



Sharing is Caring: Collaborative Consumption in the Fashion Industry

*An Explorative Study of the Consumer Acceptance for
Fashion-sharing Business Models in the Outdoor and
Activewear Market*

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ABSTRACT

The fashion industry contributes to massive environmental problems due to overproduction and huge amounts of waste. In order for fashion companies to reduce their environmental impact, they need to innovate their business models to transform the way clothes are consumed. The purpose of this master thesis is to explore new forms of sustainable business models in the fashion industry. These models may be built on the phenomenon of collaborative consumption in the form of fashion-sharing models. We aim to check for consumer acceptance of rental and second-hand sale of outdoor and activewear directly through the brand itself and develop new business models for our case company Helly Hansen. First, conceptual business models are developed based on theory and the current business model. Because consumer acceptance is important, a questionnaire is conducted to gain insights into the consumers' preferences. Lastly, the conceptual business models are modified on the basis of the consumer insights revealed.

The results reveal high degree of acceptance for second-hand sale of everyday wear and special occasion wear and some degree of acceptance for rental of special occasion wear. On the contrary, the questionnaire reveals relatively low degree of acceptance for rental of everyday wear. Based on these insights, it seems like there may be potential for developing the new business models. However, the results only apply to our sample due to the sample not being representative. Yet the insights may be an indication of the acceptance of the population. This thesis contributes to consumer insights into the ongoing research of fashion-sharing business models and the development of more sustainable business models for fashion companies.

Keywords: The Fashion Industry, Sustainability, Business Model Canvas, Circular Economy, Collaborative Consumption, Fashion-sharing, Rental-based Business Model, Second-hand Business Model, Consumer Acceptance

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We have a strong passion for sustainability and are highly concerned with making the world more sustainable. When we were presented with the opportunity to explore new business models for making our case company Helly Hansen more sustainable, we seized it. During the writing process, we have become more aware of how polluting the textile industry is and the importance of changing our shopping habits. The studying of this topic has been highly educational and exciting.

We would like to thank our supervisor Stein W. Wallace for the constructive feedback and guidance during the writing process. We would also like to express our gratitude towards researcher and professor at NTNU, Hajnalka Vaagen, for introducing us to Helly Hansen and making the collaboration possible. She has given us comprehensive and fast feedback which is highly appreciated. Lastly, we thank the Research & Development Manager of Helly Hansen, Rebecca Johansson, for insights to make the study feasible.

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1. INTRODUCTION

1.1 Background

Today, the world is facing massive environmental problems and the textile industry is a major contributor. According to a report by the Ellen MacArthur Foundation (2017) regarding a new textile economy, the fashion industry is growing rapidly and requires large amounts of resources in all stages of the clothing's lifespan, including production, consumption and disposal. The production of clothes contributes to air pollution and accounts for 10 percent of the total carbon emissions (United Nations Economic Commission for Europe, 2018). The industry is also extremely wasteful. Many garments release plastic microfibers when washed. This activity in the consumption stage contributes to pollution of the ocean, which constitutes approximately 0,5 million tonnes annually. Further, the Ellen MacArthur Foundation (2017) states that globally only 25 percent of clothing is collected for recycling after use, so the majority of the garments eventually ends up in landfills. If this trend continues, the planet will eventually collapse (Svensson, 2011).

The clothing production has nearly doubled the last 15 years (Ellen MacArthur Foundation, 2017). An important driver of this development is the fast fashion phenomenon, defined as “cheap, trendy clothing, that samples ideas from the catwalk or celebrity culture and turns them into garments in high street stores at breakneck speed” (Raturier, 2018). Consumers have developed a mindset of buy-and-throw-away, where they constantly desire new clothes. This is satisfied through a continuous offer of new collections from fashion companies. This results in an extreme overproduction, where companies dispose of their clothes before they are even sold and consumed. Due to globalization, continuous economic growth and thereby a growing middle class, an even bigger share of the population can take part in the fashion community in the years to come. The Global Fashion Agenda and Boston Consulting Group (2017) project that “the overall apparel consumption will rise by 63 percent, from 62 million tonnes today to 102 million tonnes in 2030” (p. 9). The environmental problems caused by the production and consumption of clothes are so significant and rapidly growing that the United Nations has implemented responsible production and consumption as a part of the Sustainable Development Goals.

On a positive note, there is potential for huge impact due to the industry size. The traditional way of becoming more sustainable in the fashion industry has been by focusing on changing the production stage of the supply chain, including the use of more sustainable materials. Recently, businesses like VIGGA, which leases children and maternity clothes, have understood that the production is not the main problem of the industry, it is how consumers use and dispose of the clothes (Svensson, 2016). Therefore, the changes should be focused at the end of the supply chain for a more sustainable fashion future.

The Ellen MacArthur Foundation (2017) suggests two ways of reducing the negative environmental impact of the fashion industry. Fashion companies can exploit massively underutilized clothes by transforming the way clothes are sold and used. This can reduce the huge amount of resources and waste these companies contribute to. The first suggestion is to scale up short-term clothing rental, especially for clothes only needed for special occasions, for example suits and skiing apparel. The second suggestion is to make durability more attractive through second-hand models offering resale of used clothes which are still in good condition. These forms of business models have become increasingly appealing the last couple of years and are part of a phenomenon called “Collaborative consumption”. These models break with the linear fashion system and can offer an alternative to frequently buying new clothes. A market with great potential for developing such business models is the one of outdoor and activewear, characterized by high-quality and durable clothes. This is because the need for such clothes changes frequently based on activities and seasons. Companies like Bergans and Houdini Sportswear have already successfully implemented both a rental service and second-hand sale of their clothes in order to exploit this opportunity. Their success shows that there is potential for other companies to follow in their footsteps.

1.2 Purpose

The purpose of this master thesis is to explore consumer acceptance for the two collaborative consumption business models suggested by the Ellen MacArthur Foundation (2017) for the market of outdoor and activewear. The consumer insight revealed will be used to outline new business models for our case company Helly Hansen. They want to explore new business models in order to become more sustainable and to remain competitive in a market where several competing brands already have implemented such models.

