consumption, with using up to 10 to 20 times less energy than the production of new clothing. Furthermore, it has been shown that reusing clothes as in renting fashion lowers environmental impact because it utilises fewer resources such as water, fossil fuels and chemicals (Niinimäki, 2017). However, it is impossible to make exact predictions on how much a renting business model would eventually contribute to decreasing the impact. Lastly, *environmental benefits* of the renting business model include the reductions mentioned above in impact. Relating this aspect to our findings from the analysis, a fashion renting business model appeals more to environmentally conscious consumers than others. A successful

implementation of renting will require clear communication of the added environmental value. To do so, we suggest that a retailer like H&M proactively communicates the environmental benefits and the added value of renting in order to lower consumer resistance and potentially appeal to others, such as more trend-oriented consumers. Lastly, we presume that the implementation of renting could help H&M to reach its goal of becoming climate neutral by 2040 – or even earlier, assuming that renting would decrease its impact.

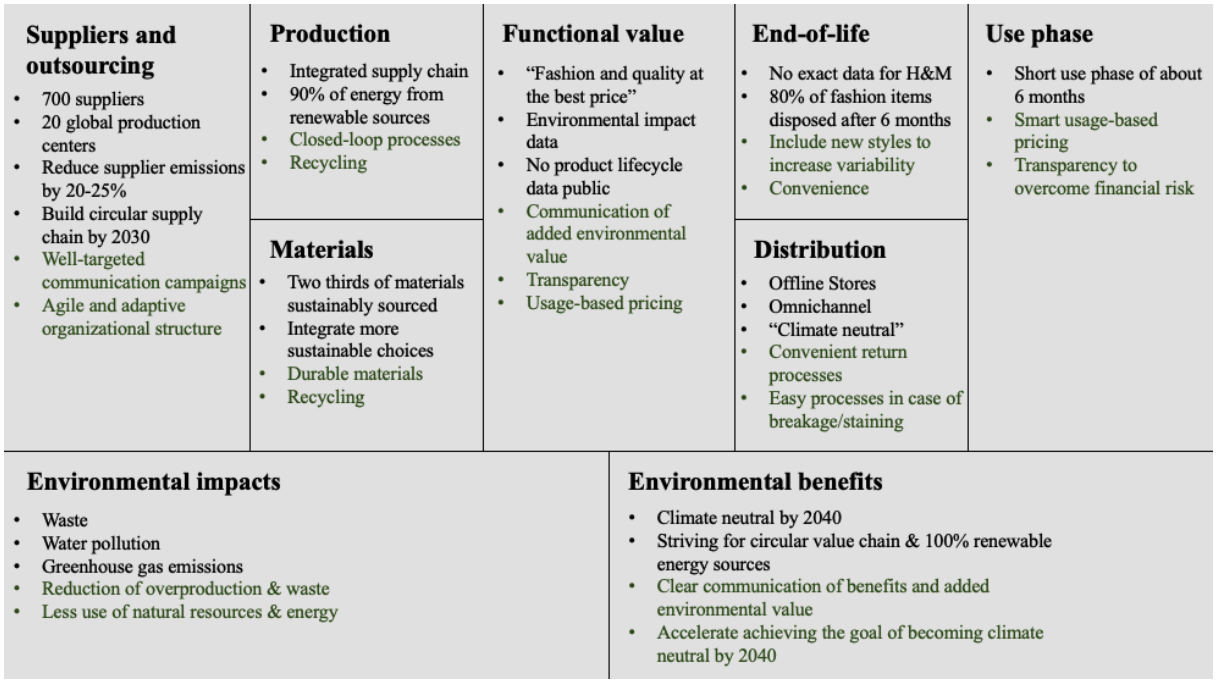

Figure 8: Sustainable business model canvas H&M with renting

6.5 Renting within IKEA

The following section shows how the BMI of renting could potentially be implemented by the Swedish furniture giant IKEA as an example, considering the results of our quantitative consumer analysis. This is done in the same way as with H&M, namely by going through the different elements of the sustainable layer of the TLBMC by Joyce and Paquin (2016) and suggesting how renting could impact their current business model.

First, how would *suppliers and outsourcing* change if IKEA implemented a renting service, and how could it help overcome resistance? IKEA and its IWAY code of conduct already ensure sustainability and social fairness among all partners, therefore we believe that this aspect would not be subject to big changes. However, it would be essential for IKEA to communicate the new renting service well across all partners in order to reach a wide variety of consumers. Communicating the additional environmental value can thus lead to less resistance, as shown by our results. One possible change that IKEA could consider is to eventually partially outsource the renting service operations, which can minimise potential conflicts or business model clashes but still profits from existing resources (O'Reilly & Tushman, 2004).

Production within IKEA would naturally become less impactful on the environment if renting became a well-used alternative to owning since fewer resources need to be used due to decreased production. This decrease in production could help IKEA come closer to reducing their climate footprint by 80% until 2030. Again, this could help attract more environmentally friendly consumers who tend to be more willing to participate in renting. Moreover, we believe that for the furniture retailer to stay credible, the production of the furniture to be rented should also become as circular as possible.

The aspect of *materials* is, in our eyes, a crucial element to overcome consumer resistance towards furniture renting. First, our results regarding breakage risk show that this can have a major influence on resistance. Therefore, IKEA needs to ensure that their furniture is sturdy enough to live through several use phases, which is also strongly emphasised by Gullstrand Edbring, Lehner and Mont (2016). Hence, the retailer needs to find a balance between qualitative materials and affordability, given the relevant financial risk. And once more, the materials should originate from sustainable sources and should be recycled whenever possible to reduce CO_2 emissions further.

