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Sasikarn C. Cook

University of North Carolina at Greensboro, s_chatvi@uncg.edu

Nancy Hodges

University of North Carolina at Greensboro, nancy_hodges@uncg.edu

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Exploring Non-ownership Apparel Consumption through Online Fashion Product Rental Services: An Application of Institutional Theory

Sasikarn C. Cook and Nancy Hodges, Ph.D., University of North Carolina, Greensboro

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The purpose of this study was to examine consumers' use of online fashion product rental services as communicated through social media and interpreted through the framework of Institutional Theory. Renting is a form of product acquisition without transfer of ownership, with a monetary fee for use of the product for a specific period of time (Durgee & O'Connor, 1995). Previous research indicates that consumers' motives for using a rental service are associated with the financial benefits it provides, along with instant gratification and convenience (e.g., Durgee & O'Connor, 1995). However, an explanation as to why consumers may choose to rent rather than own apparel and accessories, decisions which may signal a fundamental shift in consumer behavior related to fashion product acquisition, is lacking. Thus, in this study institutional theory is employed as a theoretical lens through which the trend toward non-ownership based fashion product consumption can be examined and understood.

Institutional theory refers to the practices of actors in shaping or changing institutional environments (Scott, 1987). The process of institutionalization begins as an organization's acts are interpreted and shared within an organizational field (Scott, 1995). To become institutionalized, the organization's structure and its practices should reflect three types of legitimacy: regulative, normative, and cultural-cognitive (Handelman & Arnold, 1999). Regulative legitimacy refers to explicit rules set and followed by an organization (Scott, 1995). Normative legitimacy reflects the degree to which an organization insists on social norms and values (Handelman & Arnold, 1999). Cultural-cognitive legitimacy is achieved by acceptance within the organizational field over time and due to an organization's tactics (Scott, 1995). By offering consumers a convenient and cost-effective means of acquiring a product, online rental providers seek to prove that they are legitimate sources for fashion product acquisition. That is, that they are institutions within the organizational field of fashion product consumption.

A netnographic research design (Kozinets, 2010) was employed using online observation over a period of nine weeks of a total of 19 social media sites hosted by five online fashion product rental service providers (Bag Borrow or Steal, Lending Luxury, Le Tote, Tie Society, and Rent the Runway) that use two common social network platforms: Facebook and Twitter. The text-based data were coded and analyzed into categories. Patterns in the data that emerged were interpreted relative to the tenets of institutional theory. The first theme signified regulative legitimacy as the explicit rules set and followed by an organization (Scott, 1995). For example, John tweets to ask: "Do you prefer V-neck or crew neck tees? #StyleChat." In response, Tie Society replies: "We're crew guys ourselves. You wouldn't see James Dean or Cary Grant in a deep V." Here the rental provider explicitly comments on what should be done to follow fashion rules, indicating that it is a legitimate member of the fashion organizational field. The second

theme captured normative legitimacy, specifically guidance with respect to social norms and expectations. In one example, Lexie tweets to Rent the Runway (RTR): “the stomach dropping realization that the party you just RSVP’d for is “cocktail attire encouraged” #sendhelp,” illustrates the value of the online rental service as a source of assistance. According to institutional theory, doing this increases acceptance among consumers of the institution as part of the organizational field (Handelman & Arnold, 1999). Cultural-cognitive legitimacy emerged in terms of aligning consumer goals with the service, such as getting the most product for the least amount of money: “If you were a college student, how much a month would you spend on clothes?” (Ashley). Le Tote (LT) provides fashion product rentals for \$49.99 a month, responding: “the average girl spends over \$200 a month on clothing! Getting a subscription to LT is only little over a dollar a day!” suggesting a reasonable price for the monthly rental service and thereby encouraging the decision to rent. The final theme reflects an additional concept in institutional theory—institutional entrepreneurship—which is defined as expressions or actions designed to gain advantage over others or to change a field (Scarabato & Fischer, 2013). For example, the delivery service offered by RTR is better than mall shopping, as tweeted by Belle and RTR: “I took a day off this week to find a perfect rehearsal dinner dress [at the mall]. I would rent but I want to try them on.” The response, “We’d be happy to see if another size or style is available to overnight!” Belle responded “Another reason why RTR is the best!” In this instance, fast service and easy delivery are actions that offer advantage to the consumer over mall shopping, which further solidify the legitimacy of fashion product rental services for apparel acquisition.

This study offers support for the use of institutional theory to better understand the role of online fashion product rental services as non-ownership apparel consumption alternatives. While results support prior research on consumers’ motives to rent (e.g., Durgee & O’Connor, 1995), the current study offers a conceptual approach to explaining how, using social media, online fashion product rental services are positioned as legitimate clothing acquisition alternatives within the marketplace. In order to gain legitimacy and acceptance from consumers, a rental provider has to communicate its institutional presence within the organizational field, and in turn, convince the consumer that renting from an online service is just like buying, only better. Future research is needed that explores the process of institutionalizing online fashion product rental services from the consumer’s perspective.

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