The research questions the thesis aims to answer is:

1. What is the degree of consumer acceptance towards a new rental-based business model?
2. What is the degree of consumer acceptance towards a new second-hand business model?
3. How to design new business models for rental-services and second-hand sale?

1.3 Limitations

Successful implementation of the new sustainable business models requires consumer acceptance, supply chain redesign, and profitability analysis. This master thesis will solely focus on the consumer aspect because Helly Hansen wants to control and analyze the other two aspects themselves. Since we solely outline the new business models based on consumer insights, the two other aspects must also be taken into account for the models to be complete.

Helly Hansen offers a wide product assortment, but to limit the scope of the thesis we have chosen to focus on outdoor jackets when checking for consumer acceptance of rental and second-hand models. Helly Hansen wants to start out by focusing on the outer layer before adding other products to the assortment because they assume base-layer and mid-layer may be too personal. Simultaneously, jackets are one of the main product categories and are, therefore, a good starting point. We will look at three types of jackets: parkas, rain coats, and ski jackets. By looking at two everyday jackets and one jacket intended for special occasions, we can compare if there are any differences of the acceptance of everyday and special occasion wear.

1.4 Structure

To answer the research questions, the thesis will have the following structure. In the next part, we will explore existing literature on the fashion industry and its consumers, business models, the circular economy, and collaborative consumption. The third part will give a description of Helly Hansen and present their current business model. In Part 4, the methodology used will be presented and its quality and ethical concerns evaluated. Thereafter, the main part is divided into three. The two conceptual business models for

renting and second-hand will be developed in Part 5. Part 6 presents and analyzes the findings of our questionnaire. Furthermore, modified business models based on these findings and competitors with similar models are discussed and the final business models are outlined in Part 7. Lastly, we conclude by answering the research questions and discuss limitations, contributions, and suggestions for further research.

2. LITERATURE REVIEW

In order to explore the potential of rental-based and second-hand business models for Helly Hansen, a review of relevant literature will be presented. First, an insight into today's fashion industry and fashion consumers will be given. Further, literature on business models is presented, including a description of the nine building blocks of the Business Model Canvas. Next, the literature review will shine a light on the circular economy and how a fashion supply chain can become more circular. Lastly, the attention will be aimed at the emerging concept of collaborative consumption in the light of fashion-sharing models. The function of product service systems and redistribution markets, and how they are implemented in the fashion industry today, will be explained.

2.1 The Fashion Industry

Clothes are an everyday necessity and are worn by almost everyone. Originally, clothes have been a practical thing to keep people warm and protected, and people only bought the clothes they needed and wore them until they could no longer be used (Svensson, 2016). However, consumers have changed dramatically and developed a more complex relationship with clothes. Purchase decisions are no longer only influenced by practical motives, but also to a great extent by social and emotional reasons. Consumers are concerned with expressing of identity and demonstration of values or social status through their clothes. The clothing's role as a satisfier of the new consumer needs has led to people only wearing each clothing piece a few times (Ellen MacArthur Foundation, 2017). This change in the consumers has led to the development of a meaningless buy-and-throw-away society with drastic environmental implications (Svensson, 2016).

Fashion companies used to launch two collections per year; one summer and one winter collection. Today however, many fashion companies exploit the mindset of the consumers by creating a constant artificial craving for new clothes. They do this by frequently launching new collections consisting of cheap, low-quality clothes which are easily worn out in order to lure the consumers back to buy more (Svensson, 2016). For example, the winter season can include collections for pre-winter, high-winter, Christmas party, Christmas holiday, New Years, etcetera. Fashion companies doing business this way are a part of the phenomenon called "Fast Fashion", defined as clothing design that "move swiftly from

runway to stores in order to capture the latest trends” (Cortez, Tu, Van Anh, ZagitaNg & Vegafria, 2014, p.1). Since trends are fast-changing, the fashion cycles are often short and seasonal (Vejlgaard, 2008). Fast fashion companies such as Zara and H&M must reduce the length of their fashion cycles to only a few weeks in order to quickly offer new trends in their stores (Şen, 2008).

One emerging trend in the fashion industry is the clothing category “athleisure”, a trend where clothing designed for workouts and other sports activities are worn as everyday clothes (Holmes, 2015). According to Gordon (2017), sport-styled design is gaining increased popularity among consumers, and activewear is the product category in apparel and footwear with the highest average growth per year. Sports retailers focus on combining different styles and colors of fashion trends with the functionality and quality of activewear (Pike, 2016). Traditionally, activewear included clothing only practical for sports activities. However, consumers today want to look active and healthy by wearing athletic clothes from sports brands as everyday wear. Because the activewear market today constitutes a bigger share of clothing production than before, these brands also need to find ways to be more sustainable and reduce their environmental impact.

2.1.1 The Behavior of Fashion Consumers

Kardes, Cronley & Cline (2015) define consumer behavior as "all activities associated with the purchase, use, and disposal of goods and services, including the consumers' emotional, mental, and behavioral responses that precede or follow these activities” (p.7-8). The purchasing activities include the actual acquirement of new products and services, as well as all the activities leading to the purchase such as information gathering and evaluation of alternatives. The activities associated with the use describe how products are consumed and the user experience. The disposal activities include discarding, recycling, reuse, and reselling, with reselling as an increasingly popular activity today (Kardes, Cronley & Cline, 2015). Purchasing processes and decisions are influenced by both internal and external factors (Khaniwale, 2015). Internal factors can include personal factors such as age, income, and personality, as well as psychological factors such as motivation, beliefs, and attitudes. The external factors can include cultural or social factors.

