



Renting Fashion In India- Growth And Benefits And Challenges

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Abstract

The study was conducted to illustrate the burgeoning market for Rental Fashion in India. The clothing rental market provides services through which consumers can rent outfits for a predefined date. The study explores how and why consumer shifts from traditional ownership to new ways of reaching an outfit i.e - rental, recreated, repaired outfits. This trend is partly driven by the young generation's appetite for newness and that's how the rental business model evolved. The objective of writing this research paper is to find the key players and vast market they cover. It also showcases the key driving forces catalyzing the increasing demand of rental clothing in the past couple of years and challenges involved in buying expensive ensembles. Changing fashion trends and rising penetration of internet is among the key factors driving the growth. Rental services also provide a cost-effective option for those with budget constraints, which restricts them from buying garments from their choice of brands. The research is important to study what strategies vendors are adapting to stay ahead of their competitors and how the new paradigm is taking shape for fashion entrepreneurs to satisfy new generation customers by making luxury accessible to all. The Study also unveils how the concept is environmentally friendly and facilitating in achieving a sustainable fashion.

Keywords: Fashion, Clothing, Rental Fashion, Rental Clothing, rented outfits, Sustainable Fashion.



INTRODUCTION – Rental Fashion

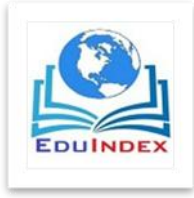
The quintessential question – What should I wear today? – haunts many people, especially young women, almost every day as they browse their closet to dress up to college, work, party, or another occasion.

Ten years ago, in a world where Uber or Ola was just new, getting into a taxi with a stranger would have been unthought of. Before Airbnb changed the travel industry, no one ever thought about booking and staying in a stranger's house, over a well-known hotel chain. Similar is the case of fashion. It could be a wedding invitation, a job interview or maybe it's just a party night. There are many reasons people shop for new clothes. But cash savvy and environmentally conscious consumers are increasingly opting to rent rather than buy when they want a new outfit.

We live in a time when the idea of sharing is not an age-old thing. With fashion being one of the most polluting industries in the world due to high demand, sharing our wardrobes makes sense - for the planet's sake.

In an era when fashion styles change in a microsecond and people to an increasing extent live their lives on camera, many customers have a "one and done" approach to outfits: they want to wear a look a single time and then move on to the next. Buying designer label clothes for a fortune and not being able to wear them again always feels like a waste of money. For some, wearing a Sabyasachi or a Manish Malhotra designed bridal lehenga was an impossible dream. However, years ago, few entrepreneurs identified this space in the market and started their fashion rental businesses from different parts of the country.

At present, clothing rental in India is dominated by wedding parties, which provide rental services for consumers when they need to participate in important occasions.



Objective of the study:

The objective of the research is to study

1. What Rental Fashion is? How it came into existence?
2. How Rental business model works?
3. Who are the big players in the market? And the clothing categories they showcase.
4. What are the key driving forces behind the evolution of the Rental business model?
5. What are the benefits of a rental business model from customer, Entrepreneur and designer's point of view?
6. How sustainable fashion is achieved?
7. What are the challenges stuck to this model?

Traditional ownership of clothing – A Regular Norm

Through the ages, people have been following the norm of buying new garments for every occasion. Whether it is a wedding or a vacation or an interview, people were bound to spend a lot from their pockets. Wedding outfits come with a tag not less than Rs. 25000, worn for a single time and remains in a wardrobe for a lifetime. But for cash savvy consumers it's a bit inappropriate thing – spending a lavish amount for a single time wearing. Plus these party outfits are heavily embellished which demands high maintenance cost. The purchasing cost and the maintenance costs of these outfits are comparatively higher than the number of times it can be worn.

Not only this, the rising trend of digital media, has increased the awareness and influenced the youth about top designer labels, the latest trends in the market. Social media plays a vital role here. It has brought a celebrity



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fashion to youth who are just a click away. But only celebrities can afford a designer outfit with a price tag of 5lacs.

