

# Final report

Case: Vaatepuu

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## 1. Company background

Vaatepuu is a subscription-based clothing library offering clothing as a service through their own rentable collection. Tomas and Enni had worked with the company on a Fashion Marketing course with the focus being the company as a part of a new sharing economy. From that we came up with the idea to contact the owner of the company Soile-Maria Linnemäki to work further with the company's membership model as we thought it might need some work. Vaatepuu's mission is to offer a sustainable clothing service which brings variation in people's wardrobes through their functional, timeless and high-quality rentable collection. They have a high-quality selection of well-known local brands such as Katri Niskanen, Ivana Helsinki and Uhana Design, and their selection consists of almost 4000 pieces. With their current marketing focus, Vaatepuu has gained a rather loyal clientele of mainly working women in their mid 30s and 40s.

Vaatepuu operates in five locations in Southern Finland. They have three brand-owned fashion libraries in Helsinki, Tampere and Järvenpää. They also have a second-hand shop which allows their customers to sell their old garments in their Järvenpää outlet. In addition, Vaatepuu operates with a shop-in-shop principle through two franchisees in Turku and Jyväskylä. The company employs one person full-time and six people part-time. In addition, as already mentioned, the company also supports two franchising teams.

Their membership model is subscription-based. A membership is purchased for 6 months at a time, and the membership allows renting every two weeks. Each membership level contains a certain amount of points, XS-membership 100 points, S-membership 150 points and M-membership 200 points. With the points the customer is allowed to collect clothing in their "shopping cart". Every product is evaluated in points based on the garment's real price. The point-pricing ratio is roughly calculated as points equal half of the price of the item. Meaning a garment costing hundred euros would equal 50 points. Points of each membership model are renewed and reused every 2 weeks.

Vaatepuu wants to be seen as a sustainable company. Their sustainable effect comes through

people choosing to use their services instead of buying clothes that they might not constantly need. There is a need for sustainable options in the market as textile-making is one of the most polluting industries in the world and sustainability issues are present across the entire life-cycle of clothing pieces (Pedersen, Andersen, 2015). The company embraces new experiments with clothing. Vaatepuu wants to allow its members to try on different styles without having to commit to the out of the ordinary piece of clothing. This way the person does not buy a stylistically new piece into their collection that could end up being unused and eventually recycled or sold.

## 2. Description of the problem and the objective of the project

Vaatepuu has struggled with their subscription system for a long time, and the owner of the company fears that the system they are currently using is a barrier for acquiring new customers. They have earlier used a simpler membership model where they had only one price for a half year membership regardless of whether the customer borrowed cotton shirts or silk dresses. However, it became clear that one membership did not suit all customer needs, and that more expensive garments should cost more to borrow in order to make the business profitable. They developed a membership model based on scoring garments according to their value. This enables more personal service and a selection that serves different needs.

The problem with the current model is that the points system combined with the different membership levels is quite complicated and not very customer friendly. Especially from the viewpoint of potential customers, to whom a subscription-based clothing service may still be a fairly new and unknown concept, it would be crucial that the service would be made as approachable as possible. Thus, in terms of acquiring new customers, it can be inferred that the overly complicated model threatens to limit Vaatepuu's potential and market reach.

Currently the points system allows the customer to highlight their personal preference through letting everyone spend their points as they wish. However, grasping the points and their comparison to real money and what it actually means to spend for example, 200 points a week,

can be very confusing for a customer. There are simpler models in the market that might limit the customizability of the service but could offer increased convenience and make the service more approachable.

In this research we plan to look into different options already available in the market. Then we compare which operational models seem to be most successful. We interview people to see what kind of things they would want to see in a fashion library service. Finally, we build a model that according to our analysis and findings should be simpler, taking into account Vaatepuu's service core and values. We validate the model through a survey and link it to theory at the end.

In the communication we had with Vaatepuu they asked us to take charge on whatever changes we recommend in the pricing model we find necessary. Our objective is to have actionable recommendations that help Vaatepuu simplify their current system without compromising the things they currently value. The main focus is to have a model that helps new customers understand the system as quickly as possible while taking into account the regular customers.

### 3. Methodology

For gaining valuable insights for this project, the first step in our research phase which consists of analyzing secondary research relevant to explaining consumer attitudes towards alternative clothing consumption practices and the drivers of such consumption behavior. This manner of approach helped us become more informed about the concept of clothing as a service (CaaS) that Vaatepuu uses as its operational logic and to uncover motivational factors pertaining to such an alternative way of clothing consumption. Becoming more attuned to the attitudinal and motivational factors was especially central in guiding us through the subsequent steps in the research process.

The second methodological approach used in our research project was benchmarking. By analyzing the existing market of CaaS providers, we were able to gather understanding of the different ways competing companies were organized and what their value propositions were.

Benchmarking enabled us to become informed about the alternative models that competitors used and to analyze the actionability of different operational logics and value propositions in the light of what Vaatepuu wants to offer to the market.

The primary research phase consisted of two different methodological approaches, the first of which was the conducting of in-depth interviews with potential consumers, and the second of which was the conducting of a survey. Interviews with potential customers, who were unfamiliar with Vaatepuu, were central in gathering valuable unbiased feedback about how Vaatepuu's existing membership and point model were perceived by non-members. To ensure rich insights were gathered, the interviewees consisted of people from varying age groups and backgrounds, with differing values as requested by Soile-Maria Linnemäki the owner of Vaatepuu. After analysis of the interview data, the central findings were then used to form suggestions on what kind of changes could be done to make Vaatepuu more approachable to new customers. Thus, the survey conducted as a continuity of the interviews was a way to test out and validate the suggestions made on the basis of feedback gathered from the in-depth interviews.

#### 4. Analysis and results

The market size in clothing rental in Finland is still very small. The market size for clothing rental and repairing was 1,6% (76 M€) of the whole clothing market (4,8 B€ in 2016) (Suomen Tekstiili ja Muoti, 2017). In Finland, a similar service with Vaatepuu is provided by 6 other fashion libraries from which one operates in the same area as Vaatepuu. Besides fashion libraries, some clothing brands (e.g. Ivana Helsinki and Samuji) are offering a renting option. There exists also formal clothing rental providers, which are focused on renting more expensive clothing for special occasions. Therefore the competition in the fashion rental field in Finland is still low, and this is verified by the owner Soile-Maria Linnemäki. Other relevant competitors in the market are second-hand stores, which often offer cheaper options when compared to renting, but second-hand shopping can also require a lot of effort. The clothing in this instance is also owned by the customer which can be a negative and a positive depending on the need of the

customer. Another thing to consider are new online platforms and the C2C-selling. Summary of these market actors is on table 1.

Service		Key takeaways		
Second-hand shops	Requires a lot of effort Quality might differ drastically Sustainable	Price point compared to Vaatepuu: Cheap	Popular, distinct brands already in the market: UFF, Fida, Relove Long history + multiple companies	Not as convenient Owning vs. Renting No experiential pleasure
Formal clothing rental providers	Usually offers only dresses and suits High quality Offers rent vs. owning in the clothing sector	Price point compared to Vaatepuu: Priced high	Market size: Relatively small (1.6% of the whole clothing market in Finland)	Daily wear vs. Formal wear
New platforms + C2C online	Easy to browse Trust issues	Price point compared to Vaatepuu: Cheap	Tori.fi, Zadaa, Facebook marketplace, etc.	Trust? Convenience? No proof of quality

Table 1: Summary of the relevant market actors besides fashion libraries

#### 4.1 Benchmarking

According to Perlacia et al. (2016) there exists two different fashion rental models: ‘the fashion Netflix’ and the ‘the fashion library’ models. From these, Vaatepuu belongs in the fashion library category, where the stores are mostly physical, the community aspect is enhanced and there is variety in the pricing models. Perlacia et al. (2016) identified three different pricing models for fashion libraries: “(1) the points systems, where each item is assigned points, and depending on the subscription, one can always have a number of clothing items at home and exchange them at any time for something new (2) the homogeneous price per item system, where one can rent an unlimited number of items for a fixed amount, or (3) the heterogeneous price per item system, where one can rent an item for an agreed rate depending on the kind of item.” From these the Vaatepuu’s current model belongs in the first category.