Sproles and Kendall (1986) developed the Consumer Style Inventory in order to describe their typology of eight decision-making styles of a consumer. The styles included are: quality-conscious, brand-conscious, recreation-conscious, price-conscious, fashion-conscious, impulsive, confused, and brand loyal. These factors are attributes the consumers value in varying degree during the purchasing process. For fashion consumers, Shaw & Koumbis (2013) distinguish between various customer types with different needs from their clothing (referred in Ellen MacArthur Foundation, 2017). This includes customers who, among others, seek out bargains, wants to stand out from the crowd, wants to fit in and belong to a group, and care about the environment. The environmentally-conscious customer type shops from ethical brands, tries to find use of their unwanted clothes, and avoids buying fast fashion.

Due to the increased transparency of the fashion industry, consumers have become more aware of the negative environmental burdens of textile production and clothing consumption. Many consumers are therefore becoming more and more aware of their mindless consumption habits, and environmental matters have become an important attribute in their purchasing processes. According to McKinsey & Company (2018), younger consumers are concerned with the environment and they increasingly back their values with their shopping habits. According to a study by Unilever (2017), 33 percent of consumers state that they are choosing to buy from brands with a positive impact on the environment. It is therefore important for fashion companies to meet the requirements of this group of consumers. These requirements set the standard for how ethical consumers shop and what they buy, and they will choose products and brands which satisfy these needs.

Even though the intention of the environmentally-conscious consumers is to buy more sustainable products, empirical evidence shows that there exist barriers that prevent many consumers from translating this into their purchase decisions (Co-operative Bank, referred in Barbarossa & Pastore, 2015). A study by Barbarossa & Pastore (2015) reveals that these barriers are high prices and scarce availability. Iwanow, McEachern & Jeffrey (2005) states that even when consumers have high awareness of ethical issues, other attributes such as price, quality, and style have a greater impact on the purchase decisions. A study by Laitala & Grimstad (2018) conducted on Norwegian consumers reveals that the of the main barriers for not wanting to acquire used clothes is practical reasons such as few available second-hand shops. Additionally, it is time-consuming to find something they both like and fit. Other barriers revealed were hygiene, health, and intimacy. Some of the respondents stated

that they think the clothes smell bad, are not clean, and generally do not want to wear others' used clothes. Firms should take these barriers into account when innovating their business models (Yarrow, 2014).

2.2 The Business Model

There exist many different definitions and frameworks on business models in the literature, yet there is no generally accepted definition. One of the first authors to properly define the term was Timmers (1998). He described the business model as “an architecture for the product, service and information flows, including a description of the various business actors and their roles; and a description of the potential benefits for the various business actors; and a description of the sources of revenues” (p.4). Magretta (2002) states that the business model can be defined as the story that explains how a company works. Jørgensen & Pedersen (2018) claim that the business model describes how a company creates, delivers and captures value. Value creation is the value proposition the company offers to help the customer solve a problem or perform a job-to-be-done (Jørgensen & Pedersen, 2018). In addition to the costs, customers are concerned with time and effort when choosing which company to satisfy their needs. The value delivery is the strategic resources required to deliver the value proposition, the activities that enable the company to deliver efficiently and reliably over time, and the partners making this possible. Lastly, value capturing is the logic of how the company achieves profitability using a given income model and cost structure. According to Kaplan (2012), a successful business model is able to offer what the customer wants at a price the customer can accept. At the same time, these models create and deliver value in a way that enables the company to capture value for itself and its owners.

Osterwalder & Pigneur (2010) have developed a well-known business model framework outlined in their book “Business Model Generation”. This framework is called “The Business Model Canvas” and is widely adopted by many companies in the world today (Osterwalder & Pigneur, 2010). The authors state that a business model describes the rationale of how an organization creates, delivers, and captures value. Further, they define a business model as “a conceptual tool to help understand how a firm does business and can be used for analysis, comparison and performance assessment, management, communication, and innovation”. The authors claim that it is difficult to challenge assumptions about one's business model and create new strategic alternatives if organizations do not “speak the same

language”. That is why companies should apply the same framework to describe their business models (Osterwalder & Pigneur, 2010). A business model is so extensive that it pervades the whole company, and many researchers, therefore, claim that the key to business success is business model innovation (Chesbrough, 2010; Lüdeke-Freund, 2010; Zott et al, 2011, referred in Bocken, Short, Rana & Evans, 2016).

2.2.1 The Building Blocks

Osterwalder & Pigneur (2010) argue that a business model best can be described through nine building blocks showing the logic of how a company intends to make money. The building blocks cover four areas of business: value offer, customers, infrastructure, and finance. Each of the building blocks are described next.

Value Propositions

Organizations seek to solve customer problems and satisfy customer needs through value propositions (Osterwalder & Pigneur, 2010). The value proposition is all the benefits in the form of services and products a company offers to its customers to fulfill the requirements of different customer segments. The customers may value quantitative aspects such as price, or qualitative aspects such as design or experience. Osterwalder & Pigneur (2010) list eleven elements contributing to value creation, among them performance, customization, brand, and price. Organizations need to be aware of what value they deliver to their customers and what problems they are helping to solve. Additionally, they must be aware of which needs they are satisfying in each customer segment.

Customer Segments

Customers are the foundation of any business model. The segments consist of the different groups of people and organizations a company aims to reach or serve (Osterwalder & Pigneur, 2010). Customers may be grouped into different segments with common attributes, and the business model can be formed to satisfy the specific needs of these segments. Types of segments are mass market, niche market, segmented, diversified, and multi-sided platforms.

Customer Relationships

Different types of relationships are established and maintained with each customer segment and can range from personal to automated (Osterwalder & Pigneur, 2010). The relationships may be driven by three types of motivations including customer acquisition, customer retention, and boosting sales.

Channels

The value proposition is delivered to customers through different channels of communication, distribution, and sales. Choice of channels plays an important role in the customer experience and depends on the purpose and the stage in the purchasing process (Osterwalder & Pigneur, 2010). This purchasing process has five distinctive phases: awareness, evaluation, purchase, delivery, and after sales. For example, social media can be used for making awareness, and online shops for the purchase phase.