We suggest that IKEA can leverage the *functional value* of their products by automatically prolonging their life cycle by offering the renting service. As a consequence, this results in more than purely functional value for the consumer; it also represents a better price-performance value (Ram & Sheth, 1989) due to the financial benefits of renting for a short period. According to our results, overcoming the value barrier can have a beneficial impact on lowering consumer resistance towards furniture renting, keeping in mind intelligent usage-based pricing not to discourage consumers with high financial risk perception. Moreover, realising and communicating the overall improved environmental value of the products can attract more environmentally conscious consumers, which we can also relate back to Ram and Sheth's (1989) recommendations on overcoming the risk barrier.

From a lifecycle perspective, renting can help improve the environmental impact of *end-of-life* in increasing the whole product life cycle and postponing the actual disposal of a product. In order to overcome the aforementioned resistance rooting from perceived breakage and hygienic risk, we suggest that IKEA could implement a quality check. This check would include a full functionality test to avoid early breakage, plus a thorough cleaning to address hygienic concerns. Furthermore, regarding the actual assembling and disassembling of the products, IKEA needs to make sure that consumers can follow easy processes to return the furniture item in a reusable manner. Hence, the actual end-of-life could be postponed and have less environmental impact.

Considering the *use phase* of a rented furniture item, which is indirectly linked to end-of-life, a retailer like IKEA needs to make sure to offer suitable solutions to its customers. From our own empirical findings and findings from Moore and Taylor (2009) we can imply that trend-oriented consumers, showing more resistance towards renting furniture than environmentally conscious individuals, are less prone to rent because of the length of rental period. Furniture retailers should ensure that the option of a short rental period is possible. This suggestion also applies to the financial risk, more specifically the fear of wasting money in the long-term, so retailers need to ensure a fair usage-based pricing in order to overcome financial risk perceptions.

In order to become more sustainable in *distribution* with a CBM including renting furniture, it is imperative to avoid unnecessary transportation. Although a renting model itself would not directly eliminate the actual climate footprint of distribution, IKEA could implement some countermeasures. We suggest for this element that, in order to appeal to especially environmentally conscious consumers and to reduce impact from transportation, IKEA could transform its rental vans (IKEA, n.d.), making use of electric cars and offer them to renting customers for transportation. By doing so, the retailer would cut some more CO_2 emissions and at the same time appeal more to environmentally conscious consumers. Another aspect related to distribution is convenience, for which we argue again that the whole renting and return process needs to be as seamless and convenient as possible (Lang, Li & Zhao, 2020; Moeller & Wittkowski, 2010; Moore & Taylor, 2009). Relating to Catulli (2012), the retailer should also ensure the cleanness and safety of the furniture before renting it to the next consumer.

As the last point, considering the *environmental benefits* and *impacts* of a CBM focused on renting, we can generally assume that renting is a way to reduce the impact on the environment. We argue here that fewer products need to be produced by becoming more circular, hence less resources such as wood, water, and energy will be used. A reduction of impact would positively contribute to IKEA's image in general and more concretely to environmentally conscious consumers that already show less resistance towards renting. Connecting this aspect to Ram and Sheth (1989), we argue that IKEA could overcome resistance rooting from the three risk perceptions through integrated communication campaigns and the possibility to try out the service of renting. By proactively communicating the added environmental value that renting would bring, e.g. less CO_2 emissions through less production, less waste and reduced use of natural resources, IKEA could eventually become climate positive.