We benchmarked fashion renting services both in Finland and abroad. Another local fashion library operating mainly in Helsinki is Vaaterekki. They offer similar service as Vaatepuu, and their membership lengths are 2 months (90€) and 6 months (170€). However, the subscription

model is much more simple: the membership allows you to rent any two pieces at the time for up to three weeks.

The best-known international fashion renting service is Rent the Runway. It could be situated in the ‘fashion Netflix’ category in which the stores operate mainly online and the pricing is based on the monthly subscription (Perlacia et al., 2016). Their membership program has three different options: 1 Swap, 2 Swaps and Unlimited Swaps. The first one costs \$89 per month, enables renting 4 items at the time and the retail value of the items is up to \$350. The second program costs \$135 per month, enables renting 8 items per month and the retail value of the items is up to \$3000. The last one costs \$159 per month and offers unlimited amounts of items with retail value up to \$3000. Rent the Runway has tackled the problem of having unequally valued products with dividing the products into two different categories which make the system much more simpler than Vaatepuu’s. Two more expensive programs allow to rent any items in their selections whereas the first one has limited the retail value of one item to \$300.

Company	Membership programs		
Vaatepuu	XS 150€/6 months 100 points every two weeks Retail value of items 150-200€ at the time	S 220€/6 months 150 points every two weeks Retail value of items 250-300€ at the time	M 280€/6 months 200 points every two weeks Retail value of items 350-400€ at the time
Vaaterkki	2 months 90€ 2 garments every 3 weeks	6 months 170€ 2 garments every 3 weeks	
Rent the Runway	1 Swap \$89/month 4 items per month Retail value up to \$350/item	2 Swaps \$135/month 8 items per month Retail value up to \$3000/item	Unlimited Swaps \$159/month Unlimited items Retail value up to \$3000/item

Table 2: Benchmarking different fashion rental models

## 4.2 In-depth interviews

We started the in-depth interviews process by asking the owner of Vaatepuu on what her target customer is like. She hoped that we would specifically interview people who have not yet used Vaatepuu's services, are from different age groups and could be customers of the company. This meant finding six women who are interested in the way they dress and location-wise somewhat near the company's services. We also specifically discussed which things the company is interested in finding answers for and decided together with Soile-Maria Linnemäki to focus on modifying the current membership model to be more approachable for customer acquisition.

All the interviews were done in-line with each other and can be accessed in Appendix A. We had agreed on a set of questions that would be asked but further questioning was allowed as well. These questions were based on both the key points we needed to find answers to but also the theoretical framework, which will be explained in detail in chapter 5. Using Kumar's (2018) modified model of profitable customer-base (Figure 1, Chapter 5) to identify different points of preventing customer churning and achieving the customers trust and putting them in this context, helped us draft the questions. For example, identifying customer acquisition actions such as free trials and first time discounts, customer retention actions such as convenience of service, and customer win-back actions such as return customer discounts in the interview results helped us draft final recommendations on what the membership model might be missing and what the company might want to consider doing in the future.

The most important goal for us in this in-depth interview round was to find key things that stick out to potential customers as good or bad in the current model. This way we could modify the model to make it more customer friendly by simply highlighting the valued things and removing possible confusing aspects. The most important in-depth interview questions had to do with whether the interviewee finds the current points system good or bad, likes competitors system



better, is comfortable with membership models and different membership commitment periods and what return-cycle the interviewee would prefer to have for the clothing library service. These questions were the key interest points as they refer to concrete parts of the model that can be easily changed.

#### 4.3 Analysis, findings and new membership model

The data gathered from the in-depth interviews was analyzed by searching for overarching and recurring themes. This stage revealed not only the pain points that Vaatepuu's current model has, but also important attitudinal factors and valuations that interviewees deemed as central in affecting their clothing consumption decisions both in traditional consumption settings and in CaaS settings.

Many attitudinal factors and motivations underlie clothing consumption. Additionally, alternative models of consumption, such as consumer perceptions towards access-based consumption, depend on the product category (Baumeister, 2014). According to the interviews, some of the most central values affecting clothing consumption decisions are style, comfort and fit, sustainability, perceived quality, and price. When interviewees were asked about the biggest selling points that Vaatepuu was seen to possess, nearly all of the same aspects came up. Regardless of this, although many of the interviewees considered renting clothing a viable possibility, very few had actually done so, especially in the case of everyday wear. Thus, one central takeaway from the data is that Vaatepuu has great market potential, if it is able to tackle some of the weaknesses that will be discussed below and if it is able to make itself more known to a wider consumer base.

One of the biggest findings from the interview data is that the current membership model is seen to be overly complicated, and one of the interviewees actually said that "*the relationship between the points and actual money is hard to understand*". Overall, there was a clear consensus on the fact that the point system is confusing and that using euros as the currency would be a better

choice. Hence, it can be inferred that the different subscription levels should for example rather allow for a pre-specified number of garments of a certain value level to be rented, as in juxtaposition with the the current point system, the customer is responsible for keeping up with the points and staying within the allowed point range while shopping at Vaaterekki. Additionally, the names of membership levels were also deemed inappropriate, as the current naming (XS, S, M) was strongly associated with body size. Since people tend to have negative connotations in regards to discussions about body size, it would be advisable to avoid such naming practices. This membership naming was actually changed during our research process into Small, Basic and Large which is a change for the better but it is still not the best option in our opinion.

Related to the membership model, it also became apparent in the interviews that the possibility of one-time loans should be highlighted more in Vaatepuu's communication. Especially before consumers become more familiar with the option of renting clothing for everyday wear, many are only considering using clothing rental for special occasions. Therefore, bringing more emphasis on the single rental option could prove to be central for Vaatepuu in overall making people more aware of the company and its services.

The interviews also revealed that the current length of a membership subscription did not suit the preferences of the interviewees. Committing to an unknown service for a 6 month period was deemed off-putting and many interviewees admitted to being very hesitant about signing up for a new subscription service without a trial period. Considering how creating trust between consumer and provider has been found to be critical for encouraging access-based consumption (Raja et al., 2013), it seems that Vaatepuu could benefit from adding a short trial period to their subscription service, as many consumers seem to be intimidated by lengthy commitments. People prefer having the possibility to test out services and having the option to cancel a subscription before committing to unfamiliar service providers.

According to Gullstrand Edbring et al. (2016), ease of access and flexibility represent some key success factors in access-based consumption settings. Another recurring theme in the interview data was the aspect of convenience. When choosing a service, interviewees deemed it important that it would fit in well with the current lifestyle and that it would not require much additional effort from them personally. Currently, Vaatepuu's customers are responsible for taking care of the clothing maintenance and of returning them to the store. Both of these factors were mentioned multiple times during the interviews as obvious weaknesses. Additionally, physical store location and limited opening hours combined with the rather rigid loan cycle of two weeks was also seen to hinder convenience. To make Vaatepuu more appealing to new consumers, interviewees expressed the desire to have more flexibility in the service in general.

The above-mentioned weaknesses that were uncovered during the interviews were then utilized to come up with an improved membership model for Vaatepuu. The profitability of the suggested model was then checked by performing some basic profitability calculations with estimated numbers to test the model in different hypothetical scenarios. The calculations had to be done roughly, and realistic assumptions had to be made since we had no access to the company's current customer data. The calculations showed that the new model would bring more revenue while the trade-off was offering more clothes to be rented and cycled through at the same time. If the model is utilized in Vaatepuu's operations, the increased use of clothing should be taken into account in order to better respond to the demand. According to our tests the revenue outweighed the clothing usage. These calculations are only estimations and are seen in Appendix C.

Based on the interview data, we suggest that Vaatepuu should lose the point system and start using euros in valuing clothing and also to simplify the membership model by only having two different value levels. The names of the different memberships should emphasize the value that the consumer gains from it, and therefore we would advise the two membership levels to be named *Standard* and *Premium*. The model is illustrated below (and in Finnish in Appendix B):

## RECOMMENDED NEW MODEL

Permanent monthly membership.  
Term of notice 1 month.