Key Partnerships

The network of suppliers and partners are used to create alliances to optimize the business model. This way, companies can achieve an economy of scale or scope, reduce risk and uncertainty, or acquire particular resources and activities (Osterwalder & Pigneur, 2010). Some activities may be outsourced, while some resources may be acquired outside the company. The authors distinguish between four types of partnerships; strategic alliances between non-competitors, cooptation, joint ventures, and buyer-supplier relationships.

Key Activities

The key activities are the most important activities the company must perform to make the business model work and operate successfully (Osterwalder & Pigneur, 2010). They are required to create and deliver the value proposition and to reach and retain relationships with the different customer segments. Activities may be related to problem-solving, production processes, and use of platforms and networks.

Key Resources

The key resources include the most important assets required for the company to create and offer their value proposition, reach markets, retain relationships with the segments, and earn

revenues (Osterwalder & Pigneur, 2010). The resources can be physical, financial, intellectual, or human.

Cost Structure

The cost structure includes all costs incurring when operating the business model (Osterwalder & Pigneur, 2010). The costs are a result of the decisions made in the other building blocks and can be calculated after defining the key resources, activities, and partnerships. Cost structures include fixed costs, variable costs, and economics of scale or scope. Osterwalder & Pigneur (2010) divide business models into the two types cost-driven and value-driven, even though many business models fall in between. Cost-driven business models aim at maintaining a lean cost structure with low-price value propositions. Value-driven business models mainly focus on value creation through personalized service and quality.

Revenue Streams

When companies successfully offer their value propositions to its customers, revenue streams are generated (Osterwalder & Pigneur, 2010). The company must assess what value the customers are willing to pay for. On the basis of this, the organization can generate different revenue streams from each segment. The business models may have different pricing mechanisms grounded in two types of revenue streams: transaction revenues from one-time payments and recurring revenues from ongoing payments. Further, there are two types of pricing mechanism: predefined fixed prices and dynamic prices based on market conditions. Revenue streams may be generated through asset sales, usage fees, and subscription fees.

2.3 The Circular Economy

The economy today is characterized as linear, meaning that it follows a take-make-use-dispose resource flow. According to a report by the World Economic Forum (2014) “three billion middle class consumers are expected to enter the global market by 2030, driving unprecedented demand for goods and services” (p.4). This development will lead to an increasing need for production resources. If this linear resource flow continues, the world will experience scarcity of crucial natural resources within fifty years (World Economic

Forum, 2014). According to the Ellen MacArthur Foundation (2015), the alternative is a circular economy, a system that “aims to keep products, components, and materials at their highest utility and value at all times” (p.2). This circularity will reduce the pressure on natural resources and can give positive economic impacts for both businesses and consumers. As shown in Figure 1, the Ellen MacArthur Foundation (2015) distinguishes between two cycles in a circular economy: the biological cycle and the technical cycle. The biological cycle involves the use of renewable materials in the production which are designed to be returned to nature through composting. The technical cycle entails recovering of finite materials for reuse. McDonough and Braungart (2010) base their definition of a circular economy on the technical cycle. They describe it as a restorative and regenerative economy, aiming to increase the resource flow by reusing and repairing materials, components, and products to extend the life cycle. Instead of disposing of products, the products or its materials are reused.

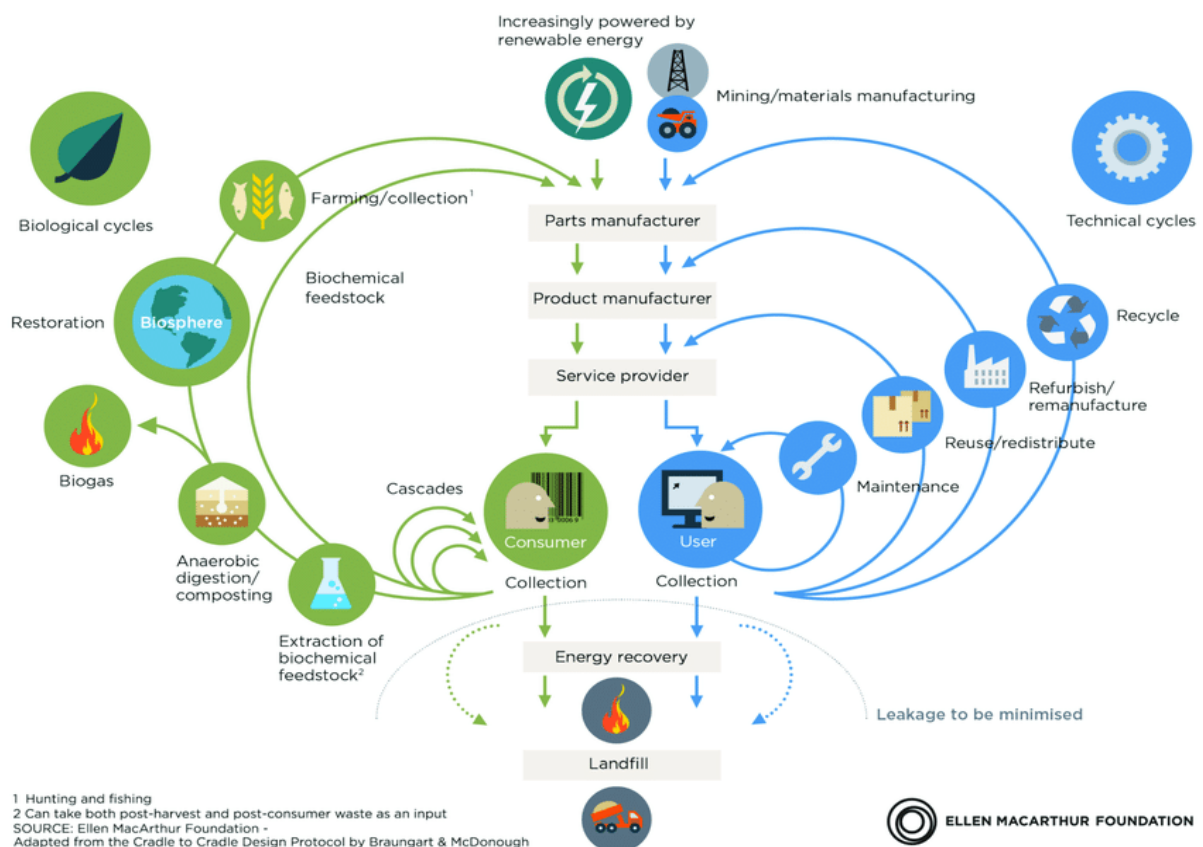


Figure 1: The biological and technical cycles of a circular economy (Ellen MacArthur Foundation, 2015)