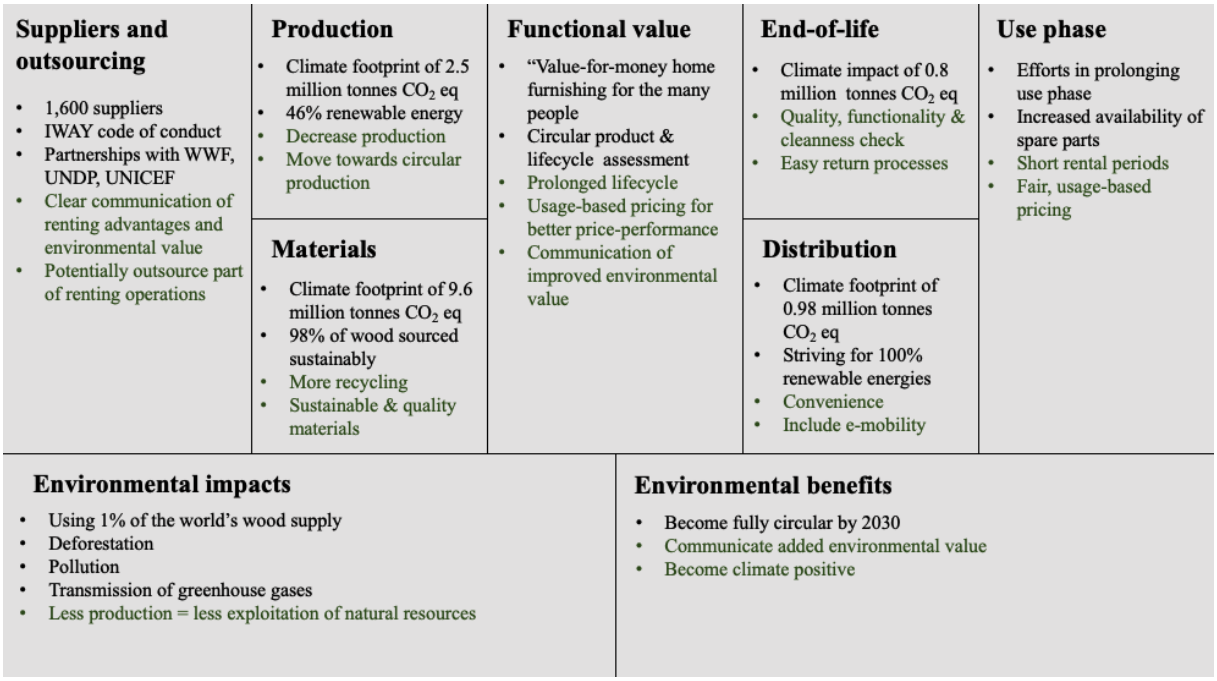

Figure 9: Sustainable business model canvas IKEA with renting

7. Conclusion

7.1 Research Objectives

This study aimed at finding answers to the following research questions: How resistant are consumers towards renting in the fashion and furniture sector? And which role do environmental consciousness and trend orientation play? What are the differences in consumer resistance towards renting between the two sectors? And lastly, how can retailers successfully implement a sustainable renting format into their business model considering consumer resistance? In order to be able to answer these research questions, relevant literature of these fields was consulted, and two theories, namely the diffusion of innovations (Rogers, 2003) theory and the theory of consumer resistance to innovation (Ram & Sheth, 1989) guided us along the way. In addition, we applied a business model frame to our research which allowed us to adopt an outside-in perspective on the topic.

The collection and analysis of quantitative data allowed us to answer research questions one and two. It became apparent that consumers are generally moderately resistant towards renting, with slightly higher resistance towards fashion renting. Moreover, environmentally conscious consumers indeed tend to show less resistance towards renting, especially within fashion. Trend-oriented consumers, on the contrary, seem to show more resistance towards renting, and again this is stronger in the fashion sector. In addition to this, our analysis also revealed some extra insights into the three suggested perceived risks of renting. In both the fashion and the furniture sector, the risks had significant relationships with consumer resistance towards renting. More precisely, all perceived risks, but especially the perceived financial and hygienic risks of fashion renting clearly and substantially lead to more resistance. In the furniture sector, this observation is even stronger. These findings reveal that the consumers' worries cannot be ignored by the retailers who want to implement renting as part of becoming more circular.

Then, the third research question was answered by combining existing literature, theory and our results from the empirical analysis that we related to our business model frame. With H&M and IKEA as examples, we suggest some measures and changes along the sustainable layer of the TLBMC, which are mentioned in the practical implications as part of this conclusion.

7.2 Theoretical Implications

This thesis contributes to the existing theories and literature in many ways. Overall, it contributes to the research fields of access-based consumption, consumer behaviour and retail innovation and has more concretely added an outside-in perspective, considering consumer resistance towards innovation in RBMs. Taking the business model perspective as a frame allowed us to state our quantitative results and give more valuable insights and practical recommendations for retailers about the most important points that need to be considered when implementing renting into the already established business model.

Existing literature in the field of access-based consumption has mainly focused on renting fashion, cars and apartments (e.g. Lawson, Gleim & Hartline, 2021; Moeller & Wittkowski, 2010; Schaefers, Lawson & Kukar-Kinney, 2016). Moreover, this research is one of the first to gather information on furniture renting, an area that has been barely explored (Gullstrand Edbring, Lehner & Mont, 2016; Pal Kapoor & Vij, 2021). However, the mentioned substantial environmental impact of furniture production constituted the relevance to conducting further research within this sector, for which we argued in our introduction.

More concretely, the majority of research regarding fashion renting was conducted in an online fashion renting context (Lang, Li & Zhao, 2020; Lee & Chow, 2020; Lee & Huang, 2021). We thus contribute further with our focus on a retail, implying that fashion renting could become a reality beyond the scope of online only. Within the field of access-based consumption and fashion renting, previous research focused mainly on values and attitudes that motivate consumers to rent instead to own clothing (Lee & Chow, 2020; Lee & Huang, 2021) and the perceived benefits of renting fashion (Lang, Li & Zhao, 2020). To our knowledge, only a few contributed to this research stream with a focus on obstacles and risks to renting (Lang, 2018; Lee & Chow, 2020), which left another considerable gap in research. Therefore, our thesis contributes in an innovative way, approaching the topic from the opposite direction with a focus on consumer resistance and the objective to find ways for retailers to overcome said resistance.

Furthermore, by including two recognised theories, namely the theory of consumer resistance towards innovation (Ram & Sheth, 1989) and the diffusion of innovations theory (Rogers, 2003), we delivered exciting insights into the minds of the consumers. We furthermore contribute by combining these two theories and applying them to the context of fashion and furniture renting. Lastly, another noteworthy contribution of this thesis lies in comparing between the two sectors of fashion and furniture, with a particular focus on large scale retailers, providing an important general understanding of the areas. We assume that a cross-sectoral comparison of access-based consumption models within retail is not only relevant for the academic world but even more for practitioners and managers, leading to the practical implications of this thesis.

