Renting is the New Black?

A Qualitative Study investigating Millennial's Perceptions of Luxury Fashion Brands with their Availability on Rental Platforms

by

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Abstract

Title:	Renting is the New Black? - A Qualitative Study Investigating Millennial's Perceptions of Luxury Fashion Brands with their Availability on Rental Platforms
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Keywords:	Luxury fashion brands, consumer perceptions, rental platforms, exclusivity, ownership, access-based economy
Thesis Purpose	We aim to investigate consumers' perceptions of luxury fashion brands and whether these perceptions differ with and without the context of luxury rental platforms.
Methodology:	A qualitative methodology was adapted, using semi-structured interviews and an abductive research approach.
Theoretical Perspective:	In order to investigate consumer perception of luxury brands in the context of rental platforms, we applied concepts of Keller's customer-based brand equity pyramid within the fields of luxury fashion, rental platforms, and consumer perceptions of luxury brands.
Empirical Data:	The empirical data consists of nine semi-structured interviews which were divided into three groups depending on the previous experience with luxury fashion brands.
Findings / Conclusion:	Perceptions differ partly in regards to the different aspects but also in terms of the different interviewee groups. The differences are of rather minor nature.
Practical Implications:	Luxury fashion brands should engage in the access economy, while ensuring to maintain their unique selling propositions such as exclusivity.

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CBBE - Customer-based brand equity pyramid

CSR - Corporate Social Responsibility

ICT-enabled - Information and Communication Technology-enabled

1. Introduction

This chapter introduces the topic of rental platforms within the area of luxury fashion brands. It will be illustrated how these rental options relate to the trend of access-based consumption and how such platforms could threaten the exclusivity aspect as one of the main drivers of luxury brands. Furthermore, we present the research purpose and our research question, as well as our considered contributions and an outlook on the forthcoming topics of our study.

1.1. Background

"As people's access to the internet grows, we're seeing the sharing economy boom - I think our obsession with ownership is at a tipping point and the sharing economy is part of the antidote for that" - this quote by Richard Branson (Startups Magazine, 2020) adequately sums up the importance of the access-based consumption in our contemporary society. The internet age has disrupted previous industries and has shaped and redefined the role of ownership. The focus is no longer purely on ownership, but increasingly on usage. Ride sharing through Uber, having access to a stranger's apartment via Airbnb, or using Netflix or Spotify to stream movies and music, to name just a few, has already become an integral part of our everyday lives and the trend of digital platforms disrupting traditional business models is growing.

The booming sharing economy is characterized by the aspect of temporary access as opposed to the traditional permanent ownership of products which leads to an increase in access-based consumption (Eckhardt, Houston, Jiang, Lamberton, Rindfleisch & Zervas, 2019). The overarching concept of the sharing economy includes many sub-categories such as peer-to-peer lending platforms, car sharing, crowdfunding, or rental business models (Forbes, 2016). The latter has become highly relevant, especially in the field of fashion. The access economy within the fashion industry on the one hand aims to reduce the industry's negative impact on the environment. On the other hand, it allows for an increased availability and access to fashion products (Conlon, 2020) as renting luxury fashion items is not only related to the positive environmental impact but also allows consumers to have access to previously beyond-reach luxury items in the case of luxury fashion rental platforms (Luxury Society, 2020).

Celebrities are used to borrowing designer items for the red carpet, such as an haute couture dress from Dior or a multi-million-dollar necklace from Tiffany (Vogue, 2019). But for the majority of consumers, renting clothes is not yet commonplace. However, this is about to change. Worldwide, an increasing number of online sites are offering fashion rentals for consumers on websites such as Rent the Runway, Chic by Choice, Bag Borrow, or Steal which facilitate access to luxury fashion items (Feng, Tan, Duan & Bai, 2020).

A pioneer in the field of luxury fashion rental is the rental platform Rent The Runway from New York City, which was founded more than ten years ago, in 2009 (Bertoni, 2014). The website offers designer clothes and accessories for rent at a reasonable rental fee compared to the expensive retail price of luxury products. The selected products are sent to the customer's home and after the rental period is over, the items are sent back and are cleaned by the in-house dry cleaning service for the next customer. Rent The Runway thereby was one of the first to follow the trend of subscribing and sharing to "stream your wardrobe" (Bertoni, 2014, p.120). Another example is the rental platform The Beyond Club from Munich in Germany, which has just been launched in 2021. This luxury bag rental membership club offers high-end luxury bags for rent from an exclusive brand portfolio of luxury brands such as Dior, Fendi, or Chanel (The Beyond Club, 2021). Within the luxury rental platforms, there are differences in the extent to which or whether the actual luxury brands are involved. For example, while Rent The Runway collaborates with the designer brands, The Beyond Club buys the luxury brands' bags itself to then rent them out, without the brands themselves having any power to decide whether they want to offer their products for rent or not.

The rental sector is growing with an estimated industry value of nearly 1.7 billion euros by the end of 2023 (Vogue, 2019).

The trend of luxury-rental-on-demand is driven primarily by young consumers who want to have access to luxury products while also taking the sustainability aspect in their purchasing behaviour into account.

While luxury brands previously focused little on sustainability, an increasing number of luxury brands such as Stella McCartney are now incorporating this topic into their branding strategy (Kapferer & Michaut, 2015). Stella McCartney, for example, is eliminating real

leather from its products and is incorporating this ethical focused practice into its branding strategy (Kapferer & Michaut, 2015).

The fashion industry in general, a billion-dollar industry, is one of the most unsustainable business industries in the world and increasingly viewed critically, not only in regards to pollution through production, but also because of the massive amounts of clothing that end up in the landfills each year, while the worldwide production of clothing in the last 15 years has doubled. The carbon footprint of the fashion industry is thereby bigger than both shipping and flights combined (McFall-Johnsen, 2019). Consumers and especially Millennials are becoming increasingly environmentally conscious about the impacts of over-consumption and the throwaway culture and are thus seeking solutions to substitute fast fashion items (Conlon, 2020). This environmental aspect explains another driver for the boom of rental options in general, driven by a change in the consumer's mindset and the trend towards more conscious consumption. However, Millennials as consumers are not only concerned with sustainability aspects in their consumer behavior but are also attracted to exclusive brands and luxury. Millennials today comprise approximately 32% of the luxury retail segment, which is forecasted to increase to 50% by 2025 (Danziger, 2019).

1.2. Problematization

The previous section introducing the background of our field of research indicates how the tendency is becoming less about being the exclusive owner of a luxury item but rather about having access to it. In luxury fashion, rental platforms could disrupt the traditional strategy of luxury fashion brands based on aspects such as exclusivity and limited availability of luxury items.

In marketing research, the sharing economy has already been studied very intensively. It has been investigated how consumers are attracted to sharing economy business models within the fashion industry and why customers are moving away from conventional shopping habits to new, more sustainable models which also offer a broader accessibility to fashion items. Rental platforms, as one phenomenon of the sharing economy, have also already been researched, both in regard to the fashion as well as the luxury fashion industry. The area of luxury fashion brands in general is also a well-researched topic, while the focus mostly lies

on the aspect of exclusivity as a strategy aspect of the respective brands. Rental platforms meet consumer needs (Mukendi & Henninge, 2020) and open up new opportunities for consumers to create their own identity and self-brand themselves through "shopping" on rental platforms (Soclere, Pruchniewska & Duffy, 2018). Furthermore, the reasons behind why people purchase or aspire to possess luxury brands as part of their self-realization have been analyzed repeatedly. The perception of consumers on these rental models such as "Rent the Runway " from the US has already been examined, especially in the Anglo-American area (in the United States and the UK). However, for any luxury fashion brand it is crucial to know how they are understood by consumers throughout new possibilities of availability.

Correia Loureiro, Jiménez-Barreto, and Romero (2020) researched why people aspire to possess luxury brands as part of their self-realization concerning the aspect of owning luxury products in regards to the status and exclusivity that accompany such ownership. However, as previously mentioned, it is becoming more about the access to these luxury products rather than being the exclusive owner (Vogel, Cook & Watchravesringkan, 2019). As a result, rental platforms are giving less affluent consumers and a broader group of consumers access to luxury items (Luxury Society, 2020). The increased availability of exclusive luxury brands could impact the perceptions towards the respective luxury brand from the consumer point of view. As the exclusivity and status symbol aspect of those brands might be diminished, luxury rental platforms could be a threat to the luxury brands themselves (Vogel, Cook & Watchravesringkan, 2019).

Another aspect of the sharing economy that also plays a major role in the area of rental platforms is the accompanying corporate social responsibility. The factor of corporate social responsibility has already been investigated with regard to rental options in the area of non-luxury brands, but not yet sufficiently with regard to corporate social responsibility and the aspect of sustainability in relation to luxury brands. Therefore, the relationship between luxury brands, whose products are offered on rental platforms, and the perceived corporate social responsibility aspect of the luxury brand should be analyzed further and if it plays a role when it comes to luxury fashion rental. Fatma, Khan, Rahman, and Pérez (2020) stress the general importance of corporate social responsibility (CSR) as a response to the increasing demand of consumers for sustainable purchasing options for any brand and therefore, lay an

emphasis on the incorporation of actions that improve CSR. As Fatma et al. (2020) evaluate consumers' perceptions of brands that can be rented through some kind of platform business towards their level of sustainability, Mukendi and Henninge (2020) propose rental platforms as niche forms of consumption for consumers who value sustainability and are aware of the consequences of fast fashion. While the sustainability aspect is one part of rental platforms, the other aspect is how consumers perceive these brands related to their exclusivity.

Moreover, the consumers' perception of the original target group of a brand should be evaluated. Original consumers in this context refer to those who purchase luxury items for its exclusivity and accompanying status. It is inevitable to understand their mindset to the new, different availability of the brand. Do the original customers, who strive to own a luxury item, not perceive the luxury brand as exclusive as before and thus do not strive to purchase from those brands anymore? This can be described as trickle down effect (Simmel, 1957 cited in Vogel, Cook & Watchravesringkan, 2017). This trickle down theory states that lower social classes try to imitate the trends of the upper class, which is why luxury products from the upper social classes also spread downwards, causing the original upper-class consumers to have less demand for these luxury products (Simmel, 1957 cited in Vogel, Cook & Watchravesringkan, 2017).

Is the exclusivity as core of their strategy threatened and might therefore lead to dilution of those brands? Any change of consumers' mindsets towards the provided brands should be analyzed considering the existing literature on platform models in this field. Since the availability of luxury fashion brands and their products changed, the perception towards luxury fashion brands might change as well. As brands often do not have control if they are available to the consumers on these rental platforms, a lack of control from the side of the brands evolves, which could threaten those brands. Although the phenomenon of sharing goods in general is not new, renting luxury fashion items is an emerging market that has not yet been explored in depth. Thus, research on a potential change in perceptions towards luxury fashion brands is needed.

The consumers' perception of the brands, that are offered for rental on these platforms, has not been examined sufficiently. The research gap evolves here as for any luxury fashion brand, new target groups are added to the main and rather exclusive target market due to the wider

accessibility of their luxury products. As the brand's products are now available to a broader group of consumers, this might lead to a shift in how the brand is being perceived. Consequently, to close this research gap, consumers with different experiences will be asked on their perception of the brands offered on rental platforms. By doing so, we aim to investigate whether their perception of luxury brands might differ with rental options. Thereby, this distinction will be made between consumers who own luxury products themselves and also use a rental platform, and consumers who merely rent without owning such products themselves. To summarize and illustrate the main pillars of our study, our research domain is portrayed in Figure 1.
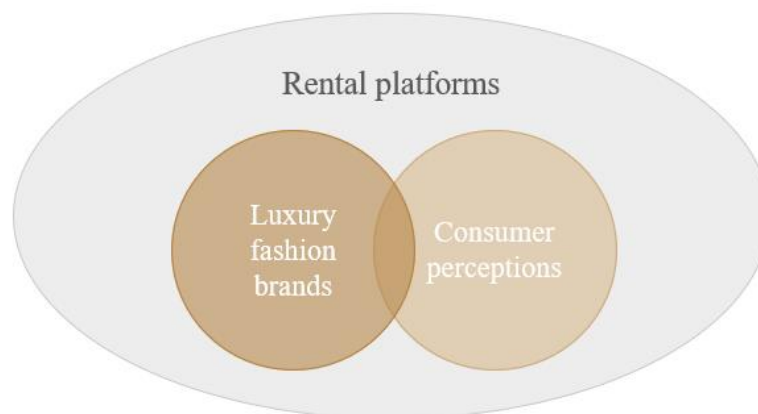
Figure 1: Positioning of Research

1.3 Research Purpose and Question

As we identified a research gap in the section Problematization above, the goal we seek to achieve within this thesis is to understand if the existence and usage of rental platforms evoke differences in consumer perceptions of luxury fashion brands. Since we are expecting that access-based economies such as rental platforms will gain more and more popularity over the next few years, the relevance of the topic will increase for any luxury brand that operates in the fashion industry. Therefore, the aim of this research is to investigate consumer perceptions of luxury fashion brands and whether they differ with and without their existence of rental platforms. We thereby focus on the target group of Millennials, as they, in contrast to

Generation Z, for example, potentially have the financial means to purchase luxury items as they are already in the workforce (Wallach, 2020).

Furthermore, we address whether potential differences prevail between consumer groups based on their previous experiences with luxury fashion brands. As a consequence, different aspects that mainly constitute luxury brands, such as exclusivity, could be perceived differently.

Thus, the research questions of our paper are:

RQ 1: How do consumer perceptions of luxury fashion brands differ with and without their availability on rental platforms?

RQ 2: Are there any differences in consumer perceptions based on their previous experience with luxury fashion brands?

1.4. Aimed Thesis Contributions

This study aims to contribute to a better understanding of a potential shift in consumer perceptions of luxury fashion brands due to the emergence of rental platforms. To gain insights and an understanding we want to examine if there is any difference in the brand perception from a consumer perspective before and after the option to rent a luxury fashion item comes into play. We are convinced that an understanding of a potential change in brand perception plays a significant role in staying successful on the market. Thus, we also aim to grasp the factors that influence consumers' perceptions.

We aim to provide research results and insights to a wider domain of brand perceptions with the context of rental platforms. Having a clear understanding of the possible shift in the brand perceptions could help future research to investigate the effects of rental platforms on brands. Thus, we intend to contribute to existing brand equity literature in the context of rental platforms.

The intended audience of our research are luxury brand managers, who could potential adapt their branding strategy to stay competitive, as well as luxury fashion platforms, which could learn from the results how to adequately market their services.

1.5. Outline

This thesis consists of seven distinctive chapters that are divided into several subchapters. The first chapter focuses on the introduction of the overall research topic to provide the reader with the possibility to gain familiarity with the topic.

In the second chapter, we present a literature review of academic research papers on topics such as platform business models, access-based economy, sustainable consumer behavior, corporate social responsibility, luxury fashion, and brand perceptions from the consumer side to give the reader a better understanding of the research gap and which subjects have already been investigated.

The third chapter explains the theoretical framework we based our questions for the interviews on and explains the connection to the theory we used to analyze consumer behavior and the corresponding perception of the brands.

In the fourth chapter, we describe our chosen methodology for the study and how we analyzed the data we acquired from our semi-structured interviews.

The fifth chapter displays the empirical data regarding the participants and the findings of the interviews that we conducted according to our framework.

The sixth chapter can be seen as a direct connection to the previous chapter as we now analyze the data that is described in the previous chapter.

Finally, in the seventh and final chapter, we demonstrate our theoretical and practical contributions, conclusions, and additional suggestions for further research.

2 Literature Review

This section first introduces the field of luxury fashion brands in general and the extent to which the aspect of exclusivity and self-expression through wearing and owning luxury items plays a role. To understand how the use of luxury fashion rental platforms is becoming

increasingly popular, we introduce consumption trends of Millennials and assess how sustainability trends impact their consumption behavior. The sharing economy and the concept of access-based consumption are introduced in order to understand how luxury fashion rental platforms work and how the trend of having access to luxury products as opposed to owning them evolves. We end this chapter with the concept of brand equity, which is the basis of our subsequent theoretical framework.