Braungart, Bondesen, Kälin and Gabler (2008) compare these economic cycles and introduce two new terms to describe linear and circular models. They refer to the linear flow of materials as “cradle-to-grave”, and the circular flow of materials as “cradle-to-cradle”. Stahel (1994) looks at “closed-loop systems” and differentiates between reusing and recycling of materials in order to close the loop. Bocken et al. (2016) build on the work of Stahel (1994) and Braungart et al. (2008). The authors introduce two fundamental strategies to create a circular flow in the economy. The first strategy is called slowing the loop, which aims to extend the use of products by focusing on durable design. This can be done by providing services such as repair and remanufacturing, or improved quality. To support this change, companies must redesign their supply chain to include new integrated stages in the process. The second strategy is to close the loop between post-use and production, aiming to eliminate waste. When the products are in the post-use stage, they are sent back into the production process. To make this possible, products must be designed for dis- and reassembly (Bocken et al., 2016). To achieve a circular economy, companies need to transform their linear business models into circular ones. The consultancy firm McKinsey & Company have estimated that there is enormous profit potential for companies developing circular business models (Jørgensen & Pedersen, 2018). Such business models can reduce pollution, give cost reductions, generate new revenue streams and give better risk management (Jørgensen & Pedersen, 2018). The ideas of Braungart et al. (2008), Stahel (1994) and Bocken et al. (2016) can be used to achieve circularity.

2.3.1 Closing the Loop in Fashion Supply Chains

Similar to the rest of the economy, most supply chains in the fashion industry are linear. They are characterized as complex and dynamic (Lowson, King & Hunter, 1999). The supply chains of fast fashion companies are mainly concerned with low costs and short lead times (Masson, Iosif, MacKerron & Fernie, 2007). In this traditional linear supply chain, the process stops at the customer and the clothes will ultimately end up as waste. In order to slow down and close the loop in a fashion supply chain, companies need to make changes in the last stages of the supply chains. The design of circular supply chains can be done in five ways: leasing, repair services, reuse of materials or products to resell, refurbish, and renew products, and upcycle resources and materials for reuse (Jørgensen & Pedersen, 2018). Common for these services is that they involve new activities which may close the supply

chains. A precondition for becoming more circular in the fashion industry is that the clothes must be of high quality and durability (Ellen MacArthur Foundation, 2017). One way for organizations to close the loop of their supply chain is through building new business models based on the phenomenon of collaborative consumption.

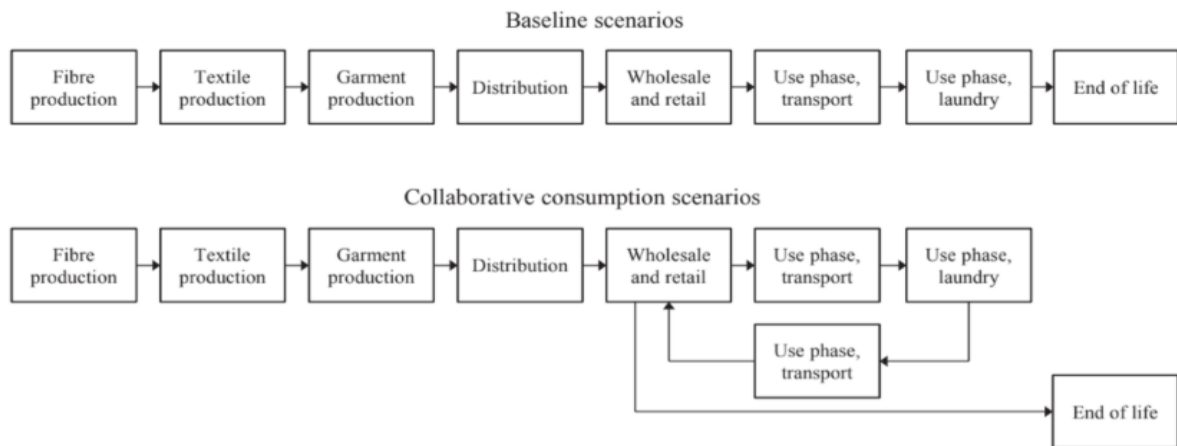


Figure 2: Phases in a linear versus circular supply chain (Zamani, Sandin & Peters, 2017)

2.4 Collaborative Consumption

2.4.1 The Phenomenon of Collaborative Consumption

Collaborative consumption became a well-known term after Botsman and Rogers (2010) released their book “What’s mine is yours: The rise of Collaborative Consumption”. The authors define the term as an approach to business which entails business models for sharing rather than owning. This includes renting, lending, trading, bartering, and swapping of products, services, or immaterial resources from private consumers or companies. Belk (2014) criticizes Botsman & Rogers’ definition for being too broad for including sharing activities such as couchsurfing where there is no compensation involved. Instead, he defines the term more narrowly as “people coordinating the acquisition and distribution of a resource for a fee or other compensation” (p.1597). Collaborative consumption is ultimately about people sharing and collaborating to meet certain needs, whether it concerns transportation, accommodation, or clothes. This way of consuming is therefore not just about what products we consume, but how we consume them. Well-known examples of the concept are Airbnb and Zipcar where people share their homes and cars. Collaborative consumption is expected to transform the way companies think about their value propositions (Botsman and Rogers,

2010). Botsman (2012) suggest that “collaborative consumption could be as important as the Industrial Revolution in terms of how we think about ownership” (18:31). The concept has existed for a long time, for example in the form of libraries. However, it is happening in bigger scales and other forms than before and have created a culture of “What’s mine is yours”. This is because technology has made the gap between effort and benefit narrower. Today there are online platforms that automate the coordination and make it easy and convenient to connect with others.