With television, books and magazines and Social media bring so easily available, the world has shrunk and 'fashion' which is a hit in one part of the world spreads like wildfire everywhere else. Social media not only imparted the latest celebrity fashion knowledge to a normal middle-class individual but also created a big gap between affordability and luxury.

However, years ago, few entrepreneurs identified this space in the market and started their fashion rental businesses from different parts of the country. And that's how the concept of Rental Clothing came into existence.

Evolution – Rental Fashion in India

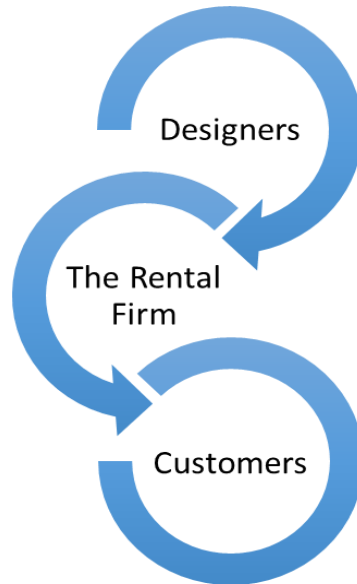
When we think of streams of study to set a career, streams like medicine, engineering, public health, and law first come to mind. One field that may not make the list is fashion. This was the case a decade ago, but these days, passionate fashion lovers opt to study fashion. It is immensely creative, a reason being its fast-changing trends and desire for creating and setting it. Fashion influences people in many ways and will continue to do so for the foreseen future.

It is said - *"It's not about the dress you wear, it's about the life you lead in the dress."* – Diana Vreeland.

With dreams of bringing Haute Couture into the lives of Indians oblivious to high fashion, few risk-takers plunged into this unprecedented, risky realm of entrepreneurship facilitating premium rental fashion services at delightful prices, rather than buying them outright with the aim of bringing a change in the development of India's fashion absorbing pattern, spreading the idea of replacing purchases with renting. India is an immense market, it's a diamond mine waiting to explode. There is a market for retail and then a secondary market for rental or resale.



In the last couple of years, few startups have sprouted aiming to tap the potential of apparel and fashion rentals which global peers like Rent the Runway began tapping way back in 2009. Some of the leading players in the Indian apparel rental market include Flyrobe, Stage3, Wrapd, among others. While some offer chic everyday or occasion-related wear for rent, some offer fashion wear which is straight from the ramp. Also, many offer accessories ranging from bags, jewelry, to shoes. ." Rent the Runway (America) has become a super-hit player in the rental fashion industry. Followed by Girl meets Dress in the UK.



How does the model work?

To understand how this renting business model works, there are 3 players – **Designers, Vendors (Rental Clothing Firm and the Customer.**

Designers - or Dress manufacturers are known to design lavish outfits targeting elite clients who can pay hefty amounts in return. But to make their brand famous they like making their outfits viable to middle-class people. But middle-class customers are usually unable to pay hefty amounts in return for super-expensive designer garments. These designers tie-up with Rental Clothing firms and impart a few outfits from their collection to these firms. They get their commissions whenever their outfit is hired.

Rental Clothing Firm

Rental Clothing firms like Rent it Bae, Stage3, Rent An Attire, and many more ties up with Designer labels and buys few expensive outfits from them. Intending to make their brand popular among masses and something easily accessible to middle income grouped people, these designers like to share their lavish ensembles with these firms at discounted prices. Rental firms display and present the outfits on their sites priced at 10-15% of



actual value. These outfits are available for people on rent for a specific occasion for a predefined date. Actual measurements of end consumers are being taken accordingly fittings are done before the speculated date and with no additional costs. The outfit is then packed and sent to the address of the consumer. The Consumer can keep the outfit for 4-6 days. Delivery and pickup of the outfit are free of cost.

Customer – These days people crave to wear a designer label at gatherings not only because it is socially influencing but also it's a way of self-pampering. People today, are very much aware of designers like Manish Malhotra, Sabyasachi Mukherjee, Anushree Reddy, Gauri and Nainika, Gaurav Gupta and so many more. This is because they are immensely active on social media platforms and like to get their news through TV, Magazines, etc. To balance out their appetite for wearing designer labels, they look out for different options. And what is better than Renting. According to Shilpa Bhatia, Founder of The Clothing Rental,

“In terms of money, people from both ends of the spectrum, i.e. the super-rich and the moderately or not so well off have come to me for their clothing needs. Fashion – aware people who belong to a cosmopolitan setting and people without any inkling of fashion who come from humble backgrounds have also come to my store.”