7.3 Practical Implications

Along with the theoretical implications, our thesis also allows presenting practical implications. This subchapter is dedicated to the practical implications this research can provide for fashion and furniture retailers that want to implement renting into their business model. Based on our findings, we have suggested possible solutions to overcome consumer resistance. Our discussion about the practical applications of the CBM of renting provides us with more general guidelines.

First, we believe it is beneficial for retailers to provide more value to environmentally conscious consumers since they seem to exhibit less resistance towards renting. We suggest that retailers impose concrete environmental guidelines on their suppliers and proactively communicate the advantages of renting to appeal to environmentally conscious consumers. Parallelly, retailers

should use sustainable and durable materials in production in order to increase environmental value, decrease breakage and enable long-term use. For the sake of credibility and to avoid criticism, we also suggest sticking to recycling and closed-loop processes for the rest of the value chain as much as possible. Furthermore, retailers could reduce the environmental impact of logistics by introducing more eco-friendly ways to transport the rental products, e.g. by using and providing electric mobility. Following these recommendations built on literature, theory and our results, fashion and furniture retailers can address, attract and retain customers who generally show lower resistance towards a renting service. This way, fashion and furniture retailers may reach a faster and broader adoption of the innovation in their business model, enabling them to be profitable and secure sustainable growth from a long-term perspective.

Second, concerning trend orientation, our analysis and discussion suggest that the aforementioned trend-oriented consumers tend to prefer short-term rental periods, often correlated with the fear of wasting money, which can be overcome through fair usage-based pricing and in general through flexibility for the length of rental period and the renting process itself. The aspect of flexibility also applies to convenience, which calls for easy and seamless renting processes. We see one advantage of a retailer like H&M in the fact that a renting service could and should be integrated into their brick-and-mortar stores, which will add convenience and make it easier for consumers to access the renting products. Furthermore, we assume that resistance from trend-oriented customers in the fashion industry can be decreased by including new styles in the renting offer and consequently adding value through variability.

This leads us to the last implications, which tackle the three perceived risks. Here, it is generally essential to keep the price-performance in mind, meaning that the rental product needs to be priced in a reasonable, usage-based way so that a higher perceived price does not daunt financially risk-averse consumers. Then, based on the analysis of perceived breakage risk, it is important to ensure seamless and convenient return processes that follow straightforward procedures in the case of breakage or staining of a rented object. Moreover, and with the current Covid-19 pandemic in mind, we assume it is even more essential for retailers to overcome resistance rooting from hygienic concerns. Hence, we suggest that retailers should implement thorough quality and cleanness checks at the end of each products' rental period, thus guaranteeing high hygiene standards between the different renting customers. As another point, one should not forget financial value. Although the frame of this thesis does not allow us to calculate the costs that would come with an implementation of renting into a retailers' established business model, we are certain that the initial financial investments that have to be made are not to be underestimated. However, we can assume that large retailers have the financial resources to start experimenting and improving the renting format after some test phases.

Lastly, we assume that a retailer like IKEA or H&M must overcome consumer resistance by taking into account the risks to implement the renting format as part of a sustainable business model diversification and as an addition to the prevalent linear business model. For a sustainable BMI to be successful, we therefore conclude that it must not only introduce a new way of value creation, but even more importantly address consumers' and society's increasing demand of more sustainable practices that aim to reduce waste and excessive use of resources.

7.4 Limitations and Future Research

Besides the contributions of this thesis, there are some limitations to be mentioned, firstly with regard to our methodology. The time constraints for this thesis led us to use the non-probability sampling method convenience sampling, which has its limitations in the generalisability of the research findings, as explained in chapter 3. Taking this and the relatively small sample size of 191 respondents into consideration, the outputs of the correlation analysis can only be considered as a benchmark. Thus, further research should aim to obtain better representativity and generalisability of the research findings in order to be able to give even more meaningful insights into the topic. Moreover, a big part of our study respondents lives in or originates from Germany and Sweden. It would be of interest to see if there are any cultural differences in the results when one compared different nationalities and backgrounds, as this could result in important implications for international retailers like IKEA and H&M. Likewise, a combination of quantitative and qualitative methodological approaches, representing the customer and the retailer side might shine even more light on this topic. For example, interviews, focus groups and even experiments can reveal more of the underlying processes, thoughts and causalities regarding the discussed BMI of renting. Regarding the statistical analysis, we also recommend taking this analysis one step further by conducting a regression analysis to make more precise predictions, which was not the main focal point in this thesis. Future research could build upon our conceptual framework and include causal effect arrows of action indicating the direction of effect from the risks on the relationships among the IVs and the DV. In general, we think that our conceptual framework serves as a solid starting point into which other variables, such as other risks or additional elements of consumer resistance, could be integrated.

From a contextual point of view, there are further limitations to be mentioned. Besides the methodological and statistical recommendations for future research, we also suggest emphasising the significant aspect of risk perceptions regarding renting fashion and furniture. We argue here with the limitations of our empirical findings that have revealed the importance of considering consumers' risk perceptions even more. More precisely, it is interesting to evaluate the impact of the ongoing Covid-19 pandemic on the hygienic, but also on the other risks of renting. Furthermore, we also regard it as relevant to include other aspects, such as the desire to own, social pressure and convenience in future research, all elements that have been mentioned and investigated by previous research. Additionally, further studies could evaluate the risks with regard to the briefly mentioned prospect theory by Kahnemann and Tversky (1979). In our eyes, diving deeper into the mentioned areas, but especially into convenience, can reveal more about the worries and hindrances for fashion and furniture renting in particular. Generally, we believe it is relevant to further explore the renting format regarding the furniture sector, particularly since we see potential for it to become a more sustainable and economical alternative to the regular, linear business model. Lastly, more needs to be known about which length of rental period (short- or long-term) and which pricing type (subscription-based or usage-based) is more suitable for both sectors, since we can only argue based on our findings concerning environmentally conscious, trend-oriented and risk-averse consumers in fashion and furniture retail. Future research should consequently find out more about the preferred

length of rental period and the preferred pricing model and compare this among other types of consumers.