2.4.2 Collaborative Consumption in the Fashion Industry

McKinsey & Company (2018) projected two trends to evolve in the fashion industry in 2019: the end of ownership and a higher proportion of pre-owned or rented products in consumers’ wardrobes. These trends are a part of collaborative consumption and show how prevalent this concept is expected to become in the fashion industry. However, there are two crucial underlying principles of collaborative consumption that need to be fulfilled for these two trends to be successful. These preconditions are critical mass and idling capacity (Botsman & Rogers, 2011). Critical mass is when there are enough clothing pieces for everyone to find something they like and fit, and feel that they have chosen well. Therefore, one challenge for businesses operating in the fashion industry is to have both a large enough product assortment of varied styles, as well as the correct sizes for everyone. At the same time, the fashion items must have idle capacity for collaborative consumption to be purposeful (Bosman & Rogers, 2011). For clothes that are left unused most of their lifetime, it is possible to better utilize the capacity by sharing with others or redistributing them to new homes. According to Svensson (2016), consumer textile waste has more than 75 percent of usage life left, which shows that there is huge potential for implementing business models based on collaborative consumption in the fashion industry.

2.4.3 Motivations for Collaborative Consumption

The motivations for engaging in collaborative consumption for both companies and consumers can be social, economic, sustainable, ethical, and practical (Botsman & Rogers, 2010). This may include saving or making money, saving space or time, and doing the right

thing. For companies, the main motivation for developing business models based on collaborative consumption is more efficient use of resources through improving the capacity utilization. Unutilized capacity is referred to as structural waste, a form of waste where products have idle capacity costs (McDonough & Braungart, referred in Jørgensen & Pedersen, 2018). Cost savings is, therefore, a positive implication since no one gains any benefits when products are idle, yet the owner has to pay the costs. Mont (2002) and Botsman and Rogers (2011) emphasize that the use of collaborative consumption will reduce the environmental burden of the consumption of products and inspire consumers to be more mindful about their buying habits. The driving motivation may not be the sustainable aspect, but it is a positive consequence. The environmental impacts of products are reduced by extending their lifecycle, which can lead to reduced waste and saved production costs. This can be done by closing the loop of the supply chain through reusing, repairing or redistribution, and recycling when the products can no longer be used. In the fashion industry, this can result in a huge reduction in the environmental burden compared to purchasing new clothes made from new materials (Woolridge, Ward, Phillips, Collins & Gandy, 2006). As mentioned in the section of circular economy, a precondition is to make the clothes as durable as possible, as well as designing them so that they can easily be updated, broken down, and repaired when needed. These models reduce the number and buying frequency of new clothes one consumer needs, and the utility of each garment will be maximized.

2.4.4 Categories of Collaborative Consumption

Botsman & Rogers (2011) organize different types of collaborative consumption into the three systems collaborative lifestyles, product service systems, and redistribution markets. Collaborative lifestyles involve peer-to-peer platforms where like-minded people share or exchange intangible things, such as time, space, skills, and money. Product service systems is the concept of delivering the value proposition through offering a product as a service (Bocken, N., Short, S. W., Rana, P. & Evans, S., 2014). In redistribution markets, used goods are moved from where they are no longer needed to where they are needed. Duml, Perlecia & Saebi (2017) have developed a business model framework which explores several archetypes for different forms of fashion-sharing. The framework consists of the five elements value proposition, customer segments, channels, costs, and revenue structure. The

archetypes are classified into either product service systems or redistribution markets. This subsection will focus on one archetype for fashion rental and one for second-hand sale.

Product Service Systems

Mont (2002) defines product service systems as “a marketable set of products and services capable of jointly fulfilling a user’s need”. The most common form is the usage product service system model where a company or individual gives people access to products, tools, and capabilities on a temporary basis to fulfill their needs. This form of collaborative consumption enables products to be shared or rented, thus changing the way we consume to usage rather than ownership (Botsman & Rogers, 2011). The replacement of product sales with product service systems is referred to as servitization (Kastalli & Van Looy, referred in Jørgensen & Pedersen, 2018). Product service systems may be suitable for products with high idling capacity, diminishing value after use, or high purchasing costs. This system allows items to be shared multiple times and the life cycle of each product will be extended. This new way of consuming particularly resonates with millennials, the first “born digital” generation born between 1985 and 2000. The millennials have a different relationship with ownership than older generations. They grew up in an increasingly collaborative world where sharing services such as Netflix and Spotify were more common than owning movies and CDs (Botsman & Rogers, 2011). This is supported by UPS in the report “2016 Pulse of the Online Shopper”. This report concludes that one in ten online shoppers has rented a product online in the last year, and millennials are three times more likely to have rented a product online than non-millennials.

The “Fashion Netflix” model is a business-2-consumer model where companies lease fashion items to their customers (Duml et al., 2017). The companies operate as a distributor of clothes, and the ownership of the fashion pieces is temporarily transferred to the customers. This model is suitable for clothes with a short life span, high value, or low usage. This may include luxury or high-quality clothes, children and maternity clothes, formal wear, and outdoor and activewear. Some examples of companies which have implemented the “Fashion Netflix” model are Bergans, Fjong, VIGGA, and Filippa K. The value proposition can satisfy different needs or motivations for different segments. It can satisfy customers wanting to try new styles and trends often and value the experience the fashion item gives them without the need for ownership. Other customers believe that it is not worth spending much money on items they only need for special occasions. Additionally, high-

quality items become available to more customers due to lower prices. Some companies offer to “try before you buy”, for example Rent the Runway and Le Tote (Hooker, 2018). This gives customers the option to try a product they consider buying. The channels for rental in a “Fashion Netflix” model can either be physical stores or online channels such as web stores. Duml et al. (2017) suggest two different payment methods to generate revenues: pay-per-use and subscription fees. In a pay-per-use payment method, the customers pay for each item rented for a specific rental period. The benefit of this method is the possibility to only rent when the items are needed. In the subscription-based payment method, the customers sign up for membership and pay a recurring fixed fee for access to a assortment of clothes. Other revenue streams may be late fees and insurance fees. The costs are mainly linked to the new activities of shipping, cleaning and repairing services (Duml et al., 2017). Even if these new activities required to share the clothes between the customers contributes to pollution, this transfer creates less negative impact than the materials and transportation required to produce a new product and its disposal (Botsman & Rogers, 2011).