For example

Standard	Premium	Premium
<b>Price</b> 35€ / month	<b>Price</b> 59€/month	2 blouses, trousers and 2 necklaces
<b>Includes</b> 2 garments and 1 accessory at a time	<b>Includes</b> 3 garments and 2 accessories at a time	
<b>Standard selection</b> (valued at max 150€ per garment)	<b>The whole selection*</b>	<b>Survey results</b>
<b>Swap</b> Once a month	<b>Swap</b> Option of either twice or once a month	Understandability of the model: 4.4 / 5.0 (+0.6 to previous)
	*excluding the luxury products	Likelihood of using the model: 3.0 / 5.0 (+0.8 to previous)



Compared to the Standard version, the Premium members have access to more valuable clothing pieces and they can also rent more pieces at once. Choosing a membership level is made easy by having clear specifications as to how many pieces are included in one rental and what pieces overall are included in the options. An important notion already is that, without any additional information, potential customers can intuitively grasp the value they can expect to gain from the different membership levels. Also, in addition to the two memberships, we also suggest adding *one-time loan* to the service catalog as a clear rental option. Considering how much more familiar most consumers seem to be with the idea of renting clothing for special occasions rather than for everyday wear, having the said option clearly highlighted in the service catalog is an easy way for Vaatepuu to get into the consideration set of a wider consumer base also in terms of everyday clothing rentals.

In order to make consumers more willing to test out the service, we would also suggest that the new model should include a trial period, after which the consumer commits to a full membership if a clear opt-out is not done. Additionally, when a membership is purchased, we suggest having the option to cancel it within one month of the transaction. Both of these factors are central in

lowering the barrier for consumers to firstly sign up for and ultimately to commit to an unknown service. Related to subscription periods, we would also suggest that the loan cycle is made more flexible. Inferred from the data, consumers seem to appreciate the fact that services cater to their personal lifestyles, and hence, offering customers the possibility to choose a loan cycle that fits their needs is crucial. Instead of having a 2-week loan cycle, the new model should accommodate varying consumer needs by offering the possibility to choose a suitable loan cycle varying between two to four weeks.

Finally, considering the centrality of convenience in how consumers assess services, our suggested model also includes the possibility to have extra services for an additional cost. Such extra services include the following: home delivery, postal returns, and cleaning. As became apparent in the interviews, oftentimes consumers are willing to pay more for convenience and ease-of-use, and thus, having such an option provided is important.

Overall, we perceive the afore-mentioned changes to be central if Vaatepuu wants to make their service more approachable and convenient, and as such attract new clientele more easily. Additionally, shifting the marketing focus more towards things such as style and quality are also important factors in gaining the attention of a younger style-conscious target group, to whom sustainability cannot be the main and sole focus. In conclusion, with the proposed changes Vaatepuu could have the opportunity to widen its current customer base to the younger segment with the desire to experiment with styles and to have fun with clothing.

#### 4.4 Validating survey

After creating a new membership model we conducted a survey in order to compare the new model to the original and gain additional feedback on the model we created. The respondents were shown pictures of the different models and asked to evaluate how easy they were to understand the model and how likely they would use the service with the model in question on a scale from 1-5. They were also able to leave feedback on open form from the both models. The

illustrations of the models are in appendix B. The survey was conducted online and sent out to people who might be interested in the service. All in all 31 responses were received. Most of the respondents (78%) were aged 20-39, and the rest (22%) older than that. Only 6% of them had used the fashion renting services before, but positively 36% had already considered using fashion renting services even though they hadn't had their own experiences of their use.

First question related to the membership models examined how easily understandable the model was on a scale from 1-5. The original model received an average evaluation of 3,8 whereas the new model received 4,4. This verifies that the created model is more intuitive and is seen as more understandable as the original model. The second question asked how likely the respondent would be willing to use the model in question on a scale from 1-5. The original model received a score of 2,2, and the new model a bit higher score 3,0. This also verifies that the new created model would be more convenient to use.

The open questions confirmed that the use of points in the current system is confusing to some and that the time of commitment (6 months) is quite long especially for new customers. Two respondents were also confused about the names "XS", "S" and "M" and first thought that they were related to the sizes of the clothing. The names have recently during our research been changed by the company. This information could not be included in our interviews and survey since the company did the change after we had already done the research. Some respondents were more pleased with the point system since they felt that it gave the customer more variety in choice than the new model. The new model received also critique on the higher price of the premium model. However, many raised the one-month commitment at the time to be more convenient. Additional services the respondents wished for were the cleaning service, the ability to increase the amount of rentable clothing with paying a little extra, and the possibility to buy the product if they wish.

## 5. Back-link to theory

The sharing economy is characterised with practicality on the demand side (Kumar et al, 2018). The customers are motivated to join the sharing economy through increased convenience and ease of use, lowered cost and access versus ownership. These characteristics should be utilized in the service development in order to exceed the customer needs. These convenience elements could be seen multiple times throughout the interviews as almost all interviewees highlighted some convenience related issues. For example, Interviewees 1, 3 and 4 (interviews can be accessed through Appendix A) all were interested in home deliveries and all interviewees except for interviewee 6 preferred shorter membership commitment periods.

According to Kumar et al. (2018), the customer development is a combination of acquisition, retention and the win-back of customers. At the moment Vaatepuu's focus is on retaining the existing customers and developing the current service, but in the future they want to grow their customer base, and acquire new customers across segments. This is highlighted by the company owner Linnemäki. We give recommendations in all customer development levels even though the key point is renewing the membership model, which mainly affects the customer acquisition and retention levels. It can be however argued that the enhanced model can help win back customers that have been frustrated with the previous model.

In terms of the pricing model, customer acquisition could benefit from having an opportunity for trial. The convenience and ease of use could be increased with simplifying the current pricing model. Lowered cost used on the membership vs. buying new clothes regularly should be addressed on marketing communications. The customer retention in turn will benefit from continuing the relationship with the existing customers and extracting more value from them. A discount or special offers for loyal customers could lower the cost, and adding services such as cleaning maintenance could lead for additional sales and increase the convenience and ease of use. Customer win-back focuses on winning the most valuable customers back. However, as Kumar et al. (2018) preventing customers churning is more important, and this could be done

with subscription-based promotions or similar incentives. Keeping in touch via email or more focused social media presence can also help win-back customers.