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Appendix A: Survey Questionnaire

Fashion and furniture renting Hi, we are Maura and Belinda**,** and we are currently writing our master thesis at Lund University School of Economics & Management. Our research topic concerns fashion and furniture renting as an alternative to buy-and-dispose consumption. Please answer as honest as possible. Thank you in advance for helping us! Note: Your participation in this study is voluntary and you may end your participation at any point. Your answers will be treated anonymously and confidentially according to GDPR, and will only be used for the purposes of the study. You may only participate once. If you want to be updated about the results or in case you have other questions or comments, please reach out to ma6522ko-s@student.lu.se						
1. I agree to fill out this survey voluntarily & truthfully						
Yes			No			
In this first section, please answer the following questions about your consumption habits and attitudes as honest as possible.						
2. Environmental protection is very important to me.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
3. If consumers goods are environmentally friendly, I accept other sacrifices (such as costs).						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
4. In my consumer behaviour I hold environmentally friendly products in high regard.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
5. It is important to me to utilise the newest consumer goods.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
6. It is important to me that my wardrobe is up-to-date.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
7. It is important to me that my wardrobe is up-to-date.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree

8. I like to keep up with the latest trends in furniture.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
9. I like to keep up with the latest trends in fashion.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
Fashion Now, please imagine you are about to rent clothing from a retailer for one month. For each item you pay a rental fee that is lower than the purchasing price. Please indicate how you think about the following statements.						
10. I will feel that I wasted money to rent clothing just for a shorter time.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
11. It will cost a lot to manage and keep the rented clothing in good shape.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
12. I will feel that I wasted money to rent clothing, but not own it.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
13. Having to think about the eventual staining / damaging of rented clothing can hinder me from renting.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
14. I would be inclined to rent durable clothing, but I'm not prepared to pay a fine for stained / damaged clothing.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
15. I would feel insecure that the rented fashion item will be easily damaged / stained.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
16. I am worried about the cleanness of rented clothing.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree

17. It will not be easy to clean the rented clothing.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
18. I will not feel comfortable when wearing the clothing that has been worn by others.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
For this section, think more broadly about fashion renting services and indicate how you feel about the following statements.						
19. In sum, a possible use of fashion renting services would cause problems that I don't need.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
20. I would be making a mistake by using fashion renting services.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
21. The use of fashion renting services would be connected with too many uncertainties.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
22. The fashion renting services are not for me.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
23. I'm likely to be opposed to the use of fashion renting services.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
24. I'm likely to be opposed to the discussions praising the benefits of fashion renting.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
Furniture Now, imagine you are about to rent a FURNITURE item (e.g. a wardrobe, a desk or a sofa). How do you think about the following statements?						
25. I will that I wasted money to rent furniture just for a shorter time.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
26. It will cost a lot to manage and keep the rented furniture in good shape.						

1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
27. I will feel that I wasted money to rent furniture, but not own it.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
28. Having to think about the eventual staining / damaging of rented furniture can hinder me from renting.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
29. I would be inclined to rent durable furniture, but I'm not prepared to pay a fine for stained / damaged furniture.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
30. I would feel insecure that the rented furniture item will be easily damaged / stained.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
31. I am worried about the cleanness of rented furniture.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
32. It will not be easy to clean the rented furniture.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
33. I will not feel comfortable when using furniture that has been used by others.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
Again, please think more generally about furniture renting services now and indicate how you feel about the following statements.						
34. In sum, a possible use of furniture renting services would cause problems that I don't need.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
35. I would be making a mistake by using furniture renting services.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree

36. The use of furniture renting services would be connected with too many uncertainties.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
37. The furniture renting services are not for me.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
38. I'm likely to be opposed to the use of furniture renting services.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
39. I'm likely to be opposed to the discussions praising the benefits of furniture renting.						
1 = I strongly disagree	2	3	4	5	6	7 = I strongly agree
Demographics						
40. What is your age?						
18-25	26-32	33-40	41- 49	50+		
41. What is your highest completed education?						
High school / A-levels	Apprenti ceship	Bachelor degree	Master degree	PhD Degree	Prefer not to say	
42. What do you identify as?						
Female	Male	Other	Prefer not to say			
43. What is your country of residence?						
44. What is your nationality?						
45. What is your monthly net income in Euro €?						
0-1,000€	1,001-2,000€	2,001-2,500€	2,501-3,000€	3,001-4,000€	4,001-7,000€	More than 7,000€
Please click submit! Goodbye & Thank you! You reached the end of this survey. Thank you for participating in our survey, your answers are really helpful and we appreciate you taking the time! Please click SUBMIT at the bottom of this page to send your answers.						