Redistribution Markets

Botsman & Rogers (2011) define redistribution markets as “social networks enabling used or pre-owned goods to be redistributed from where they are not needed to somewhere or someone where they are” (p.97). Redistribution markets encourage reselling of products that are no longer in use but are still in good enough condition to be passed on to a new home. This prevents usable products from ending up in the landfill. Unlike usage product service systems, where ownership is transferred temporarily, these resale models transfer ownership between users on a permanent basis. These models challenge the traditional relationship between suppliers, retailers and customers (Botsman & Rogers, 2011). The consumers move from being a passive receiver to an active participant in the form of a supplier. One challenge in these models is that they require a network effect, where the model becomes more valuable with every new user on both the supplier and customer stage of the supply chain. Critical mass is crucial in the second-hand models because the company depends on having a large enough assortment for everyone to find something they both like and fit.

In the “Pre-loved” model, companies act as a redistributor by reselling used clothes consumers have sold or donated (Duml et al., 2017). This form of collaborative consumption has existed for a while in both business-2-consumer and peer-2-peer markets. In the fashion industry, examples are flea markets and consignment stores such as Fretex, and online

platforms like Finn.no. However, an emerging trend the last years is that some brands, for example Houdini Sportswear and Bergans, have started to collect or buy their own pre-loved clothes from consumers to resell them as second-hand products (Houdini Sportswear, 2019A; Bergans, 2019A). The value proposition of this model is to find new owners for clothes that are still in good condition. The customer segment is primary low-budget consumers or consumers concerned with reducing their environmental impact. Physical stores are the main channel for selling second-hand clothes, but online channels can also be used. The pricing mechanisms must take into account both the seller and the buyer. The revenues come from the selling price excluding the possible payment to the selling consumer (Duml et al., 2017).

2.5 Summary

The textile industry contributes massively to growing pollution, waste, and other environmental problems, and the companies operating in this industry must take their share of responsibility. An increasing number of companies in the fashion industry have implemented business models based on collaborative consumption, and it is crucial for firms to consider this possibility in order to stay competitive. They should consider if developing a business model based on collaborative consumption can be both profitable and sustainable. According to the founder of Houdini Sportswear, Eva Karlsson, the company receives higher overall margins by combining rental and resale in addition to their original sales model (Ellen MacArthur Foundation, 2017). The new models allow them to reach out to new customer segments and serve the current segments in new ways. Their success shows that collaborative consumption may be a great initiative for becoming both more sustainable and profitable.

3. CASE DESCRIPTION OF HELLY HANSEN

3.1 Overview

Helly Hansen is a clothing brand making professional grade gear for skiing, sailing, outdoors, and other activities (Helly Hansen, 2019). The company was established in 1877 when the Norwegian sea captain Helly Juell Hansen found a better way to make clothes protecting the sailors against the harsh Norwegian weather at sea. He used coarse linen soaked in linseed oil to make waterproof oilskin jackets, trousers, sou'westers, and tarpaulins. One year after, Helly Hansen won a diploma for excellence at the "World Expo" in Paris and began exporting the products. Since then, the company has innovated and launched quality clothing from several other materials. Examples are the breakthrough breathable material called "Helly-Tech" in the 1980s, and the award-winning H2Flow temperature regulating system. Helly Hansen's values include authenticity, dynamism, honesty, integrity, and teamwork. In 2015, Helly Hansen developed a new long-term growth strategy stating that "Helly Hansen makes professional grade gear to help people stay and feel alive", building on their 140 years of heritage (Helly Hansen, 2018). Today, the company is internationally known for its quality performance clothes. Their clothes are worn and trusted by more than 55.000 ski professionals, including Olympians and members of National Teams, and at more than 200 ski resorts and mountain guiding operations around the world.

3.2 Product Portfolio

Helly Hansen is a market leader of technical quality-clothes for outdoor, activewear, and premium workwear. Their products are sold in more than 40 countries, with Norway, Canada, The United Kingdom, The United States of America, and Sweden as the core markets (Ploutos Investing, 2018). The primary category is outdoor and activewear, which includes the product categories skiing, mountain, sailing, baselayer, and urban (see Figure 3). The CEO, Paul Stoneham, has stated that Helly Hansen will continue to build a more consumer-centric, focused, and financially strong company. This is done by focusing on the core products through reducing the style and color count and investing in brand development and innovation (Helly Hansen, 2018).

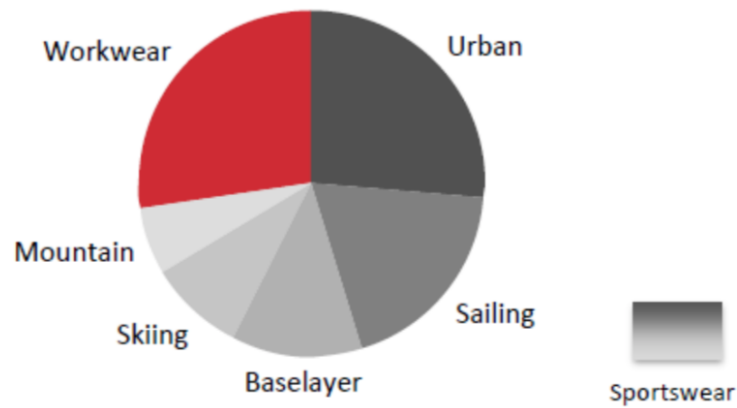


Figure 3: Helly Hansen's revenues divided by product category (Ploutos Investing, 2018)