2.1 Luxury Fashion Brands

In order to examine a potential change in the perception of luxury fashion brands through luxury fashion rental platforms, it is critical to explore the nature of luxury brands and to know why people purchase luxury items and how brands achieve to be aspired by customers (Wiedmann, Hennigs & Siebels, 2009).

Within the literature, luxury has been examined extensively. However, controversy exists as to whether there is a single definition of luxury and its accompanying attributes or if it varies among categories, countries, or consumers (Romaniuk & Huang, 2020). Cornell (2002, p.47) defines luxury to be "particularly slippery to define" and that "key components are a strong element of human involvement, very limited supply and recognition of value by others".

Luxury brands possess a variety of attributes that differentiate them from non-luxury brands (Romaniuk & Huang, 2020; Vigneron & Johnson, 2004). The study of Romaniuk and Huang (2020) thereby focuses on five attributes contributing to a brand being perceived as luxury. These luxury attributes are recognizability, superior quality and customer experience, being in resonance with the self of the consumer, and the uniqueness from non-luxury or mainstream brands (Romaniuk & Huang, 2020). Other researchers name other main attributes that account for luxury brands, namely high prices, high quality, heritage, exclusivity, and symbolic meaning, which is associated with certain desires that surround the respective brand (Vigneron & Johnson, 2004; Kapferer, 1997).

The aspect of luxury accompanied with exclusivity thereby differentiates luxury brands in general, not only in regards to luxury fashion, within a certain product category from other

brands and should attract respective affluent customers who are willing to pay a price premium to get a certain product from a luxury brand (Wiedmann, Hennigs & Siebels, 2009).

When investigating the consumer perspective, it is crucial to consider their perceptions of the value that is accompanied by purchasing from luxury brands. Psychological advantages are thereby indicated as one of the major factors that differentiate luxury goods from non-luxury items (Wiedmann, Hennigs & Siebels, 2009). The desire for the respective luxury brand is an important characteristic that luxury brands aim for which is generated through an awareness of the brand, a "dream" to aim for which accompanies the brand and the actual purchase (Dubois & Paternault, 1995).

2.1.1 Exclusivity as Main Strategy

As the aim of our study is to analyze a potential change of perception due to the increased availability of luxury items through rental platforms, it is important to take a closer look at the attribute of exclusivity which might be affected. Exclusivity is of high importance as it is the main aspect that might be affected through a broader availability. The fact that luxury brands are recognized by consumers as luxurious prestige objects is, amongst other attributes as previously mentioned, attributed to the aspect of exclusivity. Thus, luxury brands traditionally target exclusivity as part of their business strategy and focus on lower levels of production and only offer exclusive channels of distribution, and do not target the mass market. While the accessibility is limited, high prices are being charged for the luxury items (Vogel, Cook & Watchravesringkan, 2019). Consequently, only a relatively small number of customers with the respective financial means are intended to be able to afford luxury items. Traditionally, luxury fashion brand's retail channels are company-owned or only offered in particular stores to ensure an exclusive availability without targeting the mass market (Vogel, Cook & Watchravesringkan, 2019). Only if consumers are financially able and willing to pay a price premium they can purchase luxury items that serve as a tool to generate status and signal prestige (Truong, McColl, Kitchen, 2010). Increased availability and consumption of the products by a wider consumer mass could consequently dilute the perception of the brand as a luxury brand (Amaldoss & Jain, 2005).

2.1.2 Self-expression through Luxury Fashion Brands

In the literature, many researchers have already investigated the role of items as a tool for self-expression, which are mostly based on sociological and social aspects (e.g., Belk, 1988). The motive of consumers of luxury brands is primarily attributed to the fact that consumers want to impress others by being able to afford luxury products as a socially-oriented motive (Wiedmann, Hennigs & Siebels, 2009). Consumers tend to select a particular brand as a means of expressing both who they think they are and how they want to be perceived by their peers (Romaniuk & Huang, 2020). The perceived luxuriousness of a brand facilitates a consumer to articulate his own self, his ideal self, or certain aspects of the self by using a particular luxury brand (Vigneron & Johnson, 2004). Besides luxury as a means to be perceived by others in a certain way and through which consumers feel the need to establish themselves in a certain social class and to show their wealth and power, there is also a second, more personal aspect to luxury. This personal aspect concerns how the consumers experience themselves, feel pleasure, and focus on their own well-being (Kapferer & Bastien, 2012).

In the luxury segment, consumers want to display their status and affluence to themselves and towards others, referred to as "conspicuous consumption" (Veblen, 1899). The theory of conspicuous consumption states that affluent individuals engage in the consumption of luxury items to demonstrate their wealth and signal their social status through owning luxury brands representing status and prestige (Veblen, 1899; Amaldoss & Jain, 2005). Wearing luxury brands is recognized as signaling status and exclusivity to others which is why the consumption of luxury brands is said to rather show prestige and status as opposed to serving for functional purposes (Vogel, Cook & Watchravesringkan, 2019).

2.2. Customer Perceptions towards Luxury Brands

In order to investigate a potential difference in perceptions towards luxury fashion brands with and without the context of rental platforms, it is essential to define what customer perceptions towards brands constitute, as they are a key concept of our study.

While luxury brands, in general, have been researched extensively (e.g., Kapferer, 1997; Janssen, Vanhamme & Leblanc, 2017), the perceptions from the consumer point of view

towards luxury brands have not been researched as comprehensively (Romaniuk & Huang, 2020; Vigneron & Johnson, 2004). However, especially in the case of luxury brands, brands are not simply luxurious but must be perceived as luxurious by the consumer. Thus, the perception of consumers is of major relevance in the field of luxury brands (Romaniuk & Huang, 2020).

How a brand is perceived is based on three key elements: direct brand experience such as buying the brand or experiencing its sales points, word-of-mouth, and promotion or other marketing exposure (Romaniuk & Huang, 2020). Thereby, direct experience with the brand through being a customer has the strongest impact on the brand's perception (Romaniuk & Huang, 2020).

Vigneron and Johnson (2004) categorize luxury brand perceptions into two main components, which are personal perceptions and non-personal perceptions. Personal perceptions comprise the perceived hedonic value and extended self, while non-personal perceptions refer to the perceived conspicuousness, uniqueness, and quality (Vigneron & Johnson, 2004). How a luxury brand is perceived is, however, dependent on the context and the people involved and thus not a rigid concept (Vigneron & Johnson, 2004).

2.3 Consumption Trends

In order to analyze how Millennials' consumption behavior is related to their perception of luxury brands and the option to rent them, it is imperative to look at general contemporary consumption trends. This includes the topic of sustainable consumption and the attitude towards ownership in contrast to having access to products and services. Furthermore, we will look at why consumers, in this specific case, Millennials, are attracted to luxury brands and why they desire to consume or have access to these brands.

2.3.1 Sustainable Consumption Trends

It is increasingly being recognized amongst consumers that their behavior has a direct impact on the environment and leads to environmental pollution and climate change. Consumers are thus becoming aware of the impact of their consumption behavior and environmental and social issues and demand sustainable purchasing options (White, Habib & Hardisty, 2019).

Sustainable consumer behavior can thereby be described as "actions that result in decreases in adverse environmental impacts as well as decreased utilization of natural resources across the lifecycle of the product, behavior, or service (White, Habib & Hardisty, 2019, p.24).

Consumption trends such as mindful consumption are gaining increasing popularity and focus on less consumption (Sheth, Sethia & Srinivas, 2011). Through the so-called self-concept, consumers aim to see themselves reflected in a positive self-image, which they can or want to attain through appropriate consumption behavior (White, Habib & Hardisty, 2019). If consumers value incorporated sustainability when making a purchasing decision and perceive the brand to be trustworthy in this regard, the relationship between the two parties is strengthened, which can foster loyalty from the consumer side (Bhattacharya & Sen, 2004).

Nowadays, consumers obtain some degree of power to thoroughly do research on the company's background and whether they offer sustainable products, and whether in general, they align with the customer's expectations. The level of consumer commitment to social responsibility thereby depends on how trustworthy and legitimate they consider the brand to be (Elg & Hultman, 2016).

2.3.2 Brands answering to Sustainable Consumer Behavior

Not only consumers seek for more sustainability in regards to consumption, but consequently also companies are increasingly prioritizing the aspect of sustainability as an economic part of their business strategy, reacting to the increasing demand of consumers for sustainable shopping options (White, Habib & Hardisty, 2019). Not only through the Covid-19 pandemic but also before, consumers are reevaluating the impact of their consumption behavior and are becoming increasingly aware of the relevance and effect of a more sustainable purchasing behavior (McKinsey & Company, 2020). Already more than a decade ago, sustainability was described as an "emerging megatrend" (Lubin & Esty, 2010) which companies can no longer afford to ignore (Mukendi & Henninger, 2020).

Due to the constantly increasing demand for sustainability, companies, as a response, are increasingly adopting CSR activities and initiatives accordingly in order to remain successful over the long term and as a competitive advantage (White, Habib & Hardisty, 2019). CSR can be observed when a company implements initiatives that go beyond their own interests and

intend to contribute to the environment and society (Roper & Fill, 2012). CSR has been extensively studied and analyzed in the academic field of research and can be defined as "a company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society" (Mohr, Webb & Harris, 2001, p. 47). Research shows that companies that integrate CSR as a core part of their business strategy can contribute to positive stakeholder attitudes but also to strengthening the corporate image and acquiring trust and loyalty of customers, and enhance their reputation as a result (Elg & Hultman, 2016; Du, Bhattacharya & Sen, 2010). When a company implements environmentally and socially beneficial behaviors, it can result in positive consumer perceptions towards the company and enhance financial profitability (White, Habib & Hardisty, 2019).

Especially the fashion industry is forced to act, as its negative impact on the environment is receiving more and more attention. The fast fashion industry is particularly affected by it, but it is also necessary for all other sectors of the fashion industry to address the issue of sustainability. More and more fashion brands in general, not only fast fashion brands, for example, offer repair services or sustainable fashion lines as an action to address this issue (Mukendi & Henninger, 2020).

The sharing economy in this regard is not only motivated by the environmental aspects but also by economic benefits that are possible through a sustainable shift in consumption, which means that consumers shift from ownership of products to access to existing products, which can empower companies to succeed (White, Habib & Hardisty, 2019).

2.3.3 Consumption Trends among Millennials

Millennials, also called Generation Y, the generation born between around 1980 up to the early 2000s, are strongly influenced by technology and social media compared to their previous generation (Swanson & Davis, 2020). There is, however, no definite time frame of the generation of Millennials, as definitions within research vary. For our study, we decided to refer to the term Millennials based on Lancaster and Stillman (2002), who define the Millennial generation with people born between 1977 and 1999.

Millennials are inclined to be concerned about their societal and ecological footprint left by their consumption behaviors. They are, therefore, willing to consider alternative forms of

product acquisition, such as collaborative consumption perspectives (Vogel, Cook & Watchravesringkan, 2019). As the majority of Millennials hold a positive stance on environmentally friendly products, they are likely to spend more money on environmentally friendly products and brands (Lu, Bock & Joseph, 2013). 78% of Millennials are reported to be willing to spend more money on sustainable products as they demand more sustainable consumption options (White, Habib & Hardisty, 2019).

Millennials are said to choose the clothing they wear to express their self-identity and to accommodate themselves to the norms of society (Valaei & Nikhashemi, 2017). Generation Y consumers thus prefer to wear brand names or luxury fashion items as they want to express themselves in the way they intend to be seen by society and are described as being highly brand conscious (Giovannini, Xu & Thomas, 2015).

Being digital-natives, Millennials do not only get in contact with brands via the physical store but rather engage with brands also on digital channels such as their website or social media channels or (Vogel, Cook & Watchravesringkan, 2019). Millennials, as digital natives and tech-savvy consumers, are an essential target market when it comes to subscription business models and the use of digital platforms (Vincent & Gaur, 2021). The importance of ownership of an item is no longer as relevant to Millennials, and they tend to adopt not only conventional consumption perspectives (Vogel, Cook & Watchravesringkan, 2019). The generation of Millennials is driven by a desire for frequently having new items and having choices and thus are less likely to have long-term commitments but rather favor having access to products as opposed to owning them. In more recent research, Belk (2014) suggests that the concept of ownership of "you are what you own" is changing through the digital world. Ownership is thus less important when consumers no longer rely on the possession of physical products to build their identity and are thus open to models of access-based consumption, which will be discussed in more detail in the following section (Belk, 2014).

2.4 Sharing Economy

In this subsection, the sharing economy in general, platform business models and the concept of its famous examples such as Uber and Airbnb are introduced. Furthermore, we describe the term access-based economy as rental platforms in the fashion industry are based on this

distinctive concept and therefore, it is of high importance for understanding the context. As there are many reasons that explain the rise of the sharing economy, we felt the need to explain the key characteristics that determine the sharing economy.

The idea for sharing economy evolved from sharing profit and resources for the common (Belk, 2013; Kaplan & Haenlein, 2010), and Laurell and Sandström (2017, p.63) recently explained sharing economy as "ICT-enabled platforms for exchanges of goods and services drawing on non-market logics such as sharing, lending, gifting and swapping as well as market logics such as renting and selling". The phenomenon of the sharing economy as it is known today is fairly young. Belk (2013) explicated it as sharing activities that include monetary transactions that are facilitated by the internet. However, the monetary transactions are rather required to be able to gain access than for sharing itself, to narrow down the broad terminology of the sharing economy Eckhardt and Bardhi (2015) came up with the term access economy that will be explained in a follow-up chapter.

The concept of sharing economy shines with more advantages as it not only lowers transactions costs and increases/enables access to assets that can be shared in usage but also the possible generation of abundance has to be highlighted (Acquier, Daudigeos & Pinkse, 2017; Wirtz, Kam Fung So, Mody, Liu & Chun, 2019). There are several factors that drive the sharing economy, Botsman and Rogers (2011) and Mackay and Sisodia (2013) stress the technological one, whereas, Denning (2014) and Hawlitschek, Teubner and Gimpel (2016) mention the economic aspect and Piscicelli, Cooper and Fisher (2015) the social dimensions of it. Those drivers facilitate the necessary infrastructure and demand, as there are more principles that enable the sharing economy including components such as trust and a belief in the communities (Hawlitschek, Teubner & Gimpel, 2016). As a consequence, the sharing economy majorly relies on rating and reputation systems, to support safety and trust while using their services (Belk, 2013; Forno & Garibaldi, 2015).

In general, the sharing economy can disrupt the industry/market technologically and institutionally (Laurell & Sandström, 2016; Mair & Reischauer, 2017).

2.4.1 Platform Business Models

As platform business models are striking in the current economy (Hänninen, Smedlund & Mitronen, 2018), it is undeniably important to understand how the concept of these business models work as they play a major role in our research about consumers' perceptions of luxury fashion brands. Parker, Van Alstyne and Choudary (2016) and Srnicek (2017) define a platform as a business that creates value as they interact between two or even more groups; the customers and the group that provides services or products.

Platform businesses have been existing for a long time, just in a non-digital way (Eisenmann, Parker & Van Alstyne, 2006), for example, shopping malls, newspapers that connect advertisers with subscribers or even markets in the ancient times. A difference appears in one way – platform models also work with IT now, infrastructure and assets do not need to be owned to a large extent anymore, easing it to be a technological stakeholder or intermediary (Van Alstyne, Parker & Choudary, 2016). Platforms play the role as an interactor between participants, the set guidelines for usage and manage the value creation (Parker, Van Alstyne & Choudary, 2016). As platform business models have a big influence on companies' transactions and interaction with consumers (Porter & Heppelmann, 2014), established firms that sell well-known brands and rather differentiate themselves on the market through location, and price, start to engage in the platform business as well (Hänninen, Smedlund & Mitronen, 2018). This concerns sectors like retail, a great example is Walmart as the market it is operating in was disturbed by Amazon (Blitz, 2016).