For further questions, comments or an update regarding the results, please contact ma6522ko-s@student.lu.se

Appendix B: Approximate test for correlation coefficients

H3 – H8 Furniture

	H3	H4	H5	H6	H7	H8
Correlation coefficient 1	-0.066	0.065	-0.066	0.065	-0.066	0.065
Correlation coefficient 2	-0.059	0.028	-0.052	-0.01	-0.054	-0.046
Sample size	191	191	191	191	191	191
z-score	-0.0681	0.3595	-0.1362	0.728	-0.1168	1.0774
Probability	0.9457	0.7192	0.8916	0.4666	0.907	0.2813

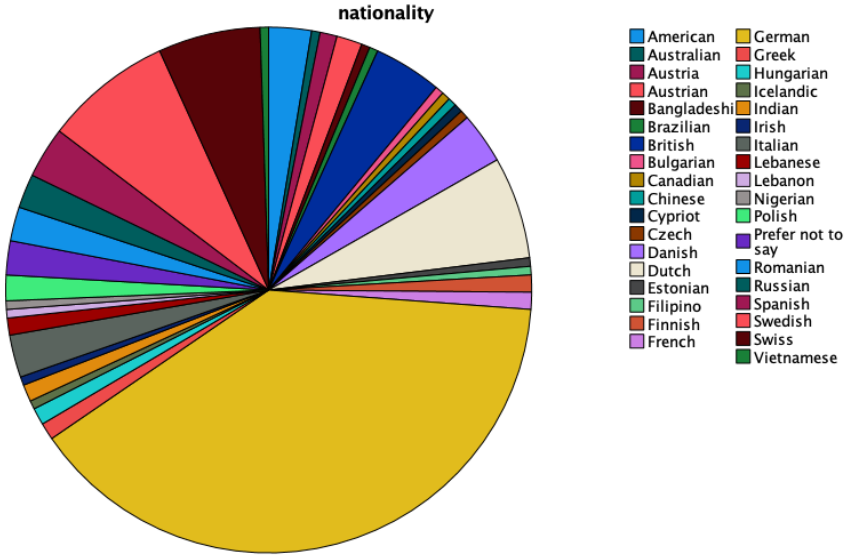
H3 – H8 Fashion

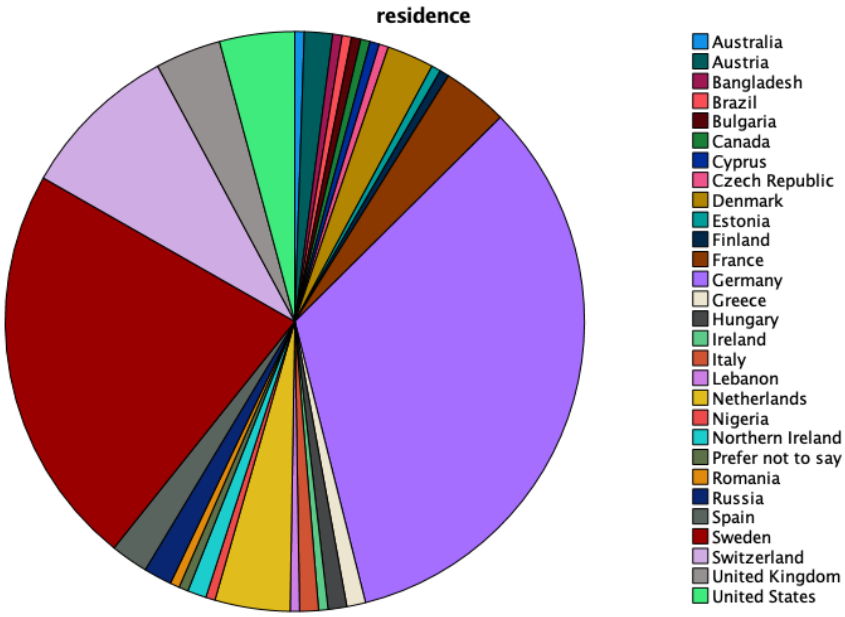
	H3	H4	H5	H6	H7	H8
Correlation coefficient 1	-0.176	0.118	-0.176	0.118	-0.176	0.118
Correlation coefficient 2	-0.009	0.35	-0.185	0.058	-0.132	0.21
Sample size	191	191	191	191	191	191
z-score	-1.6371	-2.3937	0.0902	0.5864	-0.437	0.5864
Probability	0.1016	0.0167	0.9281	0.5576	0.6621	0.5576