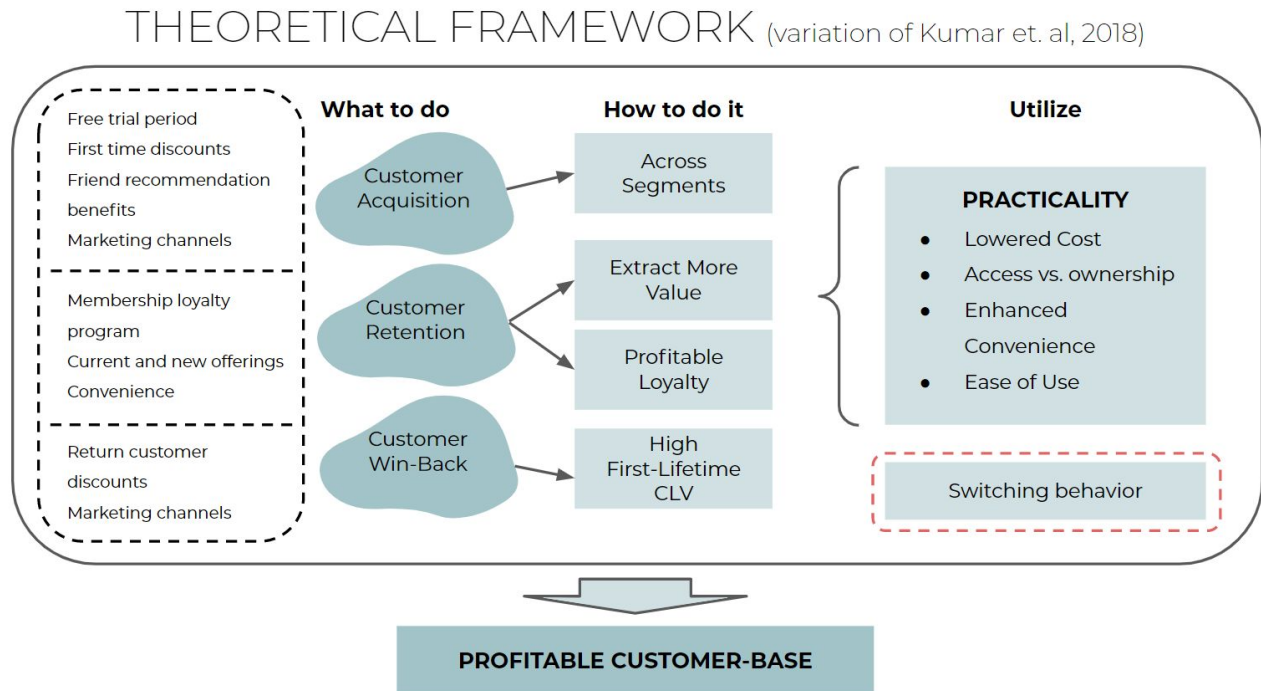


Figure 1: Theoretical framework which was modified from the Kumar et. al (2018) model

## 6. Conclusions and managerial recommendations

Vaatepuu has a profitable customer base, great values and a great position in the growing market. The company has seen its membership model to be a source of some confusion and would want to catch the interest of more customers. Overall, we recommend taking into consideration two kinds of actions to better the current situation. First, we recommend changing the model accordingly to our recommendations. Second, we recommend multiple smaller service related options that the company should consider to add and finally, we go over the marketing strategies that Vaatepuu should at least entertain.



The key takeaways in the suggested model is taking out the points system and replacing it with an easy to understand membership model. We would recommend having two clear membership options and a clear one-time loan option. Understanding the services quickly is important for the customers and having the option to cancel the membership with a 1 month notice should be allowed. This is so that the new customers can try the service without feeling uncomfortable about not being able to leave.

Our main service recommendations that Vaatepuu should consider to increase convenience include a delivery service for clothing, an option for laundry services, personalized styling assistance and online ordering. These aspects would increase convenience and could help the company earn some extra revenue on the side. Especially the delivery, laundry and online order services were mentioned multiple times in our interviews. We would also suggest having a 'bring a friend' discount, first time free trial and membership loyalty discounts available. These help interest new customers and keep the loyal customers happy.

The current marketing strategies of Vaatepuu have been somewhat lacking as most of our interviewees had never heard of the company. Using social media to both inform of the new selections in-store but also for marketing through paid collaborations with influencers could potentially reach a lot of new customers. Having the right aspects of the company highlighted is important in marketing communications. We would suggest highlighting for example, the high quality of the clothing, sustainability aspect of using the fashion library, luxury that the continuously changing wardrobe brings to the customer and of course any current campaigns and discounts.

There are limitations to this research as it was done on a time limit of just one course. The calculations included in the research were based on a lot of assumptions and should be re-calculated using Vaatepuu's actual customer data if the company decides to use our suggested model. Also interviewing the current customers about the changes in the membership model is highly recommended in order to maintain the loyal customers. We also recommend researching

further the sharing economies as the change in customer behavior can completely turn around old industries as it has already done with Airbnb and Uber. We are looking forward to seeing if the findings and recommendations lead into adoption of the new membership model or any other changes in the operations of Vaatepuu.

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Retail Dive: Rent the Runway launches third subscription option, 5.3.2020

<https://www.retaildive.com/news/rent-the-runway-launches-third-subscription-option/573564/>

## APPENDIX A: INTERVIEWS

### Appendix A.1:

Interview 1: Woman from Helsinki, on the brink of retirement (age 63)

A basic description of Vaatepuu and of its service/its offering, was given to the interviewee. The point system was briefly mentioned, but not in detail as the interviewee would have time to do it later on in the interview.

#### **What values do you perceive to be central in what clothing you choose to buy?**

Nowadays, I pay more and more attention to the sustainability of clothing production. I would like that not only environmental but also social values would have been considered in the production chain. I would prefer these kinds of things to be somehow visible in the brand or in how they market themselves. Also, of course, I care a lot about the material and fit of clothing. I tend to choose materials, which are both comfortable on the skin and which seem durable so that they could last for years. On top of this, I also look at the price of items I buy. Overall, I would say that I try to purchase clothing that is sustainable, durable and timeless, but also something that does not break my bank. I am not one to blindly stare at the cost, but it does play a role in affecting my decisions. Also, all of this naturally depends on the type of clothing I am buying. For example, I am ready to pay more for special occasion wear.

#### **Would you consider renting clothing rather than owning it?**

Yes, why not - I would say that particularly evening and special occasion wear are something that I could see myself renting rather than buying. But then again, I wouldn't say no to the possibility of also renting everyday pieces.

#### **Do you usually experiment with different styles when buying new clothing pieces?**

I didn't use to do this, but nowadays I have become a bit more experimental with styles. Especially if I am shopping with someone who encourages me to try something different, I may go out of my comfort zone more than usual. However, I do tend to mainly stick to my usual style.

A more thorough explanation of what Vaatepuu is and what it offers to consumers was given. Information included things like renting is (mainly) done on a membership basis etc.

#### **Have you heard of Vaatepuu before?**

No, I have not heard of it before. The whole concept of such a clothing rental service is new to me.

**Based on your own assessment, what would you name as Vaatepuu's biggest selling points?**

The fact that they offer both special occasion wear and everyday wear seems like a good thing. Also, the variability I could get to my own wardrobe without having to commit myself to certain pieces is a definite selling point. I imagine I would be more experimental if I were to rent clothing instead of buying it. I could try out different styles without having to make big purchases that I may not end up wearing. Also, considering how central the ideas of sustainability and not consuming too much are to me, Vaatepuu seems like a company that could help me align my consumption with my values better.

**What kind of people would you say Vaatepuu is currently targeting?**

In my mind Vaatepuu is mainly targeting working women (but not business women) without big incomes. If I were to think of an age range, I would say it's for people between the ages of 18 to 45. I feel like such a rental system is better suited for bohemian people, who are not as keen on owning stuff compared to for example high-income women in highly respected professions.

**Would you see yourself using the service as it is now? Why / why not?**

Currently, I don't see myself using the service often, but only for special occasions. One of the reasons for this is that the whole membership system seems like a lot of hassle. Not only would I have to make regular visits to the physical store, but I would also have to clean the clothing myself. It doesn't seem that convenient right now. In addition, I don't like to commit to things. A 6-month membership seems like a very long time, if I am not even able to test out what it would feel like to be a member.

The interviewee was given time to familiarize themselves with the point system with the help of Vaatepuu's own website.

**What could the company do right now to make you become their customer (sky's the limit)?**

They should have a shorter membership option, for example 2 months. Also, in order to minimize the hassle of having to go to the physical store so often, I would like to be able to choose clothing from the website and order it to be delivered home. I wouldn't mind taking care of the cleaning if the clothing was that easily delivered and returned to the store, without me having to physically do it.

**What is your opinion on the membership model Vaatepuu currently uses? What would you say to be the pros and cons?**

The membership seems good. It is pretty clear and I like the fact that you can rent both accessories and clothing. However, I still think that the long membership is not ideal. Also, the fact that there are multiple different valued membership options is something that kind of complicates it for me. If I were to become a member, I would need to really think through my own needs in order to decide on the best sized membership for myself.

**What would you expect to get out of the service?**

Variability to my own special occasion wear. But of course, I could never be sure that my own size and preferred pieces would be available, when I would need them. Therefore, the single rental option still seems the most appealing.

**What is your top value proposition (most important quality) in the service?**

I think the value for money is the most important point in the service. I feel like I would get more for my money, if I were to use the rental service instead of buying clothing.