2.4.2 Access-based Consumption

Bardhi and Eckhardt (2012) define access-based consumption as a new concept of possessing goods without owning them. It enables consumers to make use of a product, they are granted access to it but there is no transfer of ownership. A temporary experience of goods and services is the main aim here (Bardhi and Eckhardt, 2012).

Access-based economy has reached a different status in consumers' lives as Bardhi and Eckhardt (2012) point out. As access-based consumption previously was limited to the public sector with prominent examples such as parks or renting living spaces, motivations behind

the choice for this form of consumption were mostly financial constraints. However, nowadays the access economy is understood to open up new opportunities to consume freer, more flexible and viable (Bardhi & Eckhardt, 2012) and even connect people in communities or support them in sharing hobbies (Botsman & Rogers, 2011).

Considering the just mentioned characteristics of access-based consumption are very similar to sharing economy, hence, access-based economy can be seen as a particular category of sharing economy. However, Bardi and Eckhardt (2012) emphasize some differences between those two concepts. They stress that access focuses on two parameters, namely the relationship between the product or service and the customer and the setting and rules revolving around this particular relationship. The nature of an access-based economy differentiates from ownership in some aspects. Ownership is characterized by a more long-term relationship while access provides opportunities such as flexibility and adaptability to consumers. This can also affect identity construction since individuals can perform more temporary self identity projects (Bardhi & Eckhardt, 2012). According to Bardhi and Eckhardt (2012), access-based consumption does not necessarily have to foster attributes such as altruism but more stands for economic exchange. Access-based economy is understood to be a sustainable alternative to consuming through ownership (Bardhi & Eckhardt, 2012*)*. Möhlmann (2015) argues that several motivations such as cost saving, familiarity, trust, utility but also service quality and community move consumers to participate in a concept like that. As the modern society is characterized by fast-moving (Baumann, 2000) self-identity construction à la Belk (2014) is increasingly performed by consumers of access-based economy (Bardhi & Eckhardt, 2012).

2.4.3 Rental Platforms in the Fashion Industry

People have been renting items for a long time, however, the fashion rental is something relatively new and therefore, rather undeveloped and gaining market shares. According to McKinsey & Company (2019), consumers are starting to grow interest in accessing clothes in more unconventional ways. They are willing to move away from traditional modes of purchasing clothes to collaborative fashion consumption such as rental platforms (Iran & Schrader, 2017). Renting can be defined as that it "takes place when two individuals (or parties) exchange a good with a certain amount of money for a specified period without

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ownership being transferred" (Lang et al. 2019, p.521). There are many advantages to renting fashion compared to purchasing it such as financial costs that can be decreased immensely or even the fact that the item does not have to be stored and maintained somewhere but also the option to exchange fashion more often (Lang, 2018; Philip, Ozanne & Ballantine, 2015).

Within the fashion industry, fashion rental platforms and services are an area that will grow tremendously over the next years, also due to the growing importance of sustainability that should be integrated into the industry (GlobalData Retail, 2019; McKinsey & Company, 2019). It all started off thirteen years ago with the American-house brand Rent the Runway that turned into a billion-dollar business offering clothes from every price range up to high-end luxury products to rent – a single item or within a subscription model. Rent the Runway's success has inspired entrepreneurs all over the world, businesses with the concept of rental have also been started in Australia, or New Zealand, sometimes even by individual human beings that rent out their own clothing. Lately, rental services have even been specializing in specific sectors of fashion such as the service Beyond Club that was started in Munich and rents out high-end designer bags. The two businesses mentioned above but also services like Something Borrowed, Lend the Label, Rent My Wardrobe, and Glam Corner all provide a website or use social media to interact with their customers and show their products. As they integrate social media platforms, businesses alike manage to engage with consumers wanting to get fashion inspired. Due to the enormous increase in popularity of rental (online) services and the growth of suppliers, even fast-fashion chains such as H&M indicated their interest in launching into the sector as well. This shows again the importance for any fashion brand to participate in collaborative fashion consumption. Although H&M showed interest in the sector, another brand Filippa K withdrew again after announcing that the company has not been successful (Filippa K, 2018).

Specializing in a certain sector of rental services is also a reasonable move in the sense as event attires and luxury fashion rentals turn out to be the most attractive branches to customers. According to Loussaïef, Ulrich & Damay (2019), luxury goods are used as a status symbol and to express a wealthy way of life. With the option of renting luxury fashion items individuals get the opportunity of pursuing an aimed reputation or self-identity (Tu & Hu, 2018).

Fashion rental platforms provide new ways of creating self-identity and expressing a desired appearance (Bardhi & Eckhardt, 2017; Bauman, 2000). From a financial perspective, such services facilitate access to high-end brands heavily (Tu & Hu, 2018). Besides being an option to pursue a different fashion lifestyle, there are many other motivations for using fashion rental platforms.

2.5 Brand Equity

When consumers have favorable perceptions of a brand, this in turn has a positive impact on brand equity (Keller, 2001). How brand equity is defined and perceived in relevant literature varies a lot due to various factors and perspectives that influence the perception. However, different researcher (Ailawadi et al. 2003; Farquhar, 1989; Keller, 1993), agree on a general definition from Aaker (1991) who explains brand equity as assets that could add value onto the value of services or products produced throughout marketing efforts (it can also negatively impact a brand). From a different perspective, brand equity can also be understood as the difference in outcome when the same good or service is compared with or without a brand name (Aaker, 1991). Brand equity can be analyzed in different ways – the brand name is the most common indicator, however, logos, symbols or many other aspects can also build up the difference (Kapferer, 2008). Studies on brand equity are mainly divided into three distinctive categories or sections of expertise. Existing studies were either done from a financial, organizational (product) or consumer perspective (Keller & Lehmann, 2006). Additionally, to the consumer's and the corporate's view, Farquhar (1989) argues that generated brand equity can be analyzed from a "trade" perspective. This means that a brand can realize a change in their brand equity also throughout the effects that steam from a change on the market, for instance price (Farquhar, 1989).

2.5.2 Customer-based Brand Equity Pyramid

As we research a possible change in consumer perceptions towards luxury fashion brands that are also available on rental platforms, one significant aspect towards marketing stimulation related to consumer response (which elaborates into brand equity) is brand knowledge (Keller, 1993). He argues that this distinctive form of brand equity arises once consumers get more familiar with the brand and thus associate certain, positive attributes with it (Keller, 1993).

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This results in Keller (1993) conceptualizing brand equity as a result of six elements, brand identity, brand meaning (performance, imagery), brand response (judgements, feelings), and resonance. Moreover, Keller (1993) claims that brand knowledge consists of two elements, brand awareness and brand image that is understood as an illustration of those mental associations.
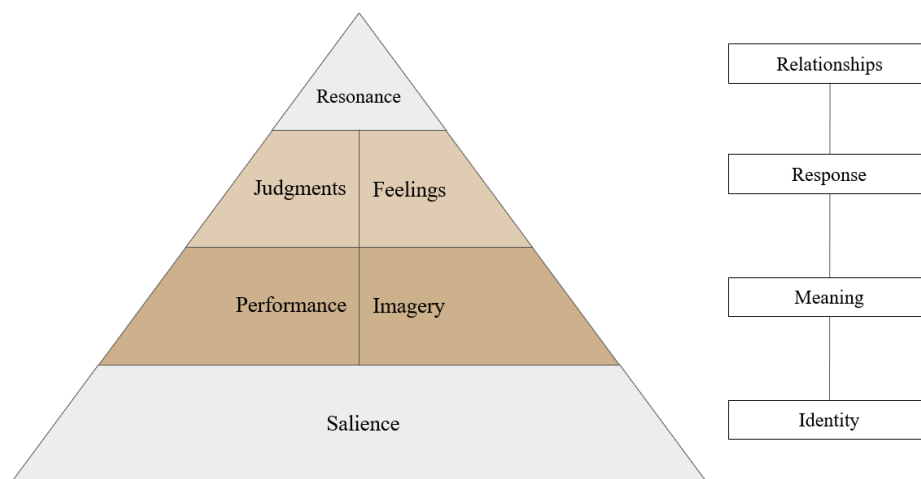
Figure 2: Customer-based Brand Equity Pyramid (Keller, 1993)

3. Theoretical framework

To analyze the potential change of perceptions towards luxury fashion brands, we base our research on the CBBE model (Keller, 2001) which was first introduced in 1993. The model is well-established but rather old now and needs to be adjusted to the current times and digital world where other factors were brought to the market and play a role (Purani & Jeesha, 2021). As platform business models such as rental platforms interfere with the traditional relationship of only the brand and customer, the model needs to be adjusted and extended to our intended aim and environment of our study.

Our research aims to explore whether customer perceptions are different in the context of rental platforms which is the case if the middle layers of the pyramide performance, imagery, judgements, and feelings) undergo a change. We thereby focus on those two middle layers as

these mainly focus on the customer's mindset, whereas the other two layers rather emphasize brands and its relationships. As salience is about the internal perspective of the brand, this component (brand identity) is expected to not be affected by rental platforms.

Based on the four elements of the pyramid that are mainly relevant for our research we will analyze our findings. Our key concepts should support a successful implementation. For this purpose, the key concepts are assigned to the aspects of the elements of the pyramid. For example, perceptions are assigned to the element of imagery. Based on the aspects of brand imagery we will analyze all questions concerning perceptions, perceived sustainability and modernity. The element brand performance provides the basic framework for analyzing the questions concerning status symbol and exclusivity. Attitudes towards ownership and rental platforms are assigned to the brand judgments. The key concept self-expression fits in with the concept of brand feelings and its aspects.

As the components of the pyramid build on each other, the whole pyramid and thus the customer-based brand equity might experience a change as a follow-up effect in case the middle parts change in the context of rental platforms. Based on the analysis of the key components of the pyramid, we then analyse a potential change of perceptions towards luxury fashion brands.
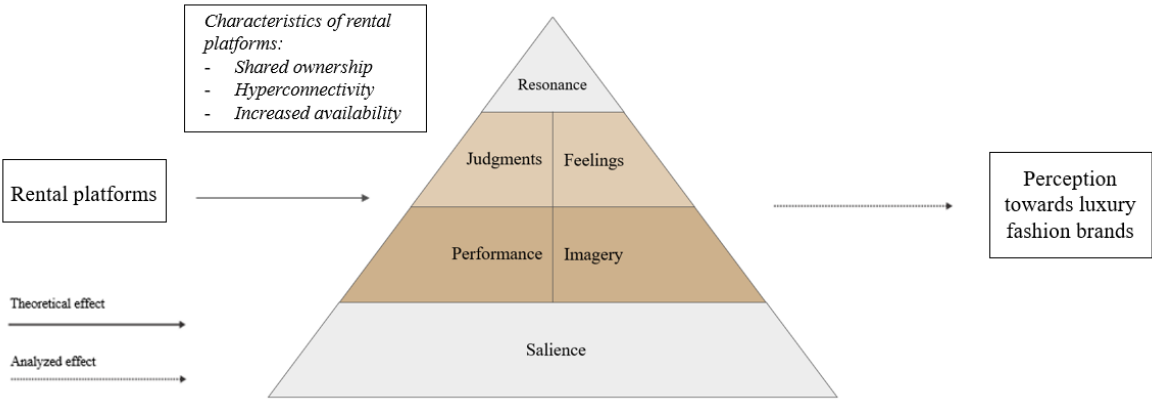
Figure 3: Adjusted Theoretical Framework of the CBBE Pyramid

3.1 Brand Identity

The basis element of the pyramid, brand identity, can be reached through building brand salience which refers to customers' awareness of the brand (Keller, 2001). It displays a close connection to customers' recall and recognition of a brand, however, there are more factors that are involved in brand awareness such as brand name, symbol, or the logo, getting the customers to understand the distinctive sector in which the brand is operating. As brand identity is also about educating customers why the brand is useful for them, brand identity basically revolves around the functions with which it satisfies customers. Brand identity is achieved through brand salience providing the foundation of the pyramid. To create brand salience factors such as depth and breadth of brand awareness as well as linkage to different categories matter (Keller, 2001).

3.2 Brand Meaning

Within establishing brand equity, brand salience and with it brand identity is not enough to be reasonable for most customers (Keller, 2001). They also consider other factors like brand image and meaning. To build a brand meaning, a brand image needs to be created that consists of how the brand is perceived by customers or how they imagine it, how it sticks in their heads. Customers can have several brand associations however, brand meaning can be divided into two major subcategories: brand performance and imagery (Keller, 2001).

To better understand these two categories, their subcategories and its characteristics have to be explained in detail.

The first one – brand performance – refers to the heart of brand equity since it is the key influence in regards to consumers' experience and what and how a company can market their brand (Keller, 2001). Goods and services have to satisfy customers or even better surpass what they expect from a product to create both, resonance and loyalty. As brand performance describes how functional needs of customers are fulfilled through consuming a product, there are five factors that often determine the performance. First of all, primary characteristics and secondary features define the level the product operates at. As customers can see the performance of goods and services from different angles, factors such as product reliability,

durability and serviceability play major roles. Moreover, service effectiveness, efficiency, and empathy have a high importance for customers because the quality of performance is often associated with service interactions with brands. As far as brand performance goes, customers might value aesthetic product attributes like shapes, color, and material. Finally, brand performance can be associated with the pricing policy as it may direct customers' perception of the brand's level among its competitors (Keller, 2001).

The second main type – brand imagery – describes the more intangible characteristics of a brand (Keller, 2001). It aims to manage customer's psychological and social needs, therefore revolves around extrinsic aspects of the good or service. Many different immaterielle aspects can be of importance, however, there are four main categories: User profiles, as the first ones concern the type of organization or person that mainly make use of the product and its distinctive demographic or psychographic factors. This can lead for example to customers anticipating the brand as "market leader" in its segment. Secondly, the purchase and usage situations refer to the conditions under which consumers are ought to purchase or use the brand. Among brand imagery, personality and values also play a significant role as brands often take similar stands as their customers in terms of personality traits and values. Finally, brand heritage, history, and experiences also fall under brand imagery as they are associated to today's performance of a brand by the customers (Keller, 2001).

Although brand meaning is determined by a lot of different aspects and factors, there are three dimensions that are mainly responsible for the brand meaning – strength, favorability, and uniqueness (Keller, 2001). Those components – strong, favorable, and unique brand associations - profile a strong brand equity (Keller, 2001).

3.3 Brand Response

This element relates to how customers respond to a particular brand, any marketing actions around the brand but also other information about customers thoughts and feelings concerning the brand (Keller, 2001). It can be divided into two major subcategories as well – brand judgements and brand feelings that refer to the "head" and the "heart" (Keller, 2001).

As brand judgements evolve around personal opinions of customers on the brand, it basically consists of all different associations that customers have on a brand's imagery and performance (Keller, 2001). Within brand judgements, four main categories can be distinguished that are important to create a strong brand from a consumer perspective (Keller, 2001).

The first category – brand quality – concerns customers' attitudes and how they perceive the quality of the brand itself, its value and customer's perception (Keller, 2001). Brand credibility as the second category is formed around how the brand as a whole is perceived as credible in terms of brand expertise, trustworthiness and likability. The third category is the most crucial one as it revolves around customers' considerations, in other words if customers are willing to include the brand in their brand portfolio which actually means if they possibly would purchase it. Brand superiority as the last category focuses on the uniqueness and advantages customers associate with the brand. It plays a very important role in terms of creating and strengthening active relationships between the brand and the customers (Keller, 2001).

As brand judgements more revolve around customers' "head", brand feelings refer more to their "hearts" (Keller, 2001). They capture reactions and emotional responses towards the brand as well as they can be connected to the social currency caused by the brand. Brand feelings relate to how customers feel about their relationships with others and themselves in regards to the brand. As the feelings can be from different nature, there exist six different categories of brand-building feelings (Lynn, Kahle, Poulos & Sukhdial, 1988 cited in Keller, 2001).

