

LA LA LEND

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IN LINE WITH THE GLOBAL SHIFT FROM AN OWNERSHIP TO A USE-BASED ECONOMY, FASHION RENTALS ARE SPRINGING UP AROUND THE WORLD.



Salon de Charlotte at Lotte, Seoul

The global popularity of **Spotify**, **Netflix** and car and computer leasing services proves that we increasingly value experience over ownership. This phenomenon does not have to stop at films, music and technology: lately, companies worldwide have been applying rental and subscription models to fashion items.

Of course, clothing rentals have existed for decades. However, they traditionally relied on one-off loans for special occasions, such as weddings or graduations, and therefore specialized in occasion wear. Conversely, the latest generation of rentals propose monthly subscriptions that allow customers to regularly try new styles and brand names, including casual and everyday clothes.

The first and most famous service of this ilk, **Rent the Runway (RTR)**, was founded in the US in 2009 and reached 100 million USD in sales in 2016, with six million users. Customers pay a monthly retainer of 139 USD, which allows them to rent up to three items of clothing at a time and includes insurance. The items are posted to the client who then posts

them back, but the company also has physical stores across America where customers can try things on and consult a stylist.

In the years that followed, similar services started springing up around the world. 2015 saw the launch of **AirCloset** in Japan: for a flat fee of under 60 USD a month, users receive a box of three garments, which they can exchange for the next box whenever they want. This project's business model relies not only on the rental but also on the sale of items that customers decide to retain (in which case they pay a lower price than they would in a classic retail store), and on selling big data about customers' shopping patterns to other retailers. In Korea, a similar service was launched in 2016. With 25,000 garments from over 150 designer brands, **Project ANNE**, founded by internet platform development company **SK Planet**, offers two subscription options, '1x2' (one

item twice a month) at an equivalent of 80 USD and '2X4' (two items four times a month) at 130 USD. Other examples include **Le Tote** in the US, **Flylobe** in India and **Moussa Project** in Russia.

Should traditional retailers be worried? Not necessarily: some view it as an opportunity for collaboration that could extend their own customer base. Thus, Neiman Marcus has invited Rent The Runway to open a shop-in-shop in its San Francisco location in 2016, with a view to more stores opening in 2017. According to analysis by Forbes magazine, this allows the retailer to tap into the millennial clientele, RTR's core customer base which **Neiman Marcus** has found difficult to reach. And some retailers are launching their own apparel leasing services, such as Korean department store **Lotte** that opened a rental shop called **Salon de Charlotte** in its Seoul location in 2016.