

Consumer Behavior toward Luxury Fashion Rental: A Hierarchical Motivations Approach

Yanwen Ruan¹ and Yingjiao Xu²

¹Shanghai University of Engineering Science, China, ²North Carolina State University, USA

Keywords: luxury fashion rental; motivation; self-determination theory

Introduction Luxury Newcomers, who are younger and holding high fashion tastes but without high incomes, have emerged after the recession (Boston Consulting Group, 2012). The recent years also witnessed the emerging of New Consumerism, such as the sharing economy and sustainable consumption (Euromonitor, 2016). Research suggested that the luxury newcomers are more likely to explore new brands (Jay, 2012; Tong, Su & Xu, 2017) and to adopt new ways of obtaining luxury, such as renting. Sharing economy provides consumers with access rather than ownership of products (Euromonitor, 2016). As a part of the sharing economy, luxury rental consumers share the key traits of new consumerism and the attributes of luxury newcomers. However, the existing literature on luxury consumption is mainly purchase-oriented. Limited research has been conducted to explore luxury consumption via renting.

Purpose of the Study The purpose of this study was to explore consumer behavior toward luxury fashion rental from the perspective of motivations. In the context of luxury consumption, a variety of motivations were identified and examined, including ego-defense, hedonism of using the luxury product, seeking for uniqueness, and social identification (Sharma & Chan, 2017; Truong, 2010; Vigneron & Johnson, 1999). However, while the products involved in the luxury consumption can be the same, the consumption motivations could be very different between the two obtaining methods, i.e. purchasing and renting. For example, the motivation to buy luxury products as a way to signal wealth, status, and power (O’Cass & Frost, 2002) may not be the driving factor for luxury rental. The literature on sharing economy suggested the following driving motivations toward consumers’ engagement in sharing activities: sustainability, economic benefit, and enjoyment of smart shopping (Hamari, Sjöklint, & Ukkonen, 2016; Hsui-Fen Lin, 2007; Russell Belk, 2007).

The Self-determination Theory (SDT) (Deci & Ryan, 1985) argues that consumers’ motivation can be classified as extrinsic and intrinsic. Extrinsic motivations refer to engaging in an activity to gain specific outcomes, while intrinsic motivations refer to personal inner cognitive evaluation of the activity. Using SDT, this study aimed to identify and establish a hierarchical structure of the motivations driving consumers’ behaviors toward luxury fashion rental.

Methodology Data for this study were collected through an online survey. A national sample (n=400) was purchased from a research company. The data collection took place in February, 2018. After deleting invalid responses (straight- lining answers, missing values, or obvious

illogical answers), a total of 359 responses were retained for further data analysis. Seven motivational items, including social identification, sustainability, economic benefits, ego-defense, hedonism, uniqueness, and enjoyment of smart shopping, were measured by adopting or modifying scales used in previous studies. All items were measured on a 7-point Likert scale. Demographics were also collected, including gender (female=49.3%; male=50.7%), age (18-30=35.65%; 31-40=31.76%; 41-50=32.58%), and other basic information. A hierarchical Confirmatory Factor Analysis (CFA) was conducted to investigate the structure of consumers' motivations for luxury fashion rental services.

Results and Conclusions A first-order (CFA) was conducted on the seven motivations. The results suggest an overall good fit and adequate reliability estimates for the seven motivation factors (α ranging from .725 to .873) with all significant factor loadings at the 0.05 level. Per the SDT theory (Deci & Ryan, 1985), the seven motivation items were proposed to be represented by a hierarchical structure with respect to the two dimensions of motivations: intrinsic and extrinsic. Ego defense, hedonism, perceived uniqueness, and enjoyment of smart shopping were proposed to have intrinsic nature, while social identification, economic benefits, and sustainability value to be extrinsic in nature. A second-order CFA was conducted to confirm the dichotomy factor structure of consumers' motivations for luxury fashion rental services. As illustrated in Figure 1, goodness-of-fit statistics ($\chi^2 = 381.974$, $df = 162$, $p < .001$, $GFI = 0.905$, $AGFI = 0.877$, $RMSEA = 0.062$) accept the dichotomy factor structure of consumers' motivations