KEY DRIVING FORCES BEHIND THE EVOLUTION OF RENTING BUSINESS MODEL

➤ **Fast-changing clothing trends**

People nowadays are more active on social media and hence they like to be in front of cameras. They like to share their presence actively, hence repeating an outfit is a complete fashion faux pas for them.

➤ **The Craze of wearing designer Labels.** For fashion-conscious people, its like a dream to wear designer labels like Sabyasachi or Manish Malhotra or Anamika Khanna.



➤ **Rise in budget-conscious fashion lovers:** There is an elite segment in a society who only wear premium designer labels who are called super-rich crop of people. They may be sports personalities, TV and movie actors or social influencers or maybe politicians. They can easily afford high fashion. But since they are so-called influencers, normal people dream of wearing such luxury fashion through them. Due to budget constraints, they could not afford the price tags of lacs. With Rental fashion, they can fulfil their craving of wearing designer labels that too in their stipulated budget. Anna Bance, who founded Girl Meets Dress (UK) said "50 percent of a women's income on clothing is going towards fast-fashion, on something that you're only wearing two or three times. So rental is a substitution for the 50 percent of your wardrobe that you're only wearing two or three times. Now you can save that money for other more important things in your life or clothes that might last you for 10 years or 20 years. We want women to rethink how they build a wardrobe around smarter choices."

➤ **Environmental friendly**

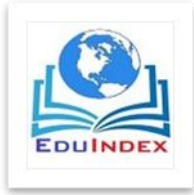
The toxins waste is released while manufacturing fiber in textile industries is huge in quantities. Carbon dioxide emissions are high causing Air Pollution. And microfibers in the ocean comes from the textile industry causing Water Pollution. Rental fashion is actually a creative move in direction of controlling pollution and saving our planet.

➤ **Get a celebrity look.**

➤ **Social media, Celebrities, and influencers**

One reason is that the way consumers get inspired has changed. In the old world, they would often get ideas for purchases directly from brands (intermediated by magazines) or from in-store assistants. Now consumers turn to a much wider range of inspirations, from social media, celebrities, and influencers, to spotting an attractive look on the street.

➤ **Consumers can save more space in their closet.**



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- **Tech-savvy customers like to experiment** and go for smart options available to fulfill their esteem needs. Hiring a desirable designer label dress and not at a hefty but that pocket-friendly amount is the aptest thing to be chosen. Fashion is a very accessible way to show your personality, and fashion is always changing. Because of its fast-paced nature, fashion is also a way to have fun on the daily.
- **Time is saved** when a customer doesn't need to visit 20 shops to finalize a dress for a big day instead visit a shop/site once and book the ensemble then and there and it is Done.

For a better understanding of how few entrepreneurs started their ventures, with what investment and revenues generating, following is the table showing no. of renowned companies in rental fashion.



Sr.no.	Rental firm	Logo	Deliver in cities	Founders	Launch	Funding	Revenue
1	Flyrobe		More than 30 cities in India	Shreya Mishra, Pranay Surana, Tushar Saxena	2015	2M	\$2M
2	Rent An Attire		20 cities	Laveena Laitonjam	2015	--	2M
3	Stage3		10 cities	Sabena Puri	2015	2M	3M
4	Wrapd		10 cities	Neeraj Wadhwa	2009		
5	Rent it Bae		15+ cities	Aanchal Saini	2016	--	\$ < 1M
6	The Clothing Rental		Maharashtra	Shilpa Bhatia	2005	1M	