**On a scale from 1-5, how easily understandable would you rate the point system currently in use? Why?**

I would rate it a 3. It takes a bit of time to understand the system, but I do trust the rental service provider to have made the point system so that it is made with the best interest of the customer in mind. Because the system is so flexible and offers many options, it requires some effort to familiarize myself with the system.

**Would you prefer having the rentable clothes for a week, 2 weeks, 3 weeks, 4 weeks or some other specific amount of time every time you rent them?**

If I could get a 2-month membership, I would like to rent clothing every 2 weeks.

**Do you prefer points to money? Or would you prefer some completely other system, e.g. time (as in the more expensive piece can be loaned for a shorter timespan)?**

If I could choose, I would prefer money to points. Seeing the monetary value of clothing help me to understand the quality of it better.

**What is the clearest element in the current model for you? How about the most confusing?**

To me the examples given in the different memberships were the things that made the point model the clearest to me. Buying extra points is something that I found a bit confusing.

**Do you like the membership model? Do you use membership services (e.g. Netflix, gym...)?**

I use Netflix, BookBeat and the gym. But usually I don't like membership models, because I don't like to commit to things without having the option to try the services first. Therefore,

having a test period or shorter membership options are something which I deem important if I were to commit to a membership in the long run.

**How long would you like to be committed to the service at the time (currently 6 months)?**

2-months seem like the ideal length, especially in the beginning.

**Would you be more willing to try the system if you could cancel the membership after the first 2 months for example?**

Yes, definitely. Then I could try it out and cancel it if I were to realize I didn't like it after all.

**Do you think the membership builds a community around the service and would you personally like to be a part of such a community?**

Yes, I actually like the idea of being part of a community. I find it important for people to be part of something. I imagine I could also get more personalized service, if I were to be part of such a community.

**Any additional thoughts or ideas you would like to add?**

No.

Appendix A.2:

Interview 2: Woman from Helsinki, working for a big corporation, (age 37)

A basic description of Vaatepuu and of its service/its offering, was given to the interviewee. The point system was briefly mentioned, but not in detail as the interviewee would have time to do it later on in the interview.

**What values do you perceive to be central in what clothing you choose to buy?**

To me quality and timeless style are the most important factors when choosing clothing. Even if the pieces I were to buy were not expensive, I would like for them to look that way. I like to look put together and I care a lot about my appearance. Especially in professional settings I want to have classic pieces, so that they mix and match together well. That way I can change my outfit daily without having to worry too much about something looking off.

**Would you consider renting clothing rather than owning it?**

I have never really come to think of such an option. But I do think that renting is a very viable option for special occasions or for a work interview etc. However, I don't see myself renting clothing for everyday wear. I tend to become attached to pieces, so I prefer to own them. I like knowing what I have in my wardrobe.

**Do you usually experiment with different styles when buying new clothing pieces?**

My style has evolved a lot in the past 10 years, but I feel like I am quite comfortable with the style that I have now. I feel like I have found what suits me and what I feel the most comfortable in. I like to dress in classic pieces, which have a timeless style to them.

A more thorough explanation of what Vaatepuu is and what it offers to consumers was given. Information included things like renting is (mainly) done on a membership basis etc.

**Have you heard of Vaatepuu before?**

No, I have never heard of it.

**Based on your own assessment, what would you name as Vaatepuu's biggest selling points?**

It's hard to say. Maybe I would assess the variability and quality to be its main selling points. For example, even though I don't see myself renting clothing for everyday wear that easily, I could imagine it would be fun to try out different designer brands through rental. It would be a rather easy way to try out different brands without having to make huge investments. Also, obviously the fact that they have the option to do single rentals is a big plus considering how most people probably are most interested in renting clothing only mainly for parties and special occasions.

**What kind of people would you say Vaatepuu is currently targeting?**

Probably sustainability oriented and rather young people mostly. People who like to experiment, but who don't like to consume too much. So minimalists, who still love fashion would also be one target group that I see fitting.

**Would you see yourself using the service as it is now? Why / why not?**

Definitely no. It seems like a great option if one has the intention of changing their consumption habits drastically. But in all honesty.. it seems like a lot of work! You have to regularly visit the store, go around the racks without knowing exactly what you'll find there, and then you have to wash the clothing yourself as well. Overall, I feel like, if I were to commit to something for such a lengthy period, I would like it to be convenient and easy. Also, I am not sure whether Vaatepuu's current selection caters to my style. I feel like they have a lot of quite eccentric pieces, which I don't see very appealing. Looking at the store layout and everything, I feel like the atmosphere is not that inviting.

**What could the company do right now to make you become their customer (sky's the limit)?**

They should probably take in a wider variety of brands that would be more suited for professional needs. Also, they should probably take care of the cleaning for me as well. Ideally, I could just do everything through the Internet and avoid all the work as much as possible.

The interviewee was given time to familiarize themselves with the point system with the help of Vaatepuu's own website.

**What is your opinion on the membership model Vaatepuu currently uses? What would you say to be the pros and cons?**

It seems kind of complicated and personally I don't like the fact that they have lost euros so to speak. I prefer to think in monetary value instead of points. It makes the whole service seem kind of childish. So maybe the use of points is the biggest con. And as for the pros, maybe the fact that they have different membership models for different needs is the biggest pro. However, I feel like the smallest membership is quite small. Maybe the range could be widened somehow to include also L and XL sized memberships.

**What would you expect to get out of the service?**

If I were to rent clothing through them, I would hope for it to be of high quality and to also be presented that way. I would like the service to be easy to use. Mostly, I would expect the possibility to experiment with high-end brands.

**What is your top value proposition (most important quality) in the service?**

Probably the sustainability of the whole rental model. For those who are ready to rent rather than own, I feel like it's a great opportunity to reduce clothing consumption and probably to diminish the amount of clothing ending up in the landfill. It seems to tackle well into the idea of making the most out of clothing and lengthening their usage life.

**On a scale from 1-5, how easily understandable would you rate the point system currently in use? Why?**

I don't know if it's harsh to say that it's a 2 for me. It is understandable once you really read through the point system logic a couple of times, but I don't know if I would be able to keep up with the points in the store.

**Would you prefer having the rentable clothes for a week, 2 weeks, 3 weeks, 4 weeks or some other specific amount of time every time you rent them?**

If I were to become a member, I would probably like to have the same clothes for 2 weeks. I like to change my outfit every day for work, so in that time period, I feel like I could use all of the clothes probably twice in different outfit combos.



**Do you prefer points to money? Or would you prefer some completely other system, e.g. time (as in the more expensive piece can be loaned for a shorter timespan)?**

For sure, I prefer money! I am used to using money, so I don't really see a point in losing that and using points instead.

**What is the clearest element in the current model for you? How about the most confusing?**

A tricky question, but I would say that the clearest element is probably the fact that they offer both memberships and single rentals. Other than that, the model is quite confusing to me.

**Do you like the membership model? Do you use membership services (e.g. Netflix, gym...)?**

I use Netflix and Spotify premium. I don't see any problems in membership models, but I always like to be sure that I like the service before I commit to anything. So test periods etc. are often a crucial aspect for me.

**How long would you like to be committed to the service at the time (currently 6 months)?**

2-months seems like a good one in the case of clothing rentals.

**Would you be more willing to try the system if you could cancel the membership after the first 2 months for example?**

Yes, for sure! I feel like that option alone makes the whole service seem more trustworthy. It's like a quality promise that says that the company trusts their offering so much that they are ready to let consumers try it out and in that way fall in love with the service.

**Do you think the membership builds a community around the service and would you personally like to be a part of such a community?**

Personally, no. I don't like the whole idea of being part of a community. I actually find it a bit off-putting.

**Any additional thoughts or ideas you would like to add?**

As a final thought, I would like to add that highlighting the single rental option and being more visible in social media would be good for such a company. I doubt there are many people as of now, who are looking for clothing rental services, without being introduced to the concept somehow first.

Appendix A.3:

Interview 3: Woman, Helsinki, 25, University student and an entrepreneur

A basic description of Vaatepuu and of its service/its offering, was given to the interviewee. The point system was briefly mentioned, but not in detail as the interviewee would have time to do it later on in the interview.