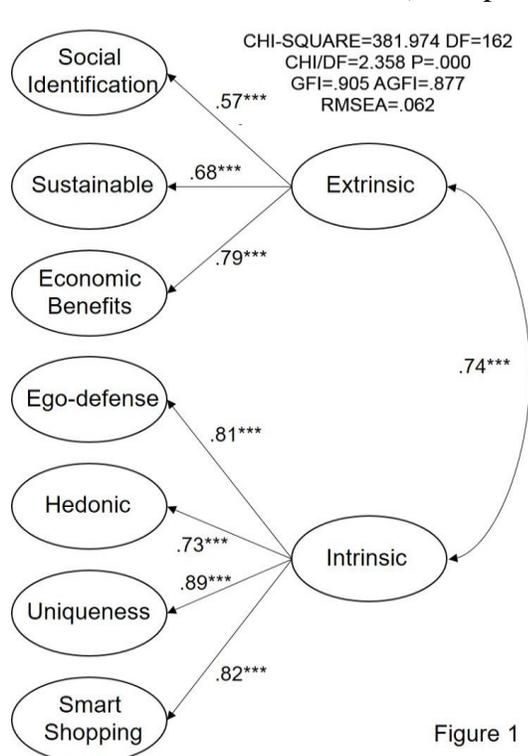


Figure 1

for luxury fashion rental. The four factors of ego defense ($\gamma = .81$, $p < .001$), hedonism ($\gamma = .73$, $p < .001$), uniqueness ($\gamma = .89$, $p < .001$) and smart shopping ($\gamma = .82$, $t = 5.42$, $p < .001$) were significantly loaded to the same intrinsic dimension ($CR = 0.89$, $AVE = 0.66$). The three factors of social identification ($\gamma = .57$, $p < .001$), sustainability ($\gamma = .68$, $p < .001$), and economic benefits ($\gamma = .79$, $p < .001$) were significantly loaded to the same extrinsic dimension ($CR = 0.73$, $AVE = 0.47$).

Recommendations for Future Studies This study conceptualized the multi-dimensional structure of consumers' motivations toward luxury fashion rentals. Built on this structure, future studies could investigate the role of motivations in consumers' behavior toward luxury fashion rental services, which has been showing a great potential for speed growth (Euromonitor, 2016; Yeoman, 2011).

References:

- Belk, R. (2007). Why Not Share rather than Own?. *The Annals of the American Academy of Political and Social Science*, 611(1), 126-140.
- Boston Consulting Group (2012). Luxe Redux: Raising the Bar for the Selling of Luxuries. Accessed March, 2018 online at: http://image-src.bcg.com/Images/BCG%20Luxe%20Redux%20Jun%202012_tcm9-105366.pdf
- Deci, E. L., & Ryan, R. M. (1985). The General Causality Orientations Scale: Self-Determination in Personality. *Journal of research in personality*, 19(2), 109-134.
- Euromonitor. (2016). Fashion Industry and the New Consumerism. Accessed March, 2018 online at: <http://www.euromonitor.com/fashion-industry-and-the-new-consumerism/report>
- Frenken, K. (2017). Political Economies and Environmental Futures for the Sharing Economy. *Philosophical Transactions Royal Society A*, 375(2095), 20160367.
- Hamari, J., Sjöklint, M., & Ukkonen, A. (2016). The Sharing Economy: Why People Participate in Collaborative Consumption. *Journal of the Association for Information Science and Technology*, 67(9), 2047-2059.
- Jay, E. (2012). New Breed of Consumer Shakes up Luxury Fashion. Accessed March, 2018 online at: <http://www.mobilemarketer.com/ex/mobilemarketer/cms/opinion/columns/12361.html>
- Lin, H.F., (2007). Effects of Extrinsic and Intrinsic Motivation on Employee Knowledge Sharing Intention. *Journal of Information Science*, 33(2), 135-149.
- O’Cass A, & Frost, H. (2002). Status brands: Examining the effects of non-product-related brand associations on status and conspicuous consumption. *Journal of Product & Brand Management*, 11(2), 67-88.
- Sharma, P., & Chan, R. Y. (2017). Exploring the Role of Attitudinal Functions in Counterfeit Purchase Behavior via an Extended Conceptual Framework. *Psychology & Marketing*, 34(3), 294-308.
- Tong, X., Su, J., & Xu, Y. (2017). Exploring the Personality of Luxury Fashion Brands: Evidence from Young US Consumers. In *Luxury Fashion Retail Management* (pp. 89-106). Springer, Singapore.
- Truong, Y. (2010). Personal aspirations and the consumption of luxury goods. *International Journal of Market Research*, 52(5), 653-671.
- Vigneron, F., & Johnson, L. W. (1999). A review and a conceptual framework of prestige-seeking consumer behavior. *Academy of Marketing Science Review*, 1, 1-15.
- Yeoman, I. (2011). The Changing Behaviours of Luxury Consumption. *Journal of Revenue and Pricing Management*, 10(1), 47-50.