7	Date the Ramp		10 cities	Chinmay Panda	2015	
8	Liberent		9-10 cities	Sahyujyah Shrinivas	2014	\$ < 1M

Big players of Renting Fashion in the Indian market

1. Flyrobe

Presence - (50+cities) – Flyrobe is currently delivering its rented apparel in 50+ cities across India. "Flyrobe reported a revenue total of \$2 million (Rs 13.3 crore) in 2018 and plans to triple this figure in 2019. The brand's founders also told Forbes India that online sales account for 65 percent of the brand's total revenue and online sales make up the rest." As reported to Fashion Network. The company also offers customers renting their outfits and earn commissions through it

2. Rent An Attire

Presence - (Mumbai, Indore, Haridwar, Ahmedabad, Ghaziabad, Rishikesh, Nagpur, Bangalore, Hyderabad, Chandigarh, Jaipur, Saharanpur, Goa, Kolkata, Noida, Roorkee, Bhopal, Chennai, Faridabad, Lucknow)



Delivering in more than 20 cities across India, Rent an Attire is one founded in 2015. Other than clothing, the company also offers fancy jewelry for both men and women. Like its competitors, they also offer ‘Share and Earn opportunities for its customers where they can stretch and share their wardrobes on online rental clothing.

3. Stage3

Presence - (Delhi NCR, Chandigarh, Jaipur, Agra, Ludhiana)

Stage3 was founded in 2016 by entrepreneur Sabena Puri, fashion designer Rina Dhaka, and investor Sanchit Baweja. The company offers its ethnic and western creations for both men and women at 10% of the retail price. A Couple of months back, the company has also plunged into offering an exquisite collection of jewelry on rent. The company also offers a fabulous idea to young Millenials of sharing their wardrobe and earn a good amount through it. They can rent their outfits and earn commissions through it. The company also offers its customers branded apparel for purchasing.

4. Wrapd

Presence - (Delhi, Chandigarh, Jaipur, Hyderabad, Mumbai, Bangalore)

Wrapd founded in the Patel Nagar market of Delhi and now stretched to 6 stores all across India. Its expansion reflects its success story.

5. The Clothing Rental

Presence - (Maharashtra) - Founder and Owner – Shilpa Bhatia

The pioneer in the business of rental clothing was the firm – The Clothing Rental founded by Shilpa Bhatia, who is a Designer, Stylist, Entrepreneur, and Merchandiser. Being a designer herself and styling models for



decades, she found that elite fashion needs to be affordable and accessible to all. And so, from there the seed idea of starting her venture burgeoned.

6. Rent it Bae

Presence - (Delhi NCR, Jaipur, Chandigarh, Ludhiana, Mumbai, Pune, Indore, Lucknow, Hyderabad, Ahmedabad, Agra, Bangalore) -

Rent it Bae — cofounded by lawyer Aanchal Saini, Jaspreet Singh Gujral, Amit Sharma, and Karandeep Singh Gujral, has been delivering fancy jewelry and trendy ethnic and western wear to their customers. In Gurgaon, youngsters are their regular customers who need and hire dresses for weekend parties.

7. Date the Ramp

Presence - (Bhubaneswar, Kolkata, Delhi, Bangalore, Mumbai)

Started by Chimay Panda, Date the Ramp is currently delivering in 5 cities of India, planning to deliver in total 22 cities in 2019-20. The company is growing fast by tapping the taste of new-age customers.

8. LibeRent

Presence - Mumbai, Chennai, Bengaluru, Pune, Hyderabad, Coimbatore, Kolkata, Kochi, Mysore

LibeRent at first started delivering in Bengaluru and now tapping the southern and eastern parts of the country.

Clothing Categories

They primarily have 2 categories, Western and Ethnic for both men and women.



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❖ For men, in western, they have

- Suits,
- Tuxedos,
- Shirts,
- Jeans.

❖ For women, in western, they have

- Gowns and trending dresses,
- Skirts and
- Maternity dresses.