**What values do you perceive to be central in what clothing you choose to buy?**

Trends, I want the clothes to be showy, comfortable, unique

I like to favor Finnish brands, if possible. Such as Uhana Design, Vimma company, Marimekko.

I also buy some fast-fashion clothes if I cannot find an equivalent from these types of companies.

Then I usually choose to buy clothes from Asos.

**Would you consider renting clothing rather than owning it?**

Yes I already do it. In my work I have to take part in various events and borrow clothing from PR-agencies.

I rent because I do not want to buy a new piece of clothing just for the sake of one event

**Do you usually experiment with different styles when buying new clothing pieces?**

I like to experiment with new styles

A more thorough explanation of what Vaatepuu is and what it offers to consumers was given. Information included things like renting is (mainly) done on a membership basis etc.

**Have you heard of Vaatepuu before?**

I have heard it mentioned but I had no idea what it was. I thought the name would resemble something completely different.

**Based on your own assessment, what would you name as Vaatepuu's biggest selling points?**

It is sustainable that you don't have to buy all the clothes. I believe that is important and it is the key selling point.

**What kind of people would you say Vaatepuu is currently targeting?**

Older women (+50). That is the image I have of the company currently.

I also think it is a service suitable for people with good income and a lot of events to attend to. I believe the current system does not appear as an attractive option for people who are financially struggling.

**Would you see yourself using the service as it is now? Why / why not?**

If it has showy, trendy outfits and I can use it for one-time rent, I feel like I could give it a try. However, I do not see myself signing up for the membership

**What could the company do right now to make you become their customer (sky's the limit)?**

Delivery for all the services. Also the washing and taking care of the clothes should be on the company's side.

If they had the newest seasons to rent trendy brands it would make me interested. Currently I feel like they do not have the "newest drops" available.

The interviewee was given time to familiarize themselves with the point system with the help of Vaatepuu's own website.

**What is your opinion on the membership model Vaatepuu currently uses? What would you say to be the pros and cons?**

Overall, it seems a bit complicated. My need for renting clothes is not for daily use but rather for events. I do not feel like I need a long term solution for the renting needs.

There are already a lot of membership fees every month from different services so I would prefer not having a membership.

**What would you expect to get out of the service?**

Fast service, I want to find what I was looking for quickly.

**What is your top value proposition (most important quality) in the service?**

"With us you can find the most dazzling outfit for any event"

**On a scale from 1-5, how easily understandable would you rate the point system currently in use? Why?**

2, The naming of the service sizes is confusing. I almost feel like people who wear XS get smaller fees while medium sized people have to pay more.

I would rather have one model for people who want to rent constantly and one-off rent anything else.

**Would you prefer having the rentable clothes for a week, 2 weeks, 3 weeks, 4 weeks or some other specific amount of time every time you rent them?**

1 month would be optimal in my opinion

**Do you prefer points to money? Or would you prefer some completely other system, e.g. time (as in the more expensive piece can be loaned for a shorter timespan)?**

I feel like points are confusing. I would rather use money so it is clear.

I hope the model would be just that there would be a model overall on the price of the clothing piece. The pricier clothes would be under a different membership and daily clothes under different one. No points, just an amount of clothes to borrow in a certain time period. If it has to be membership based.

**What is the clearest element in the current model for you? How about the most confusing?**

Most confusing is the points system

The clearest is that it is not a shop, it is a place to rent.

**Do you like the membership model? Do you use membership services (e.g. Netflix, gym...)?**

I do use membership services

That is why I do not want clothes to be another membership model because previously I have been able to acquire them without a membership.

**How long would you like to be committed to the service at the time (currently 6 months)?**

I think I could see myself committing for 3 months max

**Would you be more willing to try the system if you could cancel the membership after the first 2 months for example?**

Yes, that would make me more willing to try the system.

**Do you think the membership builds a community around the service and would you personally like to be a part of such a community?**

I do not see it being a large community.

I would not personally be a part of such a community. What I would see is that they would post new pieces to Instagram and I as a member would probably be interested in following them to see what new offerings they have.

**Any additional thoughts or ideas you would like to add?**

Good luck. Sustainability is important and I hope Vaatepuu can reach people so everyone would not always buy new clothes every time they need something.

Appendix A.4:

Interview 4: Woman, Tampere, 29, University student

A basic description of Vaatepuu and of its service/its offering, was given to the interviewee. The point system was briefly mentioned, but not in detail as the interviewee would have time to do it later on in the interview.

**What values do you perceive to be central in what clothing you choose to buy?**

Easy to use, everyday. I usually buy for a need. Or the previous one breaks so I buy a new one to replace it. I always want to try the clothes on first. I want the clothes to fit my wardrobe.

**Would you consider renting clothing rather than owning it?**

I have always bought clothes.

**Do you usually experiment with different styles when buying new clothing pieces?**

Usually something that is within my comfort zone and similar colors and styles I am used to. If i try something new it is usually something that is of the similar color as other clothes I am used to. These clothes have usually been my favorite though.

A more thorough explanation of what Vaatepuu is and what it offers to consumers was given. Information included things like renting is (mainly) done on a membership basis etc.

**Have you heard of Vaatepuu before?**

Yes I have heard of it before. My coworker used to use the service. She had nice clothes and I asked her how she gets new clothes every week so she was using Vaatepuu.

**Based on your own assessment, what would you name as Vaatepuu's biggest selling points?**

Need for an event. Something I would not need to use again and again. Something different. I would like to know as a customer that I can try the service beforehand. The option to have some kind of a discount for membership sign-up after trying out the service would be nice.

**What kind of people would you say Vaatepuu is currently targeting?**

People who are working a lot in public who want to change their outfits a lot would probably be a target group. Also from the sustainable side: Not buying fast-fashion and having Finnish sustainable clothing.

Age-wise: 35 and up

**Would you see yourself using the service as it is now? Why / why not?**

I could see myself using it if I had events such as weddings or events. But mainly just for one-off use. Membership model for 6months sounds very long.

**What could the company do right now to make you become their customer (sky's the limit)?**

Some cheaper trial period for once. And to make it very clear that I can use the service one time only. I feel it would be very difficult to sign up for 6 months.

Home delivery system as a standard service element.

I have never felt that this service is for me. I have not seen any marketing targeted towards me.

The interviewee was given time to familiarize themselves with the point system with the help of Vaatepuu's own website.

**What is your opinion on the membership model Vaatepuu currently uses? What would you say to be the pros and cons?**

6 months too long period to commit for the first time

Why is the points system as it is? Seems confusing. Why do you need points?

2 week cycle is not optimal. Is it negotiable?

**What would you expect to get out of the service?**

I expect them to have multiple sizes of the clothes available.

If I go to the shop I expect them to have my sizes available.

I would want to see all kinds of clothes and styles.

**What is your top value proposition (most important quality) in the service?**

I find it important that there are clothes available for everyone. Take into account different consumers and situations. The styles in the shop should not all be too fancy or "different".

**On a scale from 1-5, how easily understandable would you rate the point system currently in use? Why?**

3, the sizes are not the best names for the models. It does not sound attractive.

**Would you prefer having the rentable clothes for a week, 2 weeks, 3 weeks, 4 weeks or some other specific amount of time every time you rent them?**

I feel like a month would be the best. I think I would appreciate getting to use a piece I adore for the whole month. If the cycle is shorter I feel like it is a hassle to always go back to return it etc.

**Do you prefer points to money? Or would you prefer some completely other system, e.g. time (as in the more expensive piece can be loaned for a shorter timespan)?**

Points are not good. It's confusing.

Why are they used?

**What is the clearest element in the current model for you? How about the most confusing?**

Points are the most confusing

Otherwise the company idea and operation is quite clear

**Do you like the membership model? Do you use membership services (e.g. Netflix, gym...)?**

I usually use membership services for a short timespan. Usually just 2-3 months per service.

That's why I feel 6 months commitment is very long. It would be nice to be able to choose the membership length.

