

Rent the Runway & Designer Clothing

You know that nice outfit in the back of your closet? Maybe it's a fancy dress, a nice suit, or just a beautiful pair of pants. The one you bought for the wedding, the graduation, or some other special event. The one you spent a sizable amount of your paycheck on and have worn once, maybe twice in the years you've had it. What if you hadn't needed to spend so much money to wear that outfit and there was a way to get more use out of it?



"Rent the Runway founders, Jennifer Hyman & Jen Fleiss"
https://archive.nytimes.com/www.nytimes.com/imagepages/2009/11/09/business/09runway_CA1.html

These are exactly the types of questions that Rent the Runway is bringing solutions to. Rent the Runway is a company founded by two women who saw an opportunity to rent out designer clothes to young women for short periods of time and fractions of their total price. This business has made fancy designer clothes affordable to many and is changing the way we think about the contents of our closet. RTR was founded in 2009 as a clothing rental service. In its early years, this meant almost exclusively renting designer dresses to women for one-time events. As they have grown, the company has expanded

their services to now include a subscription service as well. Through this service, people can receive new designer pieces every month to cycle through their closet and keep their outfits feeling fresh and exciting.

The business structure that RTR has created is beneficial to all parties involved. Firstly, it decreases the price of designer clothes for consumers eyeing beautiful brand creations every season. Not only is the price a good deal, but making clothes accessible both through rental and subscription has helped RTR consumers to feel more confident. Helping people to find clothes that they enjoy wearing and feel excited about can make them feel more empowered in other aspects of their everyday life too. Secondly, RTR's business structure allows designers to reach a greater audience with their pieces than they do with their usually high prices. By allowing consumers to try out designer pieces for special events and other occasions, they can effectively see if they actually want to buy them to own. This allows designers to market their brand to even more people than before in a unique way. It also allows consumers to try clothes on beyond the store and get to know their style through greater trial and error methods. The numbers speak for themselves on this one: after just 3 years of operation, in 2012 the business had over 3 million members who had rented outfits from over 160 designers.¹

Not only is RTR economic for consumers and designers, it is also an excellent way to prevent clothing waste, something extremely prevalent in today's economy. The average woman throws away 82 pounds of clothing per year.² With the services that RTR offers, potentially thousands of pieces

¹ <https://fortune.com/40-under-40/2012/jennifer-hyman-jennifer-carter-fleiss/>

² <https://www.renttherunway.com/sustainable-fashion>

are simply put back into the rental cycle rather than being thrown out. At the end of their lifetime with the company, they are likely to have gotten more use out of them from being rented than if they were owned. In addition, the lifetime of clothing is not limited to the rental cycle. When clothes are ready to be removed from the “unlimited closet,” they are transferred to a program RTR calls “Revive” where the designer pieces are either sold through ThredUp, the largest



Workers at Rent the Runway’s warehouse in Secaucus, N.J. sort through clothing and prepare them for the next rental.
<https://www.renttherunway.com/about-us/story>

online thrift and consignment store, or donated to partner non-profits, like Dress for Success or Fab Scrap.³ This ensures that the lifetime of these pieces is extended even more and they continue to be used instead of being thrown into a landfill. ⁴

Rent the Runway is an excellent example of how businesses can structure themselves to implement Full Material Responsibility (FMR). One of the key features of an FMR economy is that producers remain responsible for non-renewable products throughout their lifetime. Oftentimes the best way to do this is to turn the “products” into “services.” This is exactly what R the Runway has done. Rather than consumers participating in a linear economy, in which clothes are made, bought, worn for the lifetime the consumer chooses, and then thrown away, RTR creates a more circular economy in which the lifetime of each piece is maximized before it leaves the system. Even more, Rent the Runway can be considered a “smart service” because it is easily accessible through smart phones. This means that consumers don’t need to go to stores in order to rent for their closet, but can design their closets right on the internet.

³<https://www.renttherunway.com/sustainable-fashion>

⁴<https://www.renttherunway.com/content/thredup>

Full Material Responsibility

Full Material Responsibility is a principle that can guide the transformation to a circular, smart service economy with zero waste.

Find out more about FMR here:

<https://www.leave-it-in-the-ground.org/full-material-responsibility/>

More information on this case study:

<https://www.renttherunway.com/about-us/story>