❖ For Men, In Ethnic they have

- Sherwanis,
- Wedding Attires,
- Kurtas,

❖ For women, in Ethnic they have

- Wedding Lehngas,
- Sarees,



- Suits,
 - Shararas,
 - Anarkalis, and
 - Indo-western outfits as well.
- ❖ Kidswear - Few renting firms also keep inventory for kidswear.
- ❖ Accessories – Ethnic and Western Jewelry

Benefits – Rental Fashion In India

1. **Luxury Fashion has become an Affordable fashion.**
2. **Keeping pace with fast-changing fashion trends**
3. **Win–win deal for designers and the Entrepreneurs and consumers as well**
4. **The disposable nature of clothing is reduced.** – By increasing the average number of times the clothes are worn is the best way to reduce pollution in the textile industry.
5. **The Lifespan of clothing is increased.** – By increasing the number of times the garment is worn, its life is increased, resulting in full utilization of resources and used in its production.
6. **Purchasing power is increased** – People spend a lot of money on fast-changing fashion trends to be in vogue always. Rental fashion enables them to spend money consciously and gain customer satisfaction at the



same time. With garments priced at just 10 percent of the actual cost, rental clothing firms are liberating 90 percent of customer's purchasing power to do other things – like travel, study or anything that they love.

7. It would lead to **better economic, environmental, and societal outcomes**, capturing opportunities missed by the textiles system.

Environmental benefit of Rental Fashion business model

The Fashion industry is one of the most polluting industries. The chemicals used to manufacture each garment release a lot of carbon dioxide. But due to fast-changing fashion, garments are frequently disposed of and a new garment replaces the old one. Resulting in more release of carbon dioxide and an increase in **Air Pollution**. Not only this, every time the garment is washed, microfibers filter out from the clothing and are disposed of into the water. Consequently increasing **Water Pollution**.

Fashion brands like Zara, H&M are known for fast fashion which means inexpensive clothing produced rapidly by market retailers in huge quantities in response to the latest trends. Due to its inexpensive and replaceable nature, one clothing is easily replaced by the other new clothing. Consequently, more than half of our wardrobes are stacked with such clothing which comes in the fast fashion category. The Rest of the place in wardrobes is filled with heavily embellished garments that are to be worn at weddings or parties. These clothes are usually worn once or twice and collect dust in the closet throughout the year. Hence we spend money, time, space, efforts and energies in buying and maintaining these stacks of clothes in our closets which rarely comes in use.

Thus it is a better option to hire a dress for an occasion and return it after use without taking its ownership and spending hefty amounts on it and preserving a decent space in a closet as well. But from an environmental perspective, Rental fashion is one of the most creative and lifesaving tools. Hence, it can be said that Sustainable fashion can be achieved if consumer behavior shifts towards using rental clothing. Then only the business practices of manufacturing only the required amount of production of clothing will be implemented. This is a back chain process that needs to be followed for a planet's sake.



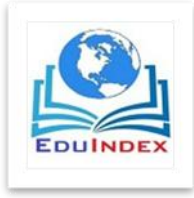
Challenges

- The Taboo of wearing second-hand clothing- implies a negative attitude towards renting clothes. People generally have this misconception with renting that they will be given ill-fitted, smelly clothes to wear.
- Lack of proper information about the clothing – Rented clothes for some people means getting fancy dress costumes like that of a mermaid or a policeman.
- Educating the consumer is a big challenge
- Lack of trust in the authenticity of the new concept of rental fashion.
- Payment & Security Deposit: Can be made online, and about half of them offer COD option which attracts the customers. All charge security deposits typically equal to the rent cost.
- Renting concepts need time to grow. - Rented clothing is at a nascent stage in India. It will still need a few years to gain popularity that it deserves.

Conclusion

Worldwide, rental fashion is regarded as the next significant move in the fashion industry, with the success of *Rent the Runway (USA)*, *Girl Meets Dress (UK)* international market. In India, Rental fashion is at nascent stage so it needs some time to expand and spread its charm not only among youngsters but people from all ages. Rental Fashion is also proven as a road to achieve sustainable fashion. New-age consumers prefer experiencing the best look over owning and maintaining the expensive ensembles in wardrobe. Revenues generated by entrepreneurs/ investors of a rental clothing firm in just a few years of the establishment are their success stories itself.

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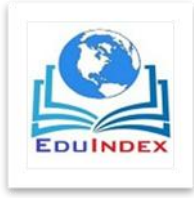
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