**How long would you like to be committed to the service at the time (currently 6 months)?**

That's why I feel 6 months commitment is very long. It would be nice to be able to choose the membership length.

**Would you be more willing to try the system if you could cancel the membership after the first 2 months for example?**

I would find it attractive if it would be always a 1 month membership cancel

**Do you think the membership builds a community around the service and would you personally like to be a part of such a community?**

I would not probably choose to be a part of such a community. I do not either feel that the service is building a community automatically.

**Any additional thoughts or ideas you would like to add?**

If Vaatepuu wants to reach new customers I feel like they have not been visible enough in the right channels. I feel like I have not really seen them much or encountered them as an attractive option.

Appendix A.5:

Interview 5: Woman from Lahti, working as an administrative manager (age 53)

A basic description of Vaatepuu and of its service/its offering, was given to the interviewee. The point system was briefly mentioned, but not in detail as the interviewee would have time to do it later on in the interview.

**What values do you perceive to be central in what clothing you choose to buy?**

I value good quality. I follow trends quite intensively, and love to try new things. However, the garments I buy should fit to my existing garderobe and my own personal style. The clothing I use also needs to be comfortable to wear.

**Would you consider renting clothing rather than owning it?**

I have never rented clothing, but there is no particular reason why. I think I am quite open to the idea of renting, and I could see myself renting clothing for some special occasions such as a party.

**Do you usually experiment with different styles when buying new clothing pieces?**

I own lots of clothing and I love to have variety on my own garderobe. I know what suits me, but I also like to experiment with new trends.

A more thorough explanation of what Vaatepuu is and what it offers to consumers was given. Information included things like renting is (mainly) done on a membership basis etc.

**Have you heard of Vaatepuu before?**

I haven't heard of it.

**Based on your own assessment, what would you name as Vaatepuu's biggest selling points?**

Well apparently they have a wide selection, which can be a great selling point to some. They also seem to have many well-known Finnish brands in their selection. Sustainability can also be an important factor. So many people who value sustainability could be interested in the service because of its ecological dimension.

**What kind of people would you say Vaatepuu is currently targeting?**

Well as I said, people who value sustainability and want variety in their garderobe.



**Would you see yourself using the service as it is now? Why / why not?**

At least I could consider using it. But at the moment they don't operate near me and also the opening hours are quite limited so I would struggle finding time to visit the store.

**What could the company do right now to make you become their customer (sky's the limit)?**

More locations! Also an online based service could be interesting? I don't believe that I would use the service if it would operate online, but someone else could be interested!

The interviewee was given time to familiarize themselves with the point system with the help of Vaatepuu's own website.

**What is your opinion on the membership model Vaatepuu currently uses? What would you say to be the pros and cons?**

Well at first the system seemed a bit confusing, and it required lots of reading to understand how it works. Pros: The memberships seem to have appropriate sizes, so there are enough garments for one renting.

Cons: I don't see the sense in using points and the relationship between the points and actual money is hard to understand. Also, they don't communicate straight enough how often it is possible to change the clothing during the membership.

**What would you expect to get out of the service?**

If I would like to have variety in my own garderobe with renting, the service should be easy and convenient to use, and compatible with my daily life.

**What is your top value proposition (most important quality) in the service?**

Maybe getting variety in clothing?

**On a scale from 1-5, how easily understandable would you rate the point system currently in use? Why?**

Maybe 3. It seems like the service is quite functioning but they haven't communicated well enough how it works.

**Would you prefer having the rentable clothes for a week, 2 weeks, 3 weeks, 4 weeks or some other specific amount of time every time you rent them?**

Maybe every two weeks. On the other hand there needs to be flexibility in renting times because sometimes I may want to keep some garment for a longer time or I am not able to return the garments on time for a reason or another.

**Do you prefer points to money? Or would you prefer some completely other system, e.g. time (as in the more expensive piece can be loaned for a shorter timespan)?**

The point system could work if it is required to classify the garments based on their real price. However something more simpler could also work. For example, the membership could contain one more expensive piece and a few more affordable ones.

**What is the clearest element in the current model for you? How about the most confusing?**

Well, it was clear that there were three different membership options for different needs. The most confusing one was the relationship with points and the real price of the product.

**Do you like the membership model? Do you use membership services (e.g. Netflix, gym...)?**

Membership model seems suitable for this kind of service. I don't necessarily use any services based on the membership at the moment.

**How long would you like to be committed to the service at the time (currently 6 months)?**

To be honest, 6 months is a long time. Maybe a month or two at the time would be suitable for me. If they want to encourage customers to buy longer memberships they should give a bigger discount the longer the membership is.

**Would you be more willing to try the system if you could cancel the membership after the first 2 months for example?**

Well maybe. But I think that a better option would be to offer a shorter trial period.

**Do you think the membership builds a community around the service and would you personally like to be a part of such a community?**

I am not very fond of belonging to some new community, but if they would arrange some events etc. for the members I might be interested.

**Any additional thoughts or ideas you would like to add?**

No.

Appendix A.6:

Interview 6: Woman from Sipoo, works as a project manager (age 26)

A basic description of Vaatepuu and of its service/its offering, was given to the interviewee. The point system was briefly mentioned, but not in detail as the interviewee would have time to do it later on in the interview.

**What values do you perceive to be central in what clothing you choose to buy?**

I value sustainable, long-lasting clothing which is made of good quality materials. They should be versatile and have timeless design. I also value ethicalness in a sense that I only rarely buy new clothes.

**Would you consider renting clothing rather than owning it?**

Yes I could, especially party dresses.

**Do you usually experiment with different styles when buying new clothing pieces?**

I have to say that no.

A more thorough explanation of what Vaatepuu is and what it offers to consumers was given. Information included things like renting is (mainly) done on a membership basis etc.

**Have you heard of Vaatepuu before?**

Yes, but I have not used their service. But I have seriously considered using it and visited their website several times.

**Based on your own assessment, what would you name as Vaatepuu's biggest selling points?**

Sustainability. Certain minimalism - you don't have to own it all. They also enable renting clothing that might be too expensive to buy.

**What kind of people would you say Vaatepuu is currently targeting?**

Outgoing people who might have often special occasions. Also to people who value sustainability and are aware of environmental issues or do have limited economic resources.

**Would you see yourself using the service as it is now? Why / why not?**

Yeah I would, especially the one time renting. The idea about minimalism fascinates me. Other reasons why I'm interested in the service are sustainability and economic efficiency. I also want

some variability in my clothing, and I would like to rent especially party outfits for work occasions.

**What could the company do right now to make you become their customer (sky's the limit)?**

Well their current website is a bit frustrating. They should benchmark clothing stores and make their selection more appealing on the website.

The interviewee was given time to familiarize themselves with the point system with the help of Vaatepuu's own website.

**What is your opinion on the membership model Vaatepuu currently uses? What would you say to be the pros and cons?**

Well obviously the model is quite complicated since there is tons of text to explain how it works. One problem is the fact that their online selection does not give any prices to the products. Therefore it is impossible to think what membership would be suitable for me. Overall the system is quite confusing and raises lots of questions.

Pros: The service is quite affordable but still you need to be quite a shopper and love dressing in order to consider renting as a cheaper option than buying. I buy new clothing only every three months so maybe I wouldn't use the membership model.

Cons: The membership requires forethought of how many pieces I want to rent and how often. The point based system is really confusing.

**What would you expect to get out of the service?**

Variety in clothing.

**What is your top value proposition (most important quality) in the service?**

The most important thing is that the service is easy to use. Currently they have tons of text in their 'Rent' -page that still don't explain exclusively how the renting works. For me, it is also important that the selection contains a wide range of sizes since I am very tall.

**On a scale from 1-5, how easily understandable would you rate the point system currently in use? Why?**

I have to say that 3. But I have visited the website many times so it was already somewhat familiar to me.

**Would you prefer having the rentable clothes for a week, 2 weeks, 3 weeks, 4 weeks or some other specific amount of time every time you rent them?**

I would like to rent clothing on some special occasion, so maybe once a month.