Customers can have some kind of soothing feelings towards the brand meaning they might feel sentimental or affectionate, the factor is called warmth (Keller, 2001). Consumers can also display feelings of fun, experiencing the brand as cheerful or lighthearted. As brands can also excite customers, they can make them feel cool, alive and so forth. Brands can also provide consumers some kind of security, in other words the brand erases some worries of the consumer when obtaining it. Consumers can also experience social approval which happens for instance through direct acknowledgement or associating a particular product with a consumer. The feeling of self-respect can also be connected with brand feelings such as

obtaining or owning goods of a certain brand as consumers may feel some kind of fulfillment or accomplishment. As the first three feelings augment a level of intensity, the second three increase the gravity (Keller, 2001).

Most significantly for any brand is that customers' brand responses are overly positive, however, they will only impact behavior towards brands if positive brand judgments and feelings are internalized (Keller, 2001).

3.4 Resonance

Brand resonance as the final element of the pyramid emphasizes brand relationships meaning the grade of identification and relationship customers have with the brand (Keller, 2001). It displays characteristics such as how intense or deep the psychological bond of customers with a brand is or how active customers interact with brands caused by loyalty. Particularly, there are four categories in which brand relationships can be distinguished. The first one is behavioral loyalty and refers to how often, how much or how many products are purchased or shared, a certain number is inevitable to generate sufficient profits. However, attitudinal attachment is also required to build brand resonance as it shows that customers favor the brand. Moreover, the brand can also provide some sense of community to the customer. For example, it can play a significant role with building a brand community, hence contributing to a social phenomenon. The last characteristic, active engagement, shows to the most extent how involved customers are with a brand. It basically describes how much customers are willing to spend apart from purchasing a product or service from the brand. For example, customers decide to be a member of the respective brand or turn into representatives of the brand (Keller, 2001).

As brand relationships can normally be divided into two categories – activity and intensity (Keller, 2001). While activity captures the frequency of purchases and interaction with the brand, intensity concerns how deep loyalty is with the brand (Keller, 2001).

3.5 Rental Platforms and its Influence on Meaning and Response

The original customer-based brand equity pyramid as shortly described above can be partly applied for our empirical research as some of the concepts behind this pyramid will be used for the following analysis. However, some characteristics of the model do not fit into our context anymore.

First of all, as the model was developed about 20 years ago, Keller (2001) also introduced it in a different time era, therefore, the model is old and slightly outdated in general. Back then, the market was profiled by other conditions, other determinants played significant roles. Thus, brands faced other hurdles to successfully compete on the market. With the IT sector growing immensely over the past years, some opportunities were erased, whereas, others were developed (Belk, 2013; Kaplan & Haenlein, 2010). Today, technology plays a major role in the distribution of goods and services and opened various new possibilities for brands to be available to customers (Belk, 2013; Kaplan & Haenlein, 2010). Especially over the last five years, distinctive forms of distribution were invented such as sharing platforms or rental services. (Geissinger, Laurell & Sandström, 2018). However, through new different availability of brands, customers' perception of them can undergo a change as well (Vogel, Cook and Watchravesringkan, 2019).

Our research mainly focuses on how perception differs of brands from a consumer perspective due to their availability on rental platforms. Consequently, the base element of the pyramid – brand identity – and its concept behind does not play a significant role for the analysis of our findings. Perception can be mostly understood with the concepts that are included in brand meaning and brand response. Those two elements of the pyramid are primarily relevant for our analysis. However, as the whole model is constructed as a pyramid the fourth element is also affected as a result of the two elements "under" it are the ones that are used to investigate.

Since those concepts behind the affected elements are investigated by us in the context of brands being available on rental platforms, we look on to factors that change the environment and surroundings brands compete in. Therefore, we mainly base our analysis on the two

elements of the pyramid that are mentioned above and examine how characteristics of rental platforms influence those.

Rental platforms have or produce some distinctive factors that constitute the characteristics of the changed environment. Those factors include shared ownership, hyperconnectivity, and increased availability. Those factors might have certain effects on the four elements: brand imagery, performance, judgements, and feelings in several ways. Shared ownership in general offers an increased availability which leads to a greater access of the products as well. On the other hand, hyperconnectivity allows customers to easily and better inform themselves about available products and brands in general.

4. Methodology

A substantive answer to the research question of a study relies on an adequate methodological foundation. In this chapter we explicate and describe the methodology we used to obtain primary data concerning consumers' perception of luxury brands in the context of luxury rental platforms. The first subchapter will clarify the chosen research approach which compromises the philosophical foundations and the research design of our study. In the following chapter, we provide an overview of how the data for this study was collected and what the logic behind our sampling is. Then, the chosen methods of data sourcing and data analysis are described, and we explain why the respective method was chosen to be consistent with the research purpose and question. Lastly, the quality of the conducted study is evaluated in regard to the criteria of trustworthiness and authenticity.

4.1. Research Approach

The aim of our qualitative study is to investigate if customers have a different perception of luxury fashion brands when they are also available for rental on distinctive online platforms such as Rent The Runway or The Beyond Club as previously mentioned. Individuals who actually purchase luxury fashion items are being interviewed regarding their perceptions but also if individuals that are prone to rent a luxury item but would not purchase it, as well as

individuals who use rental platforms. The distinctive data that was collected mainly concerns subjective opinions of the interviewees with regards to different aspects that concern luxury fashion brands in the context of rental platforms. The data collection needs to be understood with respect to the underlying research philosophy and the research design, which in the following will be described in more detail.

4.1.1. Research Philosophy

To fulfill our research goal and to provide a proper answer to our research question, we briefly explain the assumptions that supported us in designing our study. Before conceptualizing and conducting a research project, it is essential to gain an understanding of the philosophical foundations our research is based on (Easterby-Smith, 2018). This serves to maintain a reflexive role as a researcher in order to comprehend how our own judgments and views affect the findings of this research. Therefore, no right or wrong approach exists to define what comprises "truth or "knowledge" (Guba & Lincoln, 1994). Instead, our research represents our own beliefs and worldviews and how we understand them in the context of our study.

Ontology, a field within philosophy, explains the nature of the study (Easterby-Smith et al. 2018) and refers to the researcher's views of reality and influences the researcher's perceptions of it (Bryman & Bell, 2015). By adopting a relativistic stance towards consumers' perceptions of luxury brands from an ontological standpoint, these perceptions can hence be understood in multiple ways, as various truths can exist (Easterby-Smith, 2018). The stance of relativism advocates that many truths exist, whereas nominalism asserts that no truth exists (Easterby-Smith et al. 2018). The aim of our research is to investigate whether and how consumers' perceptions differ towards luxury brands due to the existence of rental platforms. Therefore, we apply a relativist ontological standpoint, given our belief that multiple truths exist, as opposed to no truth. According to the relativism stance, reality is socially created, and consumers might perceive instances differently based on their perception of their surroundings (Saunders, Lewis & Thornhill, 2006).

Thus, in examining consumers' perceptions of luxury brands, we expect to generate different responses from each of the interviewees. The response of each consumer will vary depending on how they see the world and how their previous experience with luxury brands affected

their perception and thus their responses in our interviews (Kvale, 1994). Within our study, we position ourselves as researchers who are co-creating the knowledge that emerges from the study (Guba & Lincoln, 1994). Thus, the reality we see is not something objective and unambiguous, but rather a subjective matter that is given different meanings by different people (Easterby-Smith, 2018).

While ontology addresses the overall assumptions concerning the nature of reality and existence (Guba & Lincoln, 1994; Easterby-Smith, 2018), epistemology is concerned with the theory of knowledge and its limits and how knowledge should be viewed within research (Bryman & Bell, 2015). In this context, there are two different interpretations of epistemology, which are positivism and social constructionism (Easterby-Smith et al. 2018). Positivism claims that there is an objective reality, while social constructionism states that reality is created socially and thus subjectively depending on people's experiences with their social environment (Easterby-Smith et al. 2018). This study is based on the theory of social constructionism. As such, it focuses on understanding how different experiences with luxury brands determine different perceptions towards luxury brands in the context of rental platforms. Therefore, this research is inherently interpretive, and so are the perceptions of luxury brands and our interpretation of what is being said in the data we generate.

4.1.2. Research Design

The choice of research design depends on what is to be observed and studied. Thus, the research design arranges the type of data collection that will best achieve the research aim. The aim of this research is to examine the differences in consumers' perception towards luxury fashion brands in the context of luxury fashion rental platforms. Therefore, we considered a qualitative, explorative approach as the most feasible. There are several reasons for that, one of them is the possibility to interact very closely with the interviewees and therefore, gain a deep understanding of their opinions and mindsets which plays a significant role as we aim to understand if there is any change in perception. Furthermore, the usage of qualitative methods is also valid when the research requires either prior knowledge about the state of the situation or when there is the need of an investigation for the first time (Nilsson, 2020). Through qualitative research, non-numeric data can be collected (Easterby-Smith et al. 2018) or how Rennstam and Wästerfors (2018, p.11) describe it, qualitative research "serves

to understand social interactions and the meaning social phenomena in the context in which they are created". Thus, the rationale behind the method and the choice to conduct semi-structured interviews is to gain the customers' understanding and opinions that are required to answer the research question (Easterby-Smith, Thorpe & Jackson, 2015). We also considered conducting interactive focus groups (Agar & MacDonald, 1995), however, as participants' opinions might influence each other, we found that semi-structured interviews to be more suitable for our research.

For this thesis, we decided to use an abductive approach as our main concern regards the investigation and understanding of the differences in consumers' perception of luxury fashion as their items are available on rental platforms as well. The abductive approach allows for the incorporation of new findings throughout the process of conducting research (Saunders, Lewis & Thornhill, 2006). According to Nilsson (2020), abduction requires the back and forth playing between initial discoveries and findings and theories. Thereby, we are looking for inductive findings with the aim of linking our data to our theory to derive generalizable findings (Brymann & Bell, 2015). For us, this approach is key as our research builds on a framework that is very well-established. However, as the framework was initially introduced years ago, we try to extend it with components that are of high importance nowadays (Easterby-Smith, Thorpe & Jackson, 2015). Within using an abductive approach, we have the possibility to work with existing concepts, theories, and frameworks but still have the opportunity to add or supplement views or components (Rennstam & Wästerfors, 2018). We intend to explore if consumers' perception differ significantly towards luxury fashion and if consumers would attribute the brand with different, new values. Therefore, we consider semi-structured interviews as the most feasible, though we conduct them online and on an individual basis.

4.2. Data Collection

Interviews are one of the most frequently used research methods used within the field of qualitative research. An interview is a dialogue among two or more individuals and facilitates the researcher to acquire insight into the subjective perceptions of the interviewee regarding a specific phenomenon (Bryman & Bell, 2015). Moreover, conducting interviews is intended

to gain a better understanding of the customers' perspectives and viewpoints and their reasons behind it. The acquired viewpoints provide the researcher with content to analyze and interpret the respective phenomenon (Easterby-Smith et al., 2018).

For our study, we conducted interviews of three different consumer groups to investigate their perceptions towards luxury brands in the context of luxury fashion rental platforms. Thereby, we aim to highlight similarities and differences in perceptions of the three different groups, consisting of female Millennials who own luxury fashion products, those who do not own luxury products but are generally interested in luxury fashion and those who have already used luxury fashion rental platforms, with regard to their perceptions which will be described in detail in the following.

4.2.1 Semi-structured Interviews

For our study we conducted the data through semi-structured interviews to get insights from the interviewees regarding how they perceive luxury fashion brands with and without their availability through rental platforms and thus their availability to a broader group of consumers.

The rationale behind the method and the choice to conduct semi-structured interviews is to gain the customers' understanding and opinions that are required to answer the research question (Easterby-Smith, Thorpe & Jackson, 2015). Since the aim of our study was to find out how consumers perceive luxury brands when they are no longer exclusively available for purchase but can also be rented, semi-structured interviews were considered the most suitable option. While structured interviews ask each participant exactly the same questions in the same order, unstructured interviews do not have any questions prepared in advance but develop spontaneously in a free conversation. Semi-structured interviews are a combination of the two options outlined previously and are more flexible, being based on predefined questions that can be asked in a different order. This allowed our conversation with the interviewees to be more personalized, by allowing some of the questions to be tailored to the individual participant (Easterby-Smith et al. 2018).

An interview guide with a list of questions within different topics was set up in order to guide the conversation around the research question while allowing some degree of freedom and

flexibility depending on the progress of the interview (Easterby-Smith et al. 2015). We subdivided the interview questions into six superordinate categories with a total of 22 to 24 questions depending on the experience with luxury brands to explore the topic from different perspectives (see Appendix A).

We based the interview questions on the four main components of the pyramid (imagery, performance, judgements, and feelings). As a next step, we assigned the key concepts of our study, such as exclusivity and attitude toward ownership, to the four components of the pyramid:

The first category of interviews refers to the general experience with luxury products in order to classify the interviewees into one of three consumer categories.

The second question category relates to the values and perceptions of luxury brands in general, excluding the aspect of rental platforms, and contains, for example, the question of how the interviewees perceive the role of luxury brands in relation to their self-expression and what values they assign to a person who wears luxury brand products.

To investigate whether the interviewees' perception of luxury brands in the past and now with the existence of luxury rental platforms differ, the third category of questions introduces rental platforms and investigates the interviewees' perception regarding for instance advantages and disadvantages they assign to luxury rental platforms.

The fourth category then examines the perception of luxury brands based on the knowledge that they are also available to a larger number of consumers via rental platforms.

The fifth category focuses on the perception of luxury brands with the specific focus on luxury brands as status symbols and whether it being a status symbol differs in the context of rental platforms.

The last category of questions is aimed at the aspect of sustainability and whether the interviewees perceive rental options in the area of luxury brands to also be associated with sustainability.

As previously explained, based on our theoretical framework, we emphasized the middle layers of the pyramid, with corresponding questions:

The element of performance was assigned with our key concepts of exclusivity and status symbol. This was for example questioned by asking the interviewees "Given that luxury items can usually be seen as status symbols, do you think that rental options change this perception of luxury items/brands?" (see Appendix A).

To investigate the imagery element, we used questions for the key concepts of different perceptions, perceived sustainability and perceived modernity through questions such as "What kind of values would you associate the brand with?" (see Appendix A).

The element of feelings is related to the self-expression through luxury brands which corresponds with questions like for example "Do you think renting a luxury item opposed to purchasing one would enhance your self-expression?" (see Appendix A).

We attributed the key concepts of attitude towards ownership and rental platforms to the fourth element, namely judgments. To learn about the attitudes of consumers, asked questions including "If you already own an item, would you consider renting and why? If you don't own an item, would you consider renting and why?" (see Appendix A).

4.2.2. Sampling

For our study, we focused on female Millennials, as they represent the largest target group and are the primary users of luxury brands in the fashion sector. For the sampling, we chose women with different experiences in relation to luxury fashion brands and divided them into three categories. One category of interviewees comprises those who own luxury brand items, the second category consists of Millennials who do not own luxury fashion items but have a general interest in the topic. The third category is composed of those who either own or not own luxury items but have already used a luxury brand rental platform (see Appendix B). We used these different groups in order to obtain more differentiated opinions based on their previous experiences.

We thereby focused on only Millennials and not on Generation Z, which is the generation born after the Millennials up to 2010 (Swanson & Davis, 2020). Although Generation Z is at

least as tech-savvy as the Millennial generation and has an interest in luxury products, we focus only on Millennials as this generation is already working and can have the financial means to buy luxury products themselves. This allows a comparison between those who can purchase luxury brand products themselves and how they perceive luxury brands with the option of renting these products. Within our sample we used a diverse range within female Millennials in terms of age and several nationalities, all residing in Sweden or Germany.

Due to Bryman and Bell (2015), no explicit number of how big the sample size should be exists. For our study, in each of the three categories regarding experiences with luxury fashion brands we interviewed three individuals, resulting in a total sample size of nine interviewees. We have considered conducting more interviews in case there is no saturation in terms of content and quality or in case the interviewees' opinions would drift too far apart. However, substantive saturation occurred with our number of interviews, and we therefore consider the nine interviews conducted to be a valid basis for our analysis.