Appendix C: Demographics

WhatisyourmonthlynetincomeinEuro income

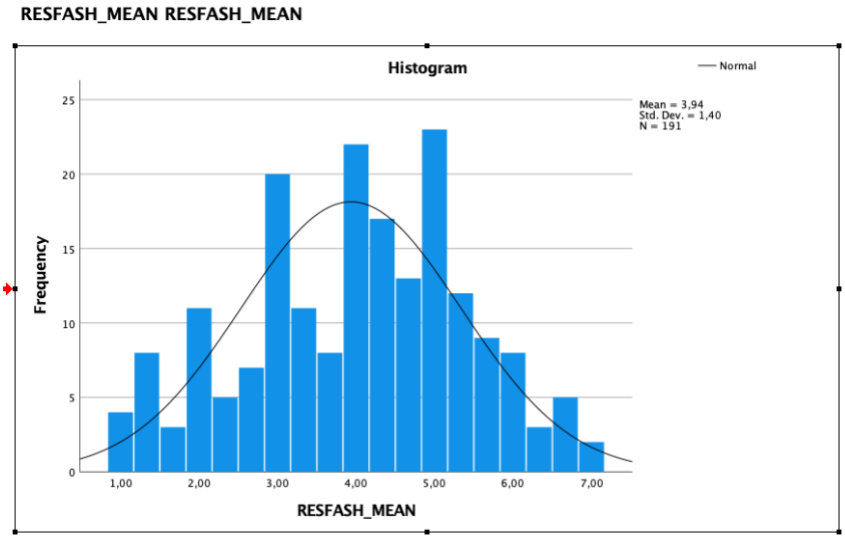
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 1,000 €	55	28,8	28,8	28,8
	1,001 - 2,000 €	46	24,1	24,1	52,9
	2,001 - 2,500 €	19	9,9	9,9	62,8
	2,501 - 3,000 €	24	12,6	12,6	75,4
	3,001 - 4,000 €	20	10,5	10,5	85,9
	4,001 - 7,000 €	17	8,9	8,9	94,8
	more than 7,000 €	10	5,2	5,2	100,0
	Total	191	100,0	100,0	

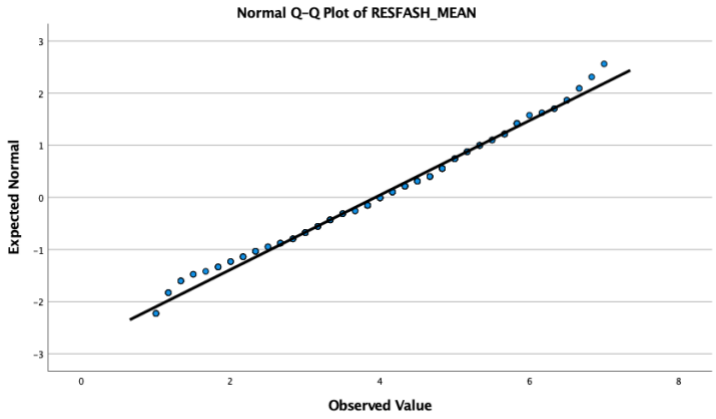




Appendix D: Assumptions for correlation

Normal distributions





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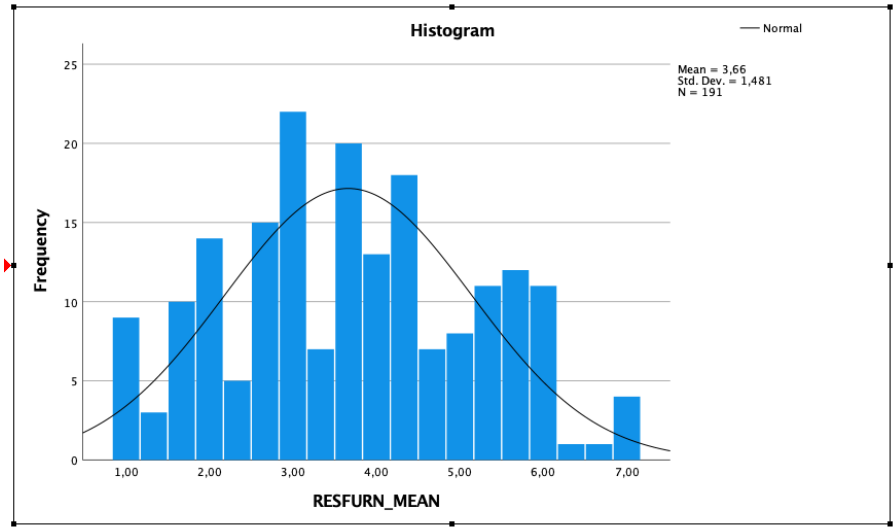