**Do you prefer points to money? Or would you prefer some completely other system, e.g. time (as in the more expensive piece can be loaned for a shorter timespan)?**

I can't come up with any reason why they use points instead of using real prices. I would prefer the prices being in euros.

**What is the clearest element in the current model for you? How about the most confusing?**

I understand the whole concept of renting clothes and it's clear. However, the point system doesn't work and makes it confusing.

**Do you like the membership model? Do you use membership services (e.g. Netflix, gym...)?**

I don't like the membership model, and would prefer the one time renting.

**How long would you like to be committed to the service at the time (currently 6 months)?**

6 months sounds appropriate.

**Would you be more willing to try the system if you could cancel the membership after the first 2 months for example?**

Not really.

**Do you think the membership builds a community around the service and would you personally like to be a part of such a community?**

Well I guess the membership model could have a community around it, but personally I'm not interested.

**Any additional thoughts or ideas you would like to add?**

No.

## APPENDIX B: Illustrations of the membership models shown in the survey

### Jäsenyysmalli 1

<b>XS-jäsenyys</b> <b>Hinta</b> 150€/6kk <b>Sisältää</b> 100 pisteen arvosta tuotteita / lainauskerta	<b>S-jäsenyys</b> <b>Hinta</b> 220€/6kk <b>Sisältää</b> 150 pisteen arvosta tuotteita / lainauskerta	<b>Esimerkiksi</b>  <b>XS-jäsenyys 100 pistettä</b> 4 korua - 25p/koru <b>TAI</b> 2 paitaa - 50p/paita <b>TAI</b> Mekko 75p ja kaulakoru 25p <b>TAI</b> Silkkimekko 100p
<b>M-jäsenyys</b> <b>Hinta</b> 280€/6kk <b>Sisältää</b> 200 pisteen arvosta tuotteita / lainauskerta	Jäsenyys ostetaan aina kuudeksi kuukaudeksi kerrallaan.  Jäsenyys oikeuttaa vuokraamaan vaatelainaamosta tuotteita kahden viikon välein.	

Picture 1: Illustration of the original membership model

### Jäsenyysmalli 2

Toistaiseksi voimassa oleva kuukausijäsenyys.  
Irtisanomisaika 1kk.

<b>Standard</b> <b>Hinta</b> 35€/kk <b>Sisältää</b> 2 vaatetta ja 1 asusteen kerrallaan <b>Standardituotteet</b> (arvo max 150€/tuote) <b>Vaihto</b> kerran kuukaudessa	<b>Premium</b> <b>Hinta</b> 59€/kk <b>Sisältää</b> 3 vaatetta ja 2 asustetta kerrallaan <b>Koko valikoima*</b> <b>Vaihto</b> kahden viikon välein tai kerran kuukaudessa	<b>Esimerkiksi</b> <b>Premium</b> 2 paitaa, 1 housut ja 2 kaulakoru 
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Picture 2: Illustration of the created new membership model

## APPENDIX C: Model calculations, assumptions and comparison

We were not able to get any numeric data about the company's operations. Therefore, the amount of customers and their division into different membership groups is only a rough assumption.

Other assumptions made in the calculations:

- Price sensitivity is low in the target group
- The owner of the company has claimed that a lot of customers are interested in bigger models than the current offering
- We assume more one-time customers due to highlighting the one-time loan option on marketing
- Assumed suggested retail price of the one-time loan garments on average 300€, and the renting price is assumed to be 20% from the suggested retail price.
- Assumption of premium users is very modest (according to some sources just over a third of the customers are willing to pay more for premium service (Retail Dive, 2020).

<i>Assumed scenario 1</i>	Price	Members	Total	Clothes in circulation
120 customers in the old model				
20 one-time loan customers (assumed to loan mainly higher cost dresses for events)	300x0.185	20	€1,110.00	20
100 members				
50 XS members	€25.00	30	€750.00	45
20 S members	€36.67	40	€1,466.80	80
30 M members	€46.67	30	€1,400.10	90
		<b>SUM</b>	€4,726.90	235
120 customers in the new model				
20 one-time loan customers (assumed to loan mainly higher cost dresses for events)	300x0.2	20	€1,200.00	20
100 members				
75 Standard	€35.00	75	€2,625.00	150
25 Premium	€59.00	25	€1,475.00	100*
		<b>SUM</b>	€5,300.00	270
*Assumed that a third of the customers would opt in to holding the same 3 clothes for a month rather than choosing to swap				

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<i>Assumed scenario 2</i>	Price	Members	Total	Clothes in circulation
120 customers in the old model				
20 one-time loan customers (assumed to loan mainly higher cost dresses for events)	300x0.185	20	€1,110.00	20
100 members				
50 XS members	€25.00	30	€750.00	45
20 S members	€36.67	40	€1,466.80	80
30 M members	€46.67	30	€1,400.10	90
		<b>SUM</b>	€4,726.90	235
150 customers in the new model				
40 one-time loan customers (assumed growth for giving the option more visibility)	300x0.2	40	€2,400.00	40
110 members (assumed growth for discounts given for joining premium)				
75 standard	€35.00	75	€2,625.00	150
25 premium	€59.00	25	€1,475.00	100
10 discounted premium	€49.00	10	€490.00	40
		<b>SUM</b>	€6,990.00	330



## APPENDIX D: Johdon tiivistelmä

Tämä raportti sisältää selvityksen tutkimuksesta, jonka toteutimme vaatelainaamo Vaatepuulle. Tarkoituksena oli selvittää heidän nykyisen jäsenyysmallinsa toimivuutta uusasiakashankinnan näkökulmasta, ja kehittää mallia houkuttelevammaksi potentiaalisille asiakkaille. Raportissa esitellään tutkimuksessa selvinneet keskeiset löydökset, ja annetaan suosituksia siitä, miten nykyistä jäsenyysmallia tulisi viedä eteenpäin, ja miten Vaatepuun palvelua voitaisiin parantaa potentiaalisten asiakkaiden näkökulmasta.

### **Jäsenyysmallia tulee kehittää asiakasystävällisemmäksi**

Tutkimuksessamme tuli ilmi, että Vaatepuun nykyiset jäsenyysmallit eivät ole houkuttelevia uusille asiakkaille, sillä heidän käyttämänsä pisteytysjärjestelmä on monimutkainen ymmärtää, ja kuuden kuukauden jäsenyys koetaan liian sitovaksi. Suosituksemme on, että pisteytysjärjestelmästä luovutaan, ja tuotteet hinnoitellaan euroissa. Sen sijaan käyttöön otetaan kaksi selkeästi määriteltyä jäsenyyspakettia, jotka hinnoitellaan kuukausiperusteisesti, sekä lisäksi mahdollisuus kertalainaukseen. Kuukausimaksullinen malli alentaa palvelun kokeilemisen kynnystä, ja selkeyttää palvelun toimintaperiaatteen ymmärtämistä entisestään.

### **Lisäpalvelujen tarjoamista tulee harkita**

Palvelun helppokäyttöisyys nousi esille tutkimuksessamme useita kertoja, ja Vaatepuu voisi lisätä sitä huomattavasti lanseeraamalla uusia lisäpalveluita, jotka voisivat toimia lisätulon lähteinä Vaatepuulle. Erityisesti vaatteiden verkko-, toimitus- ja pesulapalveluilla on kysyntää, sillä ne lisäisivät palvelun käytön mukavuutta.

Raportin pohjana on käytetty yrityksen omistajalta saatuja tietoja, sekä tehty selvitystä vaatelainaamoiden nykymarkkinasta Suomessa, ja tutustuttu muihin palveluntarjoajiin ja heidän hinnoittelumalleihinsa. Lisäksi tutkimus sisältää empiiristä dataa kuudesta kyselyhaastattelusta, jotka toteutettiin Vaatepuun potentiaalisille asiakkaille. Haastattelujen perusteella kehitettyä mallia testattiin myös kyselytutkimuksella, ja samalla kerättiin kehitysehdotuksia jäsenyysmalleihin ja Vaatepuun liiketoimintaan liittyen.