4.2.3 Preparation and Conduction

Within conducting the interviews, practical issues are also of high importance to assure that these factors will not affect the outcome of the interviews (Easterby-Smith, Thorpe & Jackson, 2015). These consisted of the use of appropriate language, being aware of proper social interactions, gaining trust to make the interviewees feel comfortable while being interviewed, recording the interviews, and choosing the right setting for the interview. This also means that due to the ongoing Covid-19 pandemic, all interviews were performed remotely using Zoom.

Most of the interviews were carried out in English, only one interview was carried out in German as the interviewee Pia did not feel comfortable speaking English and by conducting the interview in her mother language, we expected it to provide us with qualitatively richer answers. We transcribed the interview in German language, however, the statements we actually used for our analysis were translated as closely as possible word-by-word into English.

Before conducting each interview, a consent form was sent to the interviewees to inform them what information will be mentioned about them in our study with the possibility of

anonymization and that the interview will be recorded and transcribed. We asked the participants if they agreed that we record the meeting via Zoom, to which all interviewees gave their consent. During the interview we also used the automated machine learning transcription software otter.ai directly, as it transcribed what was said directly during the interview, so thereafter we only had to adjust the text transcribed by otter.ai in case of errors. The transcribed interviews were then the basis of our analysis. The interview time ranged from 25 to 40 minutes. After the interview, we also offered the interviewees to contact us at any time if they had any further questions regarding our research. Immediately after the interview, the two of us discussed the interview directly, as the content is then even more present.

4.3. Data Analysis

Since our research is based on the exploratory approach, it is crucial to collect all information and statements from the interviewees. As previously mentioned, we first transcribed each of the interviews by the automated machine learning transcription software "otter.ai" as suggested by Easterby-Smith et al. (2018). Thereby, we were aware that there was still the need to adjust the transcripts for words that the software misused as mentioned in the previous section. Thereby, a transcription means reproducing what was said during the interview in the format of a text (Saunders, Lewis & Thornhill, 2006).

Next, we created an Excel spreadsheet to insert relevant answers from the interviewees to the corresponding key concepts. As we apply the CBBE model to our case, we afterwards assigned the key concepts and their quotes to the respective element of the pyramid (performance, imagery, judgements, and feelings). We further distinguished between the different answers of the three groups in order to highlight possible differences in their answers.

This was then the basis for our analysis and discussion of these findings. For the analysis we adopt our adjusted theoretical framework and examine each of the four components we focus on, namely judgements, feelings, performance, and imagery. We also incorporate the literature review and corresponding aspects from the second chapter and relate them to our findings in the context of the framework.

4.4. Quality

Qualitative research methods are characterized by a high degree of freedom when it comes to interpretation which is why it is crucial to involve a great extent of reflexivity regarding the analysis of qualitative research. Bryman and Bell (2015) consider the criteria of validity, reliability, and generalizability for the quality of quantitative research as clear guidelines. However, there is a discourse in academic science regarding the extent to which these criteria can also be applied in qualitative research (Kvale, 1994; Silverman, 2005).

In our study we refer to the perspective of Guba and Lincoln (1994), who see the criteria of validity, reliability, and generalizability as stating that there is only one correct depiction of reality. Thus, instead, we adopt their hypothesis that trustworthiness and authenticity should be the primary criteria for evaluating the quality of qualitative research, based on the assumption that there can be different realities. There are four sub-criteria used within the concept of trustworthiness, namely credibility, transferability, dependability, and confirmability (Bryman & Bell, 2015).

Credibility is related to the congruence between the social reality that researchers derive from their study and what occurs in real life. Credibility thus addresses the degree to which the researcher's findings are perceived to be credible about various existing realities (Bryman & Bell, 2015). Hence, in order to carry out credible research, researchers must abide by guidelines for conducting research ethically and must validate the suggested findings with the study participants. An option to enhance the credibility in this process is validation with respondents to demonstrate that the descriptions provided by the researchers are reflective of the actual events (Bryman & Bell, 2015). We tried to strengthen validity by asking follow-up questions during the interview to verify that we understood the interviewee's statement correctly by asking questions like "Is it this what you are saying right now?".

Transferability is a concept related to generalizability. Thereby, transferability is concerned with the likelihood that the results of the study can also be applied in other settings. In this regard, qualitative research focuses on the depth with which a topic is examined rather than the breadth (Brymann & Bell, 2015). Therefore, within a qualitative study, researchers should present very rich and in-depth detailed descriptions of the setting of their studied phenomenon.

In our study, therefore, we do not intend to focus on generalizing our research topic but rather focus specifically on consumers' perceptions of luxury brands in the setting of rental platforms. In this way, we aim to achieve theoretically generalizable results rather than statistical generalizability, as it is the case in quantitative research (Brymann & Bell, 2015).

Dependability pertains to the availability and transparency of the collected data (Guba & Lincoln, 1994). By making the data available, it is also possible for others to examine the records and understand the basis of the data analysis. An approach we have taken to ensure the reliability of our study is to hold regular external meetings with our supervisor, which have provided us with valuable comments. In addition, the interviews we conducted have been transcribed and can be reviewed upon request.

Confirmability is the last concept, which is closely related to the concept of research objectivity (Brymann & Bell, 2015). However, in qualitative research, objectivity is impossible to achieve as researchers are actively engaged in the process and thus contribute subjective views and interpretations. However, researchers can be held responsible for trying to avoid personal subjective values and views, as much as possible (Brymann & Bell, 2015). We therefore decided to ask more open-ended questions in our interviews, which allows the interviewee more freedom to answer the question and reduces the likelihood of bias on our part (Easterby-Smith et al, 2018).

Authenticity is the second superordinate criterion suggested by Guba and Lincoln (1994) to evaluate the quality of a research paper. Authenticity is the second superordinate criterion suggested by Guba and Lincoln (1994) to evaluate the quality of a research paper. Authenticity involves conveying a fair representation of the views and beliefs of the interviewees (Bryman & Bell, 2013). To achieve authenticity, we use direct quotes from our research interviews and we use an interview guide.

Generally, it can be said that the quality of a research study is always related to the reflexivity of the researchers. Therefore, in this chapter we describe in detail the methods used in our research and in the last chapter of this thesis we also discuss the limitations that our work entails.

5 Empirical Findings

Since it is important to assign the individuals to their respective groups when reading the findings, for practical reasons we again include the summary table of respondents, which can also be found in Appendix B:

Category based on experience	Name	Age	Nationality	Living in
Owns luxury fashion item(s)	Jasmina	28	Swedish	Sweden
	Lea	24	German	Sweden
	Eileen	26	German	Sweden
Not owning luxury fashion item(s) but generally interested in luxury fashion	Yali	26	Chinese / German	Sweden
	Khanyi	23	South African	Sweden
	Emilia	40	Romanian	Sweden
Has used a luxury fashion rental platform	Pia:	21	German	Germany
	Jacinta:	35	American	Germany
	Alicia	22	German	Germany

As we analyze our findings on behalf of the four components of the CBBE pyramid, we assigned our key concepts to respective components which will be discussed in detail in the following.

5.1 Brand Imagery

5.1.1 Original Perceptions of Luxury Brands

The term original in this regard refers to the luxury brands without the context of rental platforms. All the interviewees among the three different groups had a very clear image in their minds regarding high-end luxury fashion brands. Values such as high quality, good design, and fashionable were associated with that kind of brand. People who own luxury brand items also argued that a lot of high-end fashion items are very classy, chic and would not go out of style or date easily:

> *"All of those luxury brands have values like quality. Yeah, high end art, good design, maybe also they are never really out of date. Yeah, it's never out of date. And I would say fashionable. Yeah, and maybe chic and also a lot of them are really classic."* (Lea)

One interviewee who does not own any luxury item but would be interested in it also mentioned that she thinks about people, who have a lot of money and high class fashion:

> *"I think of money. People who have, who just have money. And, oh, also high class fashion. I think of like very high class fashion."* (Emilia)

Among the "renting" group, the interviewees agreed with that statement.

> *"Very expensive, exclusive, and also, like a high end shopping."* (Alicia)

> *"Well, Chanel in particular I think it has a reputation, being sort of like timeless and classy."* (Jacinta)

While agreeing on the high quality aspect of luxury brand items, Yali also mentioned that the whole experience and customer service is of high excellence compared to cheaper fast fashion brands.

"Excellent customer service, and more the whole experience of like buying a product is not comparable to, like, you would go to H&M for example. They like, they really help you and advise you, and also the quality and all the services around it." (Yali)

5.1.2 Original Perceptions of Consumers Wearing Luxury

A large part of how the brand is perceived is, of course, also due to how people are perceived or how their charisma is, who represent that brand on a daily basis. In the interviews, the interviewees usually made it clear in advance that brands naturally do not define the character of a person or change their value.

"I would actually not connect values with something material in my opinion, a person has a character and personal things, which are way more important than the things you show with brands. So, if I would meet someone with a designer handbag, I would not choose him or her differently than someone without. So for me, there's no added value, and that kind of stuff." (Lea)

However, the participants of the interviews attested that the people who wear products of various luxury brands have different values that can be expressed through them. Attributes, such as wealth and status, but also success were often associated with these individuals:

"I guess, kind of like, okay, that person must have some kind of money or at least like puts a lot of value to these kind of brands, and to these kind of statements maybe also yeah maybe that the person wants to make a statement in some way. Yeah, and somewhat, some status. Yeah, and really wanting to showcase to kind of show off that would kind of, yeah, having more like worse, perception, I would say, so it would make. Yeah, I don't know. You can also overdo it. So it really depends, I guess." (Eileen)

Those respondents who neither own nor rent luxury items agreed with what was said above and also added that they would often identify these human beings as belonging to an upper social class. They also thought that it would give prestige to individuals who wear luxury items:

"I want to use with fancy what like not value, like don't know is very prestigious. Yes, I think they're very elite. You know, they are high class with a lot of prestige and they care about how

they look. So, you know, I don't want to say self absorbed, but they care about their appearance. So, like, yeah, those type of people who generally just you know you have to wear a brand such as Gucci and Versace type brands and all that. I think that you really, I mean, you still you like good sense but you also like to look good and you know it's very important on another level and not with us, people, but you're on a like another level, upper class kind of a brand." (Emilia)

Alicia, who likes to rent luxury items, also agrees on that:

"Okay, I would definitely say that it must be a wealthy person, upper class, and also outter appearance seems to be very important to that person, and luxury items as status symbols, and also some kind of exclusiveness and inner circle attitude." (Alicia)

Due to the possibility of displaying a certain attitude with wearing a luxury item or being perceived as a prestigious person, high-end fashion brands can also give a person more self-confidence or help them express themselves in a way they want to be perceived:

"I think is about expression. You also get some kind of like individual branding, it's about the image for that person that it's part of a special group, you know. And also I think it's about also self-esteem, that is part from high class society. I think it's about self-confidence, also." (Khanyi)

5.1.3 Perception of Luxury Brands in Context of Rental Platforms

According to our interviewees, their perception towards the brands would slightly undergo a shift in a way that many more people are able to obtain a luxury item. In general, the brands are still perceived to have original characteristics and values as they still exude a certain attitude. Therefore, the overall view on them does not change. However, as they become available to a larger extent of people, one of the motivations for purchasing them - being special, exclusive - diminishes a little.

"I don't think I would change my view on them. But if more and more people I think, keep buying their stuff secondhand, I don't know if secondhand websites are like this borrowing "thing"... Then I do think maybe in a longer time I would start feeling like okay, I don't want to buy anymore, because everyone else has it." (Jasmina)

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However, it can also be viewed from a different perspective. As the rental option grants more potential customers the possibility of "trying out" a particular item, they might end up purchasing it or another product from the same brand in the end in case they liked the product.

> *"I think it's smart. It's a smart strategy. Why? Because you give the possibility to the people to get in contact with your product, with your item. Maybe someone for example, doesn't seem to buy such expensive item, but if first would rent it, to see how it feels. (...) So, if you're doing this in a smart way, you know, you can attract for example customers for your brand, for your item."* (Khanyi)

5.1.4 Perception of Consumers in the Context of Rental Platforms

In general, all participants of our research said that they do not perceive people differently in terms of whether their luxury item is rented or purchased. Lea and Eileen, for example, said that they couldn't tell if someone owned or rented the item.

> *"No, how should I know if she doesn't tell me. Even if the person tells me. No, I don't see a difference. I would say cool, that's a nice idea, I want to try it out as well."* (Lea)

Khanyi also shared Lea's opinion that renting is an innovative, great way to allow yourself to wear luxury products in a different way. Both agreed on the same tenor here, saying that they would even positively reinforce a person knowing that they were renting.

> *"I am thinking for example those persons that they are doing this, I think they are up to date and modern, that they are doing this because it's kind of new concept. So I think that the most. So many are into this concept, maybe I don't know. So I think that you know they are up to date. They are also avangardists, they want to try new things and to see and maybe she'll buy the next time."* (Khanyi)

Jacinta said that she would have a minimally different view of the person, but rather if, for example, the expensive bag does not match the rest of the style. In turn, however, if the "renting" fits the general appearance of the person, she sees it as a positive way to also have a wider choice of different products available.

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"I mean, there might be like a slight difference in perception, but I guess I don't necessarily place that much emphasis on, you know if somebody has a luxury item or not. Like I think it's more about if the person presents themselves sort of in a very stylish manner and you kind of just have this overall perception of the person." (Jacinta)

5.1.5 Perceived Sustainability of Luxury Brands

The role of a sustainability aspect for luxury brands due to their availability on rental platforms provoked different opinions among our interviewees. For example, Lea and Eileen agreed that the whole sharing option adds a sustainable characteristic to wearing a luxury fashion item, however, they also stressed that the brand itself still uses the same materials and ways of production.

"Better yeah, it's not sustainable but it's better because, I mean, it's still some material which maybe is not sustainable in itself, but the way of renting and when more people use one item, it is more sustainable. Instead of everyone having one, you know, sharing on this platform is better than everyone really having down." (Lea)

Emilia agrees that it can be a value for this kind of business, kind of a unique selling point for rental platforms that specialize in the luxury sector.

"Yes, can be one of the values for, for this kind of business." (Emilia)

In general, the participants agreed that the model of renting is more likely to include the sustainability aspect and that this is therefore also partly projected onto the brand. Since there is also an advantage for consumers when they rent products, this can also have a positive effect for the brand, although this was actually generated by the platform.

"As I said, I think it [the perceived sustainability] *depends entirely on the communication to the outside (...). Simply for the reason, for what do I need 10 bags, if I can choose one from hundreds and then just have a month and then I just change. So I find the added value behind it is just greater for me. And if a bag really pleases me, I can also buy it with a conscious mind, because I know I will wear it."* (Pia)

According to the general tone, rental services are primarily attributed with the sustainability aspect, but this is also positively acknowledged for the brands in case they are on the platform on purpose.

5.1.6 Perceived Modernity of Luxury Brands

Basically, all participants agreed that rental platforms give luxury brands a modern touch. In particular, as luxury brands usually do not change or adapt their look and values they are known for according to the latest trend, various services like in this case rental platforms add a new aspect to the brand appearance. However, different ways and reasons have been claimed on how these platforms change the brand perceptions of these brands.

For example, Pia said that rental platforms also represent the mindset of today's younger generation. Since various luxury brands still have very outdated websites or limited online availability, rental platforms are jumping on the trend of the times. She also mentions another aspect here by emphasizing once again that younger generations place much more value on the sharing economy and value possessions less. Nevertheless, they want to wear luxury brands, which is made possible by these platforms. Furthermore, this again goes hand in hand with a more sustainable behavior or lifestyle.

> *"Yes, so I think not only more digital, but it represents our generation. It's no longer about the consumption that the older generation did - the main thing is expensive, the main thing is not to buy. It represents 100 percent what our generation stands for - sustainability. And I can share, I think our generation is going more back to the theme of community and not each his own. That's why I think the community, the sustainability that is being developed there - is also (important) for the other brands. I mean also for the big brands is also good to say, my bag is there. Even if they may not say so, for example, Chanel will now certainly not say, cool that our bags are offered. But it is simply already extremely digitized. So you can do everything by cell phone and the Chanel platform (does she mean website?) is just already in my opinion a bit outdated."* (Pia)

Yali among others also stated here, that with rental platforms being part of sharing economy, a modern aspect is added to the original image of the luxury brands. As sustainability plays a major role in today's fashion, it is embraced throughout rental platforms as well.