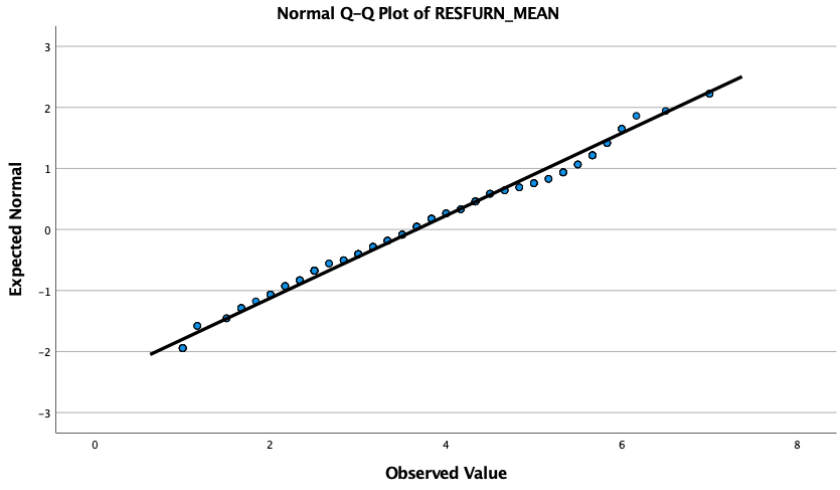

Linearity

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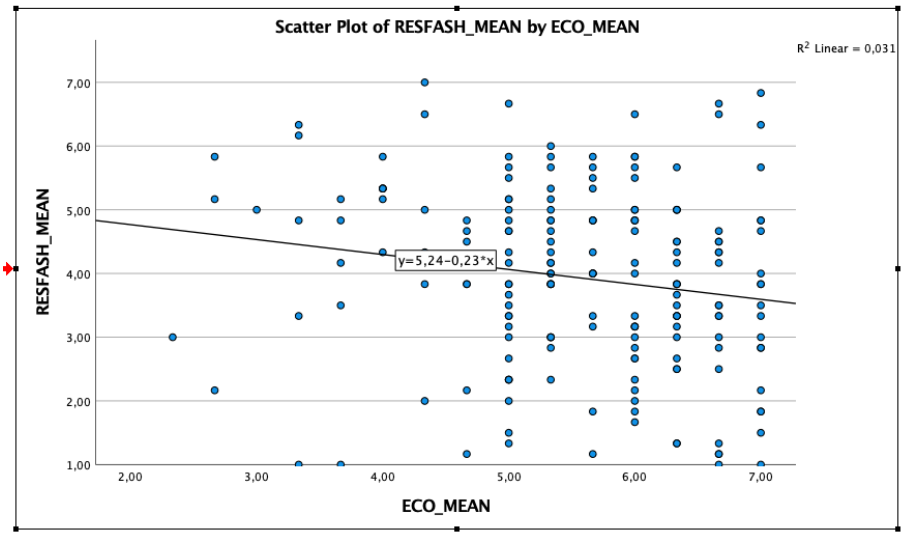

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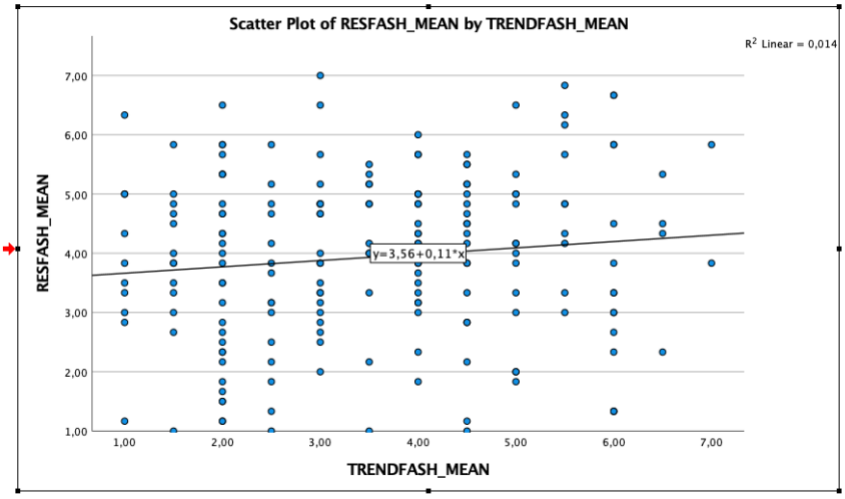

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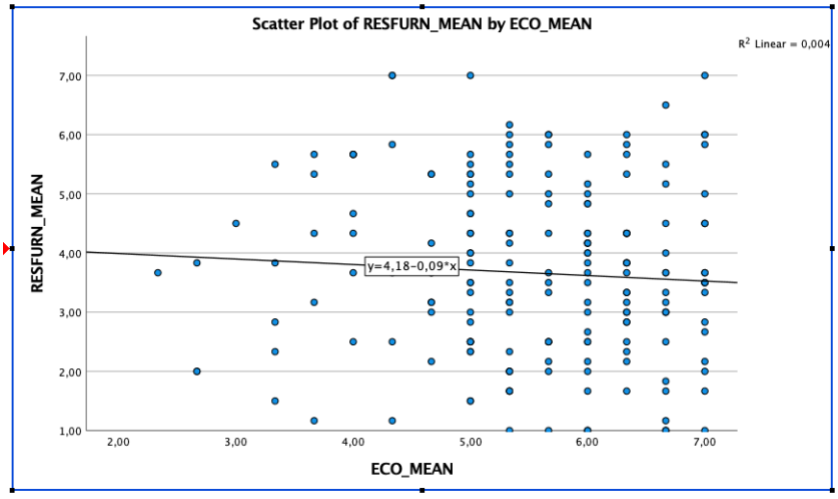

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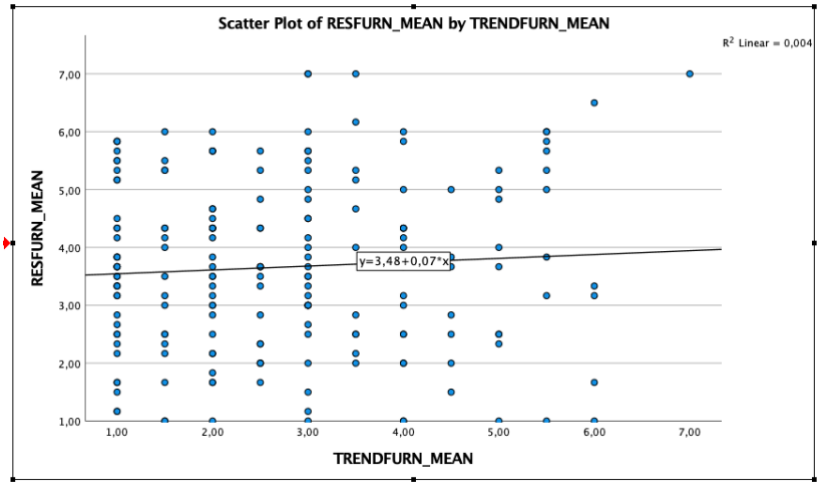

Homoscedasticity