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"I think maybe you could argue for it in terms of sustainability, because like this whole issue and the topic about sustainability is very recent and it's very hot in the news. So probably, I think, some brands could leverage that to argue for sustainability. But I don't think this is true. It comes with digitalization, I think digitalization could enable this platform but naturally, luxury brands wouldn't go for the rental option. It's more like external pressure." (Yali)

Same as with the sustainability aspect, our interviewees perceived rental services with a modern touch, however, this also counts for the brands if they actively decide to be available on these services.

5.2 Brand Performance

Brand performance in our case does not refer to the performance of the brand itself but rather to the consumer performance through the brand performance. Exclusivity and status symbols are factors that support consumers in presenting themselves to their surroundings in a certain way.

5.2.1. Luxury Items as Status Symbols

Since luxury brands are often perceived as a status symbol, we asked the interviewees whether they think this could change as more people have access to these products through the rental platforms. The majority of interviewees from all three groups consider luxury brand products to still be status symbols. Lea, for example, thereby emphasized that when seeing a person with a luxury product, you cannot tell whether he or she owns it or has only rented it:

"No, I would not say so, especially for those really high end styles like Kelly bags [very expensive bag model from Hèrmes] and stuff. It's still a statement. You never know. Because if you see someone walking the street and that person, how should you know if it is rented." (Lea)

Eileen stated that even without the rental platforms, people have the possibility to get luxury brands cheaper by buying them vintage in a second hand store:

"No I don't think so, to be honest because I mean it's still basically the same thing. Maybe I mean, like the owning part is missing, as I said earlier as well. […] So, I don't think it would really be

the case because also you can buy so many bags vintage in like a secondhand vintage store or
something. And I would also not perceive it any less there I guess." (Eileen)

Solely Yali, who does not own luxury products, argued that she thinks the status symbol aspect might go down as more people have access to it:

"I would say for sure I, it depends on how, how many products and like how exclusive the rental platform as such is going to be as well. Like if they have a lot of products that are usually very limited, depending on the stores. Then, and then it makes it available for people to rent it, then for sure, then the status symbol luxury will go down." (Yali)

Pia, who owns and rents luxury products herself, does not see this as being as extreme as Yali, but like the other interviewees. She argues that renting is cheaper than buying a luxury product yourself, but the rental price itself is not very cheap, which means that one still has to spend a considerable amount of money, which is why still not everyone can afford it:

"It's just hard, because now everyone has the opportunity to get luxury bags [...] but on the platform it is still so that you pay a monthly fee, but depending on the bag, you pay again on the the bag itself a plus. It starts from 10 euros or 5€ per week, but some cost in the week up to 300 euros and the Kelly Bag costs just per week 300 € extra. But for me, such a bag is rather for an elegant older woman and thereby now more have the opportunity to rent for 300 euros a week such a bag. But it's still expensive" (Pia).

So the aspect of the status symbol could be slightly diminished, but in not disappearing completely as it is yet not possible for everyone to carry such products.

5.2.2. Exclusivity as a Main Determinant of Luxury Brands

All of the interviewees, except one, said that they think the exclusivity of luxury brands decreases when they are also available for rent. Thereby, a great factor is the uniqueness of having such a product, which would be reduced as the availability increases:

"Yeah, I think you would decrease because more people have it ... I think it's gonna like again take away the uniqueness of it." (Jasmina)

"It would be for sure less exclusive, because all about the brands, the luxury brands, is like availability and exclusivity. And I think if you, if it's always available, and everyone can access it, then those perceptions are not there anymore." (Yali)

As a result, it's less special when you see people on the street or in public, wearing luxury products as it is becoming more normal:

"I would think they might be less exclusive. And luxurious. Yeah, like I said many people can borrow those or wear those in public, then yeah, it's not something special anymore." (Alicia)

" [...] there's such a buzz behind the black Chanel bag, the classic one. It's really nice but now that everyone has it or more and more people have it, it becomes less unique, you know, in that sense. I don't like it at all. Yeah, it's like, it's not an everyday thing but like if you see like people like a lot of people walking around with it, of course, it's kind of more normal." (Jasmina)

At the same time, it is also considered to depend on how exclusive the rental platforms themselves are. If these platforms themselves only offer a few products for rent, this reduces the exclusivity of the luxury brands less than if initially very rare products are now available on a mass scale:

"I would say for sure I, it depends on how, how many products and like how exclusive the rental platform as such is going to be as well. Like if they have a lot of products that are usually very limited [...] Then it makes it available for people to rent it, then for sure, then the status symbol luxury will go down." (Yali)

Only Khanyi who does not own any luxury products finds that the exclusivity is not reduced, but that the rental option rather gives you the possibility to belong to a certain exclusive circle yourself:

"No, I think it still is, because it's still luxury brands that are being rented out. Now you just have the option to belong with your friends. So I don't think it takes away the aspect of, like, the exclusivity. It just makes it possible to become exclusive now, like if you couldn't have and now you have the option to be like your other rich friends or, you know, family members. So yeah I don't think it diminishes exclusivity." (Khanyi)

Depending on how many and which products are offered at what price on the Rental Platform, it reduces the exclusivity by a greater or lesser degree. However, the fact that exclusivity is generally reduced to a certain extent by the rental options has been stated almost unanimously.

5.3 Brand Judgements

Consumers' attitudes towards rental platforms as reported in the interviews were rather mixed, while attitudes towards owning luxury products clearly pointed in the direction that interviewees prefer owning to temporary access through renting.

5.3.1 Attitudes towards Luxury Fashion Rental Platforms

The most frequently mentioned advantage of luxury rental platforms was primarily the significantly cheaper access to luxury products. The attitude of the interviewees was the same in all three groups. In addition, it was mentioned that rental platforms offer the advantage of easy access to a wide range of brands:

> *"I mean greater access to a variety of brands, by the convenience of just opening your laptop, and looking at them, so you can compare items more easily, I would say. Then also depending on who the customer is, I'd say, affordability. Also like if, like, it would be probably cheaper than to buy the product."* (Yali)

By renting, one can first try out whether he or she likes the brand or the specific product of the luxury brand, allowing testing of this product and its quality before possibly purchasing it. By renting the respective product, the quality can be examined while wearing it in real life, providing a better basis for decision-making for a purchase, as this is associated with a larger financial investment:

> *"It's way cheaper, and you can, I don't know try out several styles which you may be not sure about, if you really want to buy them - so you can have them for a while and just try out and try them with a lot of outfits of yours - and also see about the quality maybe and yeah maybe try out a bag, which you haven't had a chance before. And in general, I feel like you can also try out some brands, which you maybe would never buy otherwise [...] other designs which you regularly would*

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not buy so that's the nice thing to do. And yeah, I guess the main part is that it's just cheaper."
(Lea)

Lea also highlighted, that, when deciding to rent instead of buying a luxury item, the quality is of less importance, as the item will be returned anyway and no large investment was made for the rental:

"But yeah, because you don't own it, you just rent it, I guess it would be fine if it's not the best quality." (Lea)

Asked about the perceived disadvantages, the interviewees perceive that the ownership aspect is omitted, since the rented item has to be returned**:**

"Maybe some people are like reluctant to try out something someone else had already used, even though it's washed and whatever." (Yali)

In addition, it is important that adequate cleaning takes place between rentals:

"Maybe it doesn't look that new anymore, and you don't have the feeling of having something really nice new and pretty. That could be a con. But in general right now I can't think about a lot of cons to be honest." (Lea)

When asked if the interviewees would miss the exclusive experience inside the luxury brand's store, the different groups express different attitudes. Those who do not own luxury products clearly stated that the lack of the exclusive in-store experience would be missing when using rental platforms*:*

"I mean the whole point of wanting to buy a big expensive Louis Vuitton bag is to go into the shop." (Khanyi)

Khanyi further emphasized the customer experience within the luxury store is of key importance when it comes to luxury brands and also allows to try on the items before buying it which would be missing when renting luxury items online:

"Yeah, I have more certainty when I go into the shop, if I fit in [a clothing item] *and see that it fits me well, or I don't like the way it looks on me, then I can change it. So yeah, I mean, not that online hasn't made things easier for us, I think it definitely helps, but it also has, I guess that's the downfall to it that I mean there's no customer experience in a sense it's part of the whole thing."* (Khanyi)

Yali also emphasized that she would miss the experience provided inside the luxury store, highlighting the excellent quality of customer service that is available in stores, but not in the same way on online rental platforms:

"Yeah, for sure, I mean the whole experience in a store is really valuable. By the way they treat the customers, the way that you get showed around, and the whole experience of this sales consultants service that they have, which is very like, which is top notch, you know. That's what really stands out, so for sure this is something I would miss." (Yali)

The interviewees who already own luxury products themselves responded differently. Pia, who won a rental membership and will soon receive a bag from The Beyond Club but also owns luxury brand products, expressed a different attitude. She would not miss the exclusive in-store experience at least the next time she receives the bag through the Rental Platform. At the same time, she highlights that even through the rental option, the bag is shipped in special packaging and that the digital customer service was also very pleasant:

"Well, I did it [renting] for fun [...] But doing it once now, I don't think I'll somehow miss having this experience. But yes, I haven't gotten it (the bag she won) yet, but as I saw on Instagram, you also get it in a box somehow.[...] And the people [from the platform] were really nice. Of course, it was not in the store but it is currently also difficult to go to a store." (Pia)

Lea, who also possesses luxury products, considers the in-store experience enjoyable, but stresses that it is not of great importance to her:

"I like to go in a store and enjoy that service but I would not miss that." (Lea)

Even though the in-store experience has its advantages, such as the opportunity to assess the quality yourself, it has less of an impact on rental platforms, as the product is given back

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anyway. Eileen, who also owns luxury products herself, claims that she likes the in-store experience, but she does not consider it as important as the other two participants in her category of Millennials who own luxury products:

"I mean, overall I'm just not so much of an online shopper, I actually prefer the experience overall in the shop. I mean, occasionally I also buy online but it's not on a regular basis, but for handbags yeah, I guess it would be then maybe a combination, because it's also nice to touch and feel the material as I said, I'm really thinking about it for a long time before I would make such a purchasing decision. So I would really want to kind of see the bag before I really decide on buying it I guess. But then, on the other hand, if it's like a brand new platform where you kind of, I mean if, then maybe it's because I don't own the bag and I can give it back." (Eileen)

We perceived that while the interviewees have a generally positive attitude towards the rental platforms, this is accompanied by several drawbacks, as mentioned above, and by the concept of ownership, which will be discussed in the following.

5.3.2 Attitudes towards Ownership of Luxury Items

The role of owning luxury fashion products has revealed different attitudes among the interviewees. Although none of the interviewees were opposed to the rental options in general, different meanings were attributed to the ownership of luxury products. The three different groups showed different attitudes. Especially among those who have not owned any luxury products so far, it was clearly stated that they want to possess these kinds of items, and not just rent them for a certain period of time. When asked if, in order to be able to wear luxury products, they would also consider the rental option, Khanyi and Emilia both expressed their decline to do so:

"No, cause it's not mine and I want it to be my own. So when I get the money, hopefully one day, I would prefer to buy my own little bag or shoes. I don't want to borrow it for a month. I want to know that this is mine, I own it." (Khanyi)

"Just renting this… somehow when you are returning it, I think you'll have that feeling of losing something at the same time." (Emilia)

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Others, however, were more ambiguous in their opinion on whether owning is the only option for them, or whether renting might also be a possibility. Jasmina is generally in favor of the renting options, but at the same time prefers for herself to continue to buy luxury products herself and to be able to wear them anytime she wants:

"I am actually not against it, I'm as opposite as you can be against it. I think it's really good. But at the same time, like, I want to feel that it's mine. And I buy stuff because I want to be able to wear it whenever I want. And if I rent something, then it's never gonna be completely mine. Well, I wouldn't, I don't think I would do it myself." (Jasmina)

However, a distinction was also made between the occasion for which one would rent luxury fashion and when one would prefer to be in possession of it oneself. For certain occasions, the interviewees would consider renting a luxury product, such as for a festivity. However, Yali emphasized that she considers this a temporary solution and would prefer to own these products herself in the future as her income increases:

"I really thought about it [renting]. *I think now that I'm like, students, I would say, yes, because there's like a prom. And you want to have a nice dress, but I also don't have, I don't know 10,000* [euros]*, to buy this particular dress I want, I can do it just for one night, then why not. But I think later in life, I want to have, like, my own dresses. So, I think, as probably my salary will grow, then my desirability to this is lower."* (Yali)

Among the specific motivations mentioned for renting luxury products, people not only mentioned occasions such as a ball, but also described renting as a chance to try out new luxury products. Products that they would otherwise be reluctant to buy because, for example, if they are very conspicuous, they would be too risky as an investment to buy. Pia described why she decided to rent a red, very conspicuous bag opposed to the ones she owns, which are rather classy and timeless:

"I think it [renting], is a cool idea. You just might buy the basics. It just gives you the option. I just picked out a bright red one for example. No idea if I would ever buy something like that, because that is just already flashy." (Pia)

While on the one hand various reasons were brought forth for when renting would be an option for the interviewees, on the other hand the overall attitude was rather that the interviewees as a whole all rather prefer, at least to some extent, ownership to luxury products and attribute a favourable meaning to ownership.

5.4 Brand Feelings

5.4.1. Self-expression through Luxury Brands

The three different groups uniformly highlighted the aspect of a sense of belonging to a certain group in relation to self-expression through luxury brand products and why one intends to wear luxury products. In certain social circles or groups of friends, peer pressure prevails in a certain way that urges the group members to also wear luxury items or need to wear those to be able to belong to the group:

> "[…] *I guess some people are more confident when wearing a designer handbag, especially within some circles or location, lets say. […] I was never that kind of person but yeah I had a lot of friends, which needed those designer handbags, to show something or to be accepted within a circle.*" (Lea)

> "*Some years back maybe when I got my first designer hand bag, I was really happy about it and I really wanted to show it maybe because I was also like in a circle where everyone owns designer handbags and it was just like the uniform you had to wear to be in there, which is kind of sad but yeah the reason why I got my first one.*" (Lea)

> "*Definitely, I'd say so. The cliche is quite often true. I think many people who own luxury items belong to that to a certain group or have a surround themselves with a certain kind of people that also do these kind of things, like, buy expensive items. (Alicia)*

In this context, luxury products are a also sign that you yourself feel valuable in a certain way and that you are worth wearing such expensive items:

> "*I feel as part of a community. Maybe as a person that respects herself, that is taking care about herself, that is putting some price on herself.*" (Emilia)

While the sense of belonging was mentioned as a crucial aspect, the individuals who own luxury products themselves emphasize that they do not want to make a name for themselves with them, and rather wear luxury products as they like the products themselves:

"*For me, I don't want to show off or anything and it for me it's more like yeah like these bags and that's why I have them.*" (Eileen)

Even if it's not a matter of distinguishing oneself for the sake of others, luxury brands do strengthen one's own self-esteem which all groups expressed:

"*Of course, self-esteem is then strengthened somehow, because you know that you really have something cool, and if you can afford it at some point, you really want to feel good about yourself. But since that's not the case with me yet and I've only received it so far, I don't necessarily strengthen myself with it now.*" (Pia)

"*I think it's about self-confidence, self esteem. I think more of that.*" (Emilia)

However, feeling good about oneself is to a certain extent still also related to how one is perceived by the external environment. However, this was primarily emphasized by those who own brand products themselves:

"*I mean, consciously, I don't think, okay, if I buy a Chanel bag, people are gonna see me in a certain way, but in reality in practice, I do notice, like, if I wear a Chanel bag, and someone who also knows, you know, maybe appreciates, a Chanel bag, they will definitely make me notice that they notice. They will like say a lot of compliments, "so nice" and we will almost have like a longer discussion about it or conversation.*" (Jasmina)

There are differences in terms of the sources of luxury products, if you can not (yet) afford them yourself and get such products as a gift for example from parents, the self-esteem is not strengthened as much as when being able to afford the product from one's own money:

"*Of course, self-esteem is then strengthened somehow, because you know that you really have something cool, and if you can afford it at some point, you really feel good about yourself. But since that's not the case with me yet and I've only received it so far, I don't necessarily strengthen myself with it now.*" (Pia)

The group of those who do not own any luxury products said that they do not want to define themselves by luxury products anyway, partly for the reason that it would not be within their financial means anyway:

> *But I think it depends on the person. I personally would not identify myself with a brand or use a specific brand myself.." (Alicia)*

> *"For me it's just, it hasn't really played a huge role, because I've never had the money to want to express myself through clothing, what my mom can give me is what I have. So yeah, personally, I've never been able to like see I'm expressing myself through fashion or anything like that." (Khanyi)*

The group that already owns luxury products also does not attach too much value to luxury products in order to express themselves and, above all, do not want to be perceived as pretentious. The primary reason for the purchase is primarily that they simply like certain luxury designers:

> *But now I'm actually trying not to show it as much as I would say I have one designer bag, which really shows the brand, but the other luxury designer items I own, they are not really showy so you can't tell if it's like a brand or not. And so for me, I don't want to show off with designers, I just really like some designers and I also think the quality is really good and if you take care of it you can have it your whole life. And that's why I'm also looking for more like timeless styles and items which I really can carry on my whole life and maybe even give it to my daughter once or you know, just like pass it along."* (Lea)

Luxury products are therefore to some extent a way of expressing oneself which was however as mentioned above, different between the three groups. However, it was stressed by all the groups that the pursuit of belonging is a very important aspect and reason why people want to wear luxury products.

To present our findings in a comprehensive form, we have summarized the most important points in the following table:

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Aspects:	Group 1 - Owning	Group 2 - Not owning	Group 3 - Renting
Exclusivity	Slightly diminishes	Slightly diminishes but one person thinks it stays the same	Slightly diminishes
Status symbol	Perception stays the same	Perception stays but one person thinks it diminishes	Perception slightly diminishes
Ownership attitude	Open for occasional renting but prefer owning	Desires to own	Embrace renting for certain occasions or to try out but still like owning
Self-expression	Sense of belonging Own self-esteem Like the products themselves	Sense of belonging Own self-esteem No identity building through luxury items	Sense of belonging Own self-esteem
Sustainability	Can add sustainable value to the luxury brand in case the brand is on the platform on purpose, otherwise projected only on rental platform	Can add sustainable value to the luxury brand in case the brand is on the platform on purpose, otherwise projected only on rental platform	Can add sustainable value to the luxury brand in case the brand is on the platform on purpose, otherwise projected only on rental platform
Modern aspect	Represents mindset of younger generation - in case the brand is on platform on purpose, otherwise only projected onto platform	Represents mindset of younger generation - in case the brand is on platform on purpose, otherwise only projected onto platform	Represents mindset of younger generation - in case the brand is on platform on purpose, otherwise only projected onto platform

Table 1: Overview of Findings

6 Analysis and Discussion

This chapter analyzes and discusses the findings we presented in the previous chapter. We combine our empirical findings with the academic literature presented in the second chapter to enrich them with our findings. Our analysis is guided by the four components of the adjusted theoretical framework, namely brand imagery, performance, judgments, and feelings. After analyzing the four middle components, we will also examine their impact on the entire pyramid and the resulting potential change perceptions of luxury brands.

6.1. Imagery

As mentioned above, brand meaning consists of two subcategories, mainly formed by brand associations. The first category - Brand Imagery - revolves around the extrinsic aspects and deals with the psychological and social needs of consumers (Keller, 2001). During our research we found out that consumers who wear a luxury fashion item are perceived in a certain way. Our respondents, regardless of group, attested them with values such as wealth, status and success. Romanik and Huang (2020) also emphasize in their paper the importance of a certain perception by consumers, but also how consumers are perceived with an item. They even argue that how other people see the brand is the most important component to be a luxury brand (Romanik & Huang, 2020). Keller (2001) mentions behind the key concept "brand imagery" that consumers want to represent something particular, maybe show off, by acquiring certain brands. They aim to satisfy their social needs (Keller, 2001). This again was also a key statement during the interviews. In the consumer-based brand equity pyramid, Keller (2001) also talks about how individuals want to feel that they belong to certain groups through consumption. However, not only social needs but also psychological needs should be satisfied (Keller, 2001). In general, the participants of the interviews thought that the feeling of belonging and the desire to belong to a certain group is a strong reason to purchase an item of a luxury brand. According to our respondents, the sense of belonging can just as easily be achieved by renting a product. It was also mentioned that from the outside, you cannot tell the difference between renting and buying a certain item. The group of those who use rental services mentioned that if, for example, a bag is rented, it also wanted to match the rest of the

person's style. Otherwise, it would be easier to tell that this person is wearing the bag just to gain prestige. They may not be able to afford the bag at all. As long as the particular style of the rented brand matches the overall appearance of the person, the concept of rental platforms was seen as positive by respondents from all groups.

Vogel, Cook and Watchravesringkan (2019) argue as well that the importance of ownership of an item is no longer as relevant to Millennials, and they tend to adopt not only conventional consumption perspectives. Belk (2014) suggests that the concept of ownership of "you are what you own" is changing through the digital world. We also gained this insight while conducting our interviews. The generation of Millenials strives to satisfy their needs, however, this does not have to be done through permanent ownership of various luxury goods, but can be done through sharing as well. Intangible values such as feeling unique and exclusive created and shaped by wearing luxury brands continue to be upheld even when these items are shared.

Such values are determined by extrinsic aspects. Among these are user profiles, purchase and usage situations, personality and values, and brand heritage history and experiences (Keller, 2001). As the consumption habits of Millennials also shifted from ownership to considering sharing, a new model of distribution, namely rental platform, allows them to use products in a way that is aligned with their mindset regarding consumption. Nevertheless, consumers are still very prone to obtain exclusive brands and luxury (Danziger, 2019). Millennials have the desire to express their self-identity and to fit into the norms of the society they are living in (Valaei & Nikhashemi, 2017).

All in all, the brand imagery changes slightly to being perceived as a little more innovative and modern. This is only the case when brands actively decide to be rented out. In any matter, due to being available on rental platforms, but a bit less exclusive.

6.2 Performance

As customers can see the performance of goods and services from different angles, factors such as product reliability, durability and serviceability play major roles. Moreover, service effectiveness, efficiency, and empathy have a high importance for customers because the

quality of performance is often associated with service interactions with brands. As far as brand performance goes, customers might value aesthetic product attributes like shapes, color, and material (Keller, 2001). All respondents, regardless of which group they belong to, generally agree. During the interviews, attributes such as high quality, good design and fashionability were found for products of luxury brands. Furthermore, many of the participants noted that luxury brands stand for chic, timelessness and classic design in their eyes. A direct connection would also exist to high class fashion and high prices respectively a large amount of money. Other researchers also list attributes such as superior quality, uniqueness, or customer experience as key determinants of luxury brands (Romaniuk & Huang, 2020). Vigneron and Johnson (2004) and Kapferer (1997) again emphasize factors such as high prices, exclusivity, high quality, and heritage that make up a respective brand. All these attributes lead them to exploit psychological advantages that stimulate consumers in such a way that they perceive the brand as luxurious. A particular brand is attributed high status only if it is also appreciated by consumers as a luxury brand (Vigneron & Johnson, 2004). Brands that are also available on rental platforms are basically still perceived as luxurious, albeit with possibly a little less exclusivity. However, other functional needs are attributed to these brands as an exchange. Our respondents across the board, but especially the group that neither owns nor rents, mentioned that they value the opportunity to "try out" an item. Afterwards, if the item and/or service met their expectations, they could decide to purchase the item or another one of the same brand. As a negative component, however, it was noted that loyalty to a particular brand could shrink somewhat, since it is much easier to change products quickly and easily.

The flow of information about a particular brand also increased tremendously due to the digital age, rental platforms also play a big role here between stakeholders (Parker, Van Alstyne & Choudary, 2016). Consumers can develop positive perceptions towards a brand and company when it performs environmental and social behavior (White, Habib & Hardisty, 2019). Hier noch was zu sustainability?

White, Habib and Hardisty (2019) also mentioned the increasing importance and demand from consumers for more sustainable shopping and consumption methods. They suggest that this should play an economic part of the business strategy (White, Habib & Hardisty, 2019).

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This was also confirmed in our interviews, as participants also see a general trend towards more sustainability in the fashion industry. However, those consumers who acquire items from luxury brands by actually buying them noted that they would not place as much emphasis on the sustainability aspect with them. Those respondents who rent, on the other hand, said that this is definitely a positive side effect for them. However, all respondents across the board see rental platforms as an opportunity for luxury brands, as it makes them look more modern and open-minded.

6.3 Judgements

The subsequent level, brand response, consists of the elements judgements and feelings, also referred to as "head" and "heart" of consumers, as previously explained. Brand response relates to how customers react to a particular brand and what thoughts and emotions arise in their minds in relation to the brand. Thereby, brand response depends on the previous level of brand meaning resulting in brand meaning influencing judgements and feelings (Keller, 2001).

Brand judgements, referred to as the "head" of customers, describe the personal opinions they hold towards, in this case, luxury brands. Among these judgments, there are four categories that are essential to create a strong brand from the customer's point of view, namely brand quality, brand credibility, customer's considerations, and brand superiority (Keller, 2001).

The category of brand quality relates the customer's perceptions towards the brand's quality (Keller, 2001). As previously mentioned, luxury products are generally considered to be of high quality, as our interviewees stated. To be perceived as luxurious, brands should possess the five attributes, namely recognizability, superior quality, superior customer experience, being in resonance with the self of the consumer, and the uniqueness differentiating the brand from non-luxury ones (Romaniuk & Huang, 2020). Due to our study, the recognizability of the luxury brands themselves remains the same. However, the interviewees emphasized that it is not possible to tell whether people have bought a luxury product themselves or whether they have only rented. While the previous brand meaning chapter addressed the finding that you cannot tell if people have bought a luxury item or merely rented it, also the recognizability of the brand is impacted through rental options. The brands themselves are still being

recognized, but the meaning of it is indirectly slightly diminished as it is not a clear sign anymore if the brand was actually bought.

The interviewees all unanimously mentioned excellent quality as one of the most important characteristics of luxury brands. Even the existence of rental platforms has not changed this superior quality, as it is not influenced by the rental option and thus remains the same.

The interviewees emphasized that a superior customer experience is especially offered through a high level of customer service and by the exclusive experience in the luxury brand stores. Especially the interviewees who do not own luxury products said that the in-store experience would be missing if they used rental platforms. But the other two groups also considered the in-store experience to be something very positive, although they did not attach quite as much importance to it. The superior customer experience of the luxury brands is not changed by the option of using rental platforms. However, this exclusive experience is something that differentiates the luxury brands from the rental platforms and thus makes them stand out positively compared to the rental options.

The luxury brand's uniqueness distinguishing them from non-luxury brands still exists, however, as mentioned in our findings, the interviewees perceive the exclusivity of luxury brands to be slightly diminished due to a greater availability of those brands through luxury rental platforms.

The second category of judgments, brand credibility relates to how the brand is being perceived as credible in terms of brand competence, reliability, and likeability (Keller, 2001). Especially the younger Millennials in our interviews emphasized that, as digital natives, they are primarily interested in digital and new shopping options and are interested in the offerings of the sharing economy and do not necessarily aim to own things. This is in line with the trend described in the theory chapter and the brand meaning analysis. In those it is stated that for Millennials, ownership no longer plays such an important role. They rather prefer or at least consider unconventional consumption options such as rental platforms (Vogel, Cook & Watchravesringkan, 2019). Thus, rental options might be more interesting and in alignment with the demands and shopping habits of especially younger consumers.

The next brand judgment criterion, customer's considerations describe whether customers would consider purchasing the brand (Keller, 2001). The interviewees, especially the ones that own luxury items themselves stated that they would be less likely to purchase items that many people wear, which might be the case due to the broader availability via rental platforms. On the other hand, the interviewees also highlighted that renting an item gives the customer the opportunity to try out the item before a potential purchase. As purchasing a luxury item is a larger investment, the tryout option might help making such a decision. They also argued that using a rental platform opposed to purchasing an item from a luxury brand might be better if someone only needs an item for a special occasion. In this case, customers would be less likely to consider purchasing from the luxury brand itself.

The last criterion of brand judgement is the brand's superiority which focuses on the distinctiveness and benefits customers attach to the brand. Especially the aspect of exclusivity stands for luxury brands and differentiates them from other brands within a product category (Wiedmann, Hennigs & Siebels, 2009). Exclusivity derives from limited availability and charging high prices which makes luxury items unavailable for the mass market (Wiedmann, Hennigs & Siebels, 2009). Thus, a broader availability might dilute the perception of the respective brand being exclusive (Amaldoss & Jain, 2005). The majority of interviewees among all three groups perceive the exclusivity aspect of luxury brands to be slightly diminished. The distinctiveness of luxury brands stays the same since the perception of superiority only changes regarding the consumers if the luxury item is bought or rented.

6.4 Feelings

While judgments refer to the "heads", brand feelings rather concern the "hearts". Brand feelings refer to emotional reactions of consumers and how they perceive the relationships they have with themselves and others (Keller, 2001). As previously introduced in the theory chapter, six categories exist within brand feelings, namely warmth, fun, excitement, security, social approval, and self respect (Keller, 2001). Thereby, the luxury brand represents a "dream" that consumers strive for (Dubois & Paternault, 1995). This aspiration to a dream, which is achieved through the purchase of the luxury brand, relates to the "heart " and the feelings of the consumer.

Millennials select apparel to express their identity and to conform to the standards of society (Valaei & Nikhashemi, 2017). The brand feelings category of warmth describes that customers can obtain comforting feelings towards the brand (Keller, 2001). The interviewees described that wearing luxury items can be a way to be part of a certain social group resulting in a sense of belonging which also does not change due to the existence of rental platforms.

Fun as the second factor refers to the brand giving the customer a joyful experience (Keller, 2001). In our research, the interviewees highlighted the exclusive in-store experience which they would partly miss when using a rental platform. However, the fun that comes with wearing a luxury brand stays the same, no matter if the item was purchased or rented.

The third factor connected to feelings is the excitement that brands can bring their customers (Keller, 2001). The respondents in our study indicated that the uniqueness of wearing luxury brand items may decrease slightly as more people wear such products. By diminishing the uniqueness, it may be less exciting and intriguing for consumers to buy such a product.

Luxury fashion brands still give their customers a certain degree of security. Rental platforms do not change the superior quality of the luxury products itself which is one of the main factors our interviewees associated luxury brands with. On the other hand, the interviewees stated that by using a rental platform, they do not know who has worn it before or if the quality is still the same.

Even though rental platforms offer more people the chance to wear luxury items, the interviewees mostly still consider the luxury brands themselves to be a means of showing a status symbol. Customers can still obtain social approval by wearing luxury brand items and feel a sense of belonging. However, the interviewees that do not own luxury items indicated that they expect the status symbol aspect to diminish to some extent. This stems from an increased amount of people having access to luxury brands.

As the last category of brand feelings, self-respect is connected to the feeling of having accomplished something in relation to the brand (Keller, 2001). All interviewees associated feelings of value and worthiness resulting in strengthened self-esteem.

7 Conclusion

This final chapter summarizes the analysis and discussion presented above in order to answer our research question. Furthermore, we present the theoretical and practical contributions resulting from our findings. Finally, we give suggestions for future research in relation to our research question and also present the limitations that our work faces.

7.1. Research Outcomes

As presented in the introduction of this research, the purpose of this thesis was to investigate and explore consumer perceptions towards luxury fashion brands with and without their availability on rental platforms to find out if there are any differences and if so, which ones. The aim hereby was to contribute novel insights to existing brand equity literature and provide understanding of how new, different factors influence the concepts behind brand equity in the context of today's times. Hence, we used the two following questions to lead us through the study:

RQ 1: *How do consumer perceptions of luxury fashion brands differ with and without their availability on rental platforms?*

RQ 2: *Are there any differences in consumer perceptions based on their previous experience with luxury fashion brands?*

The increased availability of luxury items through rental platforms evokes different consumer perceptions of luxury brands. We have analyzed these perceptions using the four components of the customer-based brand equity pyramid that we have chosen. Those four key concepts, namely brand imagery, performance, judgments and feelings, are shaped by external factors in such a way that the characteristics of luxury brands are perceived in a certain way.

By answering our research questions, we also describe the final element of our framework, namely the perceptions, and thereby contribute to the brand equity topic. Based on the chosen elements of the pyramid, together with the external factors, we can answer our two research

questions and hope to thereby clarify and present a possible change in the understanding and perception of luxury fashion brands in today's world.

Furthermore, we try to provide a background for future actions of luxury fashion brands through our findings and analysis. We also argue that our goal to fill the research gap regarding the perception of luxury fashion brands has been achieved by explaining the environment and the new factors influencing the four key concepts of the customer-based brand equity pyramid primarily and secondarily the whole pyramid.

Among the characteristics of luxury brands, exclusivity represents a main aspect. Exclusivity is a big factor and often the unique selling proposition of luxury brands. This aspect might change slightly, as it decreases due to the availability on rental platforms.

It happens in a similar way to uniqueness: here it happens in a similar way, but to a bigger extent. However, the view that an item of a luxury brand can be regarded as a status symbol remains. This means that consumers still have the same opportunity to express themselves through a particular brand or item. Customers' attitude to ownership is still strongly connected to luxury fashion brands, however, most of the consumers would be prone to rent items for particular occasions.

Consumers rather perceive the platform as modern but do not attribute a modern aspect to the luxury brand itself. They only perceive the brand to be more modern in case the brand actively decides to offer its products on a rental platform. However, also the brands that do not offer their products for rental on purpose are subconsciously being perceived as more modern since consumers perceive the rental concept itself as modern. Exactly the same accounts for the sustainability aspect as this one is attributed to the platform and only to the brand if it purposely decides to be available.

All in all, we found differences in consumer perceptions regarding various aspects that make up luxury brands. However, it must be emphasized that these differences were rather minimal and other aspects were perceived the same.

Between the three different interview groups, there were only a few significant differences in general. Interestingly, these were also mainly found in the aspects that were perceived to have

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changed as a result of the impact of rental platforms. Within the aspect of exclusivity all the interviewees of our study stated that the exclusivity diminishes slightly. However, one person who does not own any luxury item nor ever rented one, thinks that the exclusivity stays exactly the same.

Similarly, in the case of ownership attitude, both groups, those who own and those who rent, prefer to own luxury brands but embrace renting. However, the third group of consumers, who neither own nor rent, dislike renting and prefer to own and wear their own luxury items. They understand rental services as some kind of threat to the luxury brand. This turned out to be an interesting finding for us since rental platforms would provide an easier and faster access to luxury brand items for this group of people.

This is also consistent with the assumption of one respondent in the group that neither owns nor rents, that the value of luxury brands as a status symbol is declining. For all others, the status symbol remained the same. The other aspects such as sustainability and modernity were perceived equally between the different groups.

In the next subchapters, our theoretical contributions and managerial implications are presented and subject to further explanation to consider the thesis as a whole.

7.2. Theoretical Contributions

Through our study, we intended to contribute to existing literature and research in the field of marketing in regards to luxury brands and respective customer perceptions. As previously explained, we intended to start filling the gap which exists in current research regarding consumer's perceptions towards brands which are available on luxury rental platforms.

To begin with, through our study we aim to contribute to the literature on brand equity. By basing our theoretical framework on the customer-based brand equity pyramid from Kapferer (1993) and adjusting it to the context of luxury rental platforms, we applied the model to our study and research aim but not tested it with its original composition. This has allowed us to contribute to putting the already older model in the context of today's digital world and by adding other factors that are relevant in the context of luxury rental platforms. Rental platforms as external factors having a theoretical effect on the pyramid were added, as in

today's world, brands are impacted by other market players as well which the original model did not take into account.

Furthermore, our study should enhance the literature on relevant aspects in regards to luxury brands and their perceptions by consumers:

Authors such as Vogel, Cook and Watchravesringkan (2019) state that the aspect of exclusivity is one of the most important ones that determine luxury brands which is why luxury brands limit the accessibility to their products. In our study we found that the exclusivity of luxury brands would slightly diminish, in case they are also available to a broader consumer group through luxury rental platforms.

Other authors such as Truong, McColl and Kitchen (2010) stress that luxury items are bought by consumers to serve as a status symbol. Our study contributes to this by confirming the importance of the status symbol function, brands should therefore ensure that this aspect does not suffer negative consequences due to increased availability.

When it comes to the aspect of ownership, Vogel, Cook and Watchravesringkan (2019) state that for Millennials, the ownership of items would become less relevant. Also Belk (2014) claims that due to the digital world, consumers are increasingly willing to use access-based consumption options and would not strive to own things as much anymore. Since these statements tend to be made in general terms, we contribute to this field of research by explicitly investigating the luxury fashion sector. Through our interviews, we were able to come to the understanding that Belk (2014) is partly correct, however, ownership still presents itself as very important in the context of luxury brands, for Millenials.

Well-established literature (Veblen, 1899) describes that individuals consume luxury items to demonstrate status and prestige to express their self-identity, which our study confirms. Also more recent literature stresses the socially-oriented motives for which individuals strive for luxury items (Wiedmann, Hennigs & Siebels, 2009). Kapferer and Bastien (2012) furthermore emphasize that consumers not only strive for luxury brands to be externally perceived in a certain way but also for personal reasons. Our study supports this aspect by highlighting that consumers not only strive to be perceived from others differently by wearing luxury items but

also to boost their own self-esteem and to feel good. This is the case for both, buying luxury brands as well as renting such products.

When it comes to sustainability within the research area of consumption, White, Habib and Hardisty (2019) describe that consumers intend to attain a positive self-image through a more conscious consumption behavior. Our study is in line with their opinion as our interviewees describe that using rental platforms can enhance a more environmentally conscious lifestyle. Brands themselves, according to White, Habib and Hardisty (2019), can thereby benefit from positive perceptions from consumers when they implement CSR activities. Our study supports the authors on condition that luxury brands decide on their own that their products are also available on platforms for rent. However, it has to be differentiated which brands actually benefit from this new business model of distribution. Brands do not profit from rental platforms, unless they offer their products for rental on purpose. In this case, consumers would not perceive the luxury brands themselves as more sustainable but rather project it onto the platform. It can be concluded that in both cases, primarily the rental platform is being perceived as a sustainable business model.

Existing literature describes Millennials as a generation that rather engages with brands via digital channels and less via their physical stores (Vogel, Cook & Watchravesringkan, 2019). With our study, we highlight that the Millennials we interviewed all embraced digital solutions such as using online luxury rental platforms. Nevertheless, they also emphasized that it is still important, especially in the fashion sector, to be able to try on products in a physical store. Especially in the luxury brand segment, the exclusive experience in the physical store is an essential part of the overall concept of luxury and thus not completely replaceable by digital solutions.

7.3. Managerial Implications

In addition to the theoretical contributions that our work provides, we also derive concrete managerial implications from it. As outlined in our introduction, luxury fashion platforms could pose a threat to luxury brands in case the exclusivity of the luxury brands is reduced by their increased availability (Vogel, Cook & Watchravesringkan, 2019). Since exclusivity is one of the main components of the branding strategy of luxury brands, a loss of exclusivity

could potentially dilute those brands (Amaldoss & Jain, 2005). Hence, brand managers of luxury brands should be cautious that the brands do not lose their exclusivity and thus their status as luxury. Thereby, brand managers should be aware of the trickle down effect (Simmel, 1957 cited in Vogel, Cook & Watchravesringkan, 2017) which can be caused by an increased availability of their products, as explained in the beginning of this paper. Our study found that consumers only strive to purchase luxury bands if the exclusivity of those brands stays on a high level. As a consequence luxury brands must ensure that their branding strategy succeeds in maintaining their exclusivity and consumers do not increasingly shift to the rental options. Consequently, brands should secure that their brand equity is not negatively impacted in order to retain their competitive advantage.

The managerial implications should distinguish between different luxury brands, namely those that are already offered via platforms without their consent, those that actively decide to cooperate with platforms, and those that do not fulfill either of these two. The luxury brands that already cooperate with rental platforms should make sure that not too many of their products are also available there to prevent the exclusivity from decreasing.

Luxury brands that are either available on rental platforms against their will or those that are not yet available for rent at all should embrace new models of access and either decide to partly offer rental of their products themselves or to cooperate with already existing rental platforms in order to have at least more control over which of their products are available through rental. Luxury brands should negotiate contracts with the rental platforms on their own terms with the rental platforms, through which they can decide which products are offered for rent.

When luxury brands themselves offer options to rent their products via their own brand, they are directly competing with rental platforms. By offering better rental prices for their products and by letting customers pick up their rented products in the luxury brands' own stores, this could represent a significant advantage over rental platforms, which means that luxury brands may lose fewer consumers to the platforms. However, brands should be careful and still only rent out a small subset of their products to maintain exclusivity. This allows luxury brands to

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attract and retain young consumers who in the future may have the financial means to actually purchase products from the respective luxury brand.

Not only brand managers, but also the management board with more overall strategic decision power should be incorporated in the decision making on how to cope with these emerging business models. Given that luxury brands cannot really do anything about their products being offered on rental platforms anyway, they should rather embrace this new trend than reject it completely.

Today's young consumers and potential future consumers, i.e. Generation Y and Z, are becoming more and more environmentally conscious and have started to consider other forms of consumption. Therefore, luxury brands should incorporate sustainable measures into their brand strategy already today to address consumers in this regard and to bind future potential customers to them. The branding strategy should ensure that the luxury brands continue to be perceived as luxurious, exclusive and desirable but at the same time integrate more modern and environmentally friendly aspects to also stay relevant in the future. As mentioned at the beginning, more and more luxury brands are incorporating sustainability into their brand strategy, for example by using sustainable materials. Renting luxury products would be another approach to incorporate more sustainability into the brand strategy. As rental platforms are an emerging field of business, brand managers should generally monitor various markets to stay up to date with where new rental platforms may be introduced and on which existing platforms new products of their own luxury brand may be offered without their consent.

Another stakeholder for whom implications can be derived from our study are rental platforms themselves. The less exclusive the rental platforms themselves are, the less exclusive the luxury brands of the products offered there could be perceived. Therefore, the rental platforms themselves should also remain exclusive so that consumers continue to strive to wear the products they offer for rental. Therefore, the availability of items on the platforms should be restricted. In this way, both the luxury brands themselves and the platforms could benefit. In addition, the luxury fashion rental platforms could market themselves even more in the sense that they enable a more sustainable and modern consumption form.

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7.4. Limitations and Further Research

Based on our findings, theoretical contributions and managerial implications, we are confident that we can provide substantial new insights into the field of our research aim. However, our work also faces several limitations due to the nature of our qualitative research design (Easterby-Smith, Thorpe & Jackson, 2015). Qualitative research cannot be generalized statistically, as it is limited to a particular context and thus can only be replicated to a limited extent. Thus, it is difficult to derive empiricism from the selected study that is applicable to a larger group than the sample taken (Easterby-Smith, Thorpe & Jackson, 2015).

Due to the ongoing Covid-19 pandemic, we could not conduct the interviews in person but had to carry them out online via Zoom. The interviewees might have felt more comfortable speaking in person which might have led to even more honest and in-depth answers. However, through our narrow sample, we managed to obtain rich and context-specific findings.

Furthermore, our study contains limitations in regards to the sample of interviewees. We only conducted nine interviews in total with only females who belong to the generation of Millennials and who currently live in Sweden and Germany. Furthermore, we only investigated consumer's perception towards brands within the luxury fashion industry and not other luxury segments such as luxury watches or art.

From these limitations, we also derive our recommendations for future research. Future research could extend the sample size and also incorporate non-female individuals and other generations as Millennials. Especially Generation Z would be an interesting new consumer group as they are at least as digital native as Millennials and perhaps even more inclined to use rental platforms. Both perceptions, of Millennials and Generation Z, could for instance be compared while having in mind that both generations have differences in their financial means. Also older generations than the one of Millenials should be considered as they are not as tech-savvy and thus primarily purchase luxury items. Hence it should also be investigated if an increased access and an increased number of people wearing luxury items affect their perception towards luxury brands. Also, individuals residing in other countries should be included to discover potential geographical differences in perceptions.

As previously mentioned, we focused our research on luxury brands within the fashion segment. Other areas of luxury brands for which rental platforms exist should however also be investigated. Since our study focuses only on the perceptions of consumers with and without luxury fashion rental platforms, the perspective of luxury brands themselves should also be investigated in future research. Given that consumers' perceptions are changing with a broader availability of luxury fashion items, this could be a threat for these brands. To gain a holistic view, the perspective of rental platforms should also be examined. Furthermore, it should be investigated how luxury brands are being perceived when they agree to cooperate with rental platforms. As we only applied the CBBE model (Keller, 1993) to our research but did not actually measure a potential change in brand equity, future research could benefit from taking the stance of luxury (fashion) brands and evaluate their brand equity and a potential change resulting from a broader availability of their product via rental platforms.

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Appendix A: Interview Questions

Category	Questions
1. Previous experience with luxury fashion brands in general	• Do you own a luxury fashion item? • If <u>yes</u>, which one? • For how long did you already have it? • What are your experiences with it? • Why did you buy it? • If <u>not</u>, would you ever purchase one? • Would you like to own one?
2. Values perceived by the consumers from the original luxury brand	• What kind of values does a luxury brand add to the appearance of the person wearing it? • What kind of values would you associate the brand with? • What role do luxury brands/items play when it comes to self identity/self-expression? • How do you want to be perceived by others because you are wearing a luxury item? Or how does a person want to be seen? (desired expression)
3. Rental platforms	*We first explain luxury rental platforms in general to introduce the topic in case the interviewee has no knowledge about it yet.* • Have you used a luxury rental platform before? • Would you feel you miss an exclusive experience? *(not going to store but get it sent home)* • Do you see advantages with using it? • Do you see difficulties / disadvantages with using it? • Would you miss the lack of physical tryout / experience?

4. Perception of respective brand when knowing about the availability on rental platform	● Name three adjectives you associate with your/an item of the respective brand (after you know that the bag/item is rented) ● How do you perceive a person that rents that kind of luxury fashion items? ● How do you perceive the brand after knowing that you can rent items from them? ● Regarding renting: if you already own an item, would you consider renting and why? If you don't own an item, would you consider renting and why? ● Do you think the rental option adds a more "modern, digital" aspect to the original luxury brand?
5. Influence on luxury items being status symbols	● Given that luxury items can usually be seen as status symbols, do you think that rental options change this perception of luxury items/brands?
6. Sustainability aspect	● Do you think being able to rent a luxury item adds a sustainable value to the brand? ● Do you perceive it differently knowing the brand offers its products for rental on purpose/not on purpose? ● Do you think renting a luxury item opposed to purchasing one would enhance your self-expression > conscious / sustainable consumption ● Would you feel that renting an item fits better with you pursuing a sustainable lifestyle (in case that is what you are aiming for?)?

Appendix B: List of Interviewees

Category based on experience	Name	Age	Nationality	Living in
Owns luxury fashion item(s)	Jasmina	28	Swedish	Sweden
	Lea	24	German	Sweden
	Eileen	26	German	Sweden
Not owning luxury fashion item(s) but generally interested in luxury fashion	Yali	26	Chinese / German	Sweden
	Khanyi	23	South African	Sweden
	Emilia	40	Romanian	Sweden
Has used a luxury fashion rental platform	Pia:	21	German	Germany
	Jacinta:	35	American	Germany
	Alicia	22	German	Germany