3.3 The Current Business Model

Business Model Canvas

Key Partners - Sports retailers - Suppliers of fabrics - Logistic companies - Ambassadors	Key Activities - Research and development: innovation and design of technical materials and textiles - Production of textiles - Sales and marketing	Value Proposition - Make professional grade gear to help people stay and feel alive - Be the consumers' preference for professional grade gear on mountains, oceans, work-sites, and the street - The brand professionals trust, use and recommend to peers and clients - Performance quality, style and comfort - Scandinavian design	Customer Relationships - Active use of social media - Storytelling - Newsletter to mail subscribers with news and promotions - Student discount 10 percent	Customer Segments - Outdoor and active performers - Quality-conscious consumers with a medium to high willingness to pay
	Key Resources - Tangible: inventories, stores, factories, innovative quality textiles - Intangible: ambassadors, employees, brand, customer database		Channels Stores: Offline and online Communication: Website and social media (Facebook, Instagram, Pinterest, Youtube and Twitter)	
Cost Structure - Research and development - Production and operation - Marketing - Human resources			Revenue Streams - Income model: sale of outdoor and activewear	

<https://strategyzer.com/canvas/business-model-canvas>

Devised by Alexander Osterwalder

Figure 4: The Current Business Model of Helly Hansen

4. METHODOLOGY

In this part we will outline the methodological approach chosen in order to answer the research questions. Firstly, the research design used for the analysis will be presented. Further, the population, sampling, and questionnaire design will be explained. Then, a brief description of the techniques used to analyze the data is given. Lastly, we will assess the quality and ethical concerns of the study.

4.1 Research Design

Saunders, Lewis & Thornhill (2016) define the research design as “the general plan of how one will go about answering the research questions” (p.163). There are three different research designs to use as a basis for the study: explorative, descriptive, and explanatory. The design depends on the purpose of the thesis, in addition to how much research is previously done on the topic. In this thesis, the purpose is to explore whether there is consumer acceptance for rental-based and second-hand business models in the outdoor and activewear market and to suggest new business models based on the consumer insights. This topic has previously been explored for peer-2-peer and business-2-consumers. However, it has been narrowly explored for rental and second-hand sale directly through the brand itself, especially in the outdoor and activewear market. Therefore, an exploratory design is used with the purpose to seek new insights into a topic with limited research. A time horizon has to be set for the study. Limited by time and resources, which is due to the nature of a master thesis, a cross-sectional time horizon will be used. This means that a particular phenomenon will be studied at a particular time (Saunders et al., 2016). In order to answer the three research questions, the thesis is structured into three parts. Firstly, conceptual business models based on theory are outlined. Then, a questionnaire is conducted and analyzed to check for consumer acceptance. Lastly, the business models are modified on the basis of the consumer insights revealed.

4.1.1 Theory-based Conceptual Business Models

In order to develop the theory-based conceptual business models, an extensive literature review was conducted. The framework used for outlining the conceptual models for rental

and second-hand is the Business Model Canvas by Osterwalder & Pigneur (2010). This recognized framework is used because it is widespread and well-known. When outlining the models, the current business model of Helly Hansen is used as a starting point. Further, theory on the fashion industry and fashion consumers, circular economy, and collaborative consumption is used for developing the content of the business models.

4.1.2 Questionnaire to Check for Consumer Acceptance

Consumer acceptance of the models is important. In order to capture consumer preferences related to the new business models, a quantitative approach is used to gather structured numerical data from a sample of the population. The aim of using a survey is to study the characteristics of the target population and understand their attitudes, motives, and opinions to the phenomenon of interest (Chrysochou, 2017). The strategy chosen is an electronic questionnaire developed in Qualtrics Survey Software, enabling us to collect data from as many respondents as possible. The focus is on gathering consumer data to explore different aspects of collaborative consumption, giving the study an inductive approach (Saunders et al., 2016).

4.1.3 Modified Business Models Based on Survey Results and Competitors

The consumer insights revealed in the questionnaire is further used to modify the conceptual business models for Helly Hansen. Additionally, some aspects of rental and second-hand business models of similar companies are reviewed to check how other collaborative consumption business models in the outdoor and activewear market are outlined. Lastly, the final business models are presented.

4.2 Population and Sampling

The population must be defined in order to decide which consumers to research. The target population consists of Scandinavian consumers over the age of 18 years, who are potential new customers of the rental and second-hand models. This age group is chosen because we assume that most people over the age of 18 make their own purchasing decisions. On request

from Helly Hansen, the Scandinavian market is chosen to limit our research. They assume that most consumers in this market have similar mindsets regarding sharing and ownership of clothes. Additionally, Scandinavia is the main market for Helly Hansen and this is where they first want to launch the new services. It is difficult to collect data from the entire population, so a sample must be chosen. Neither is it manageable to get an overview of the whole population, and for this reason, we need to use a non-statistic sample. This implies that we have to choose the sample size and respondents subjectively rather than through a formal statistical method. A volunteer sampling in the form of a self-selection is used, where the questionnaire is sent to potential respondents, and data is collected from those who decide to participate (Saunders et al., 2016). These voluntary respondents will constitute the final sample.

There is no right or wrong sample size suggested in the literature. Due to the broad characteristics and diversity of the target group in the survey, our population is presumably heterogeneous. A heterogeneous population requires a sufficiently high sample size to capture more representativeness in order to provide confidence in the data (Saunders et al., 2016). To reach out to enough potential respondents, we sent a request to the school administration at NHH for a mailing list consisting of all the students. NHH-students can be a good sample group because we assume that they have high enough cognitive capabilities to understand the importance of making more sustainable choices. Additionally, using NHH-students is both a resource and a time-efficient way to increase the sample size. The questionnaire was distributed to all 3046 students, where 190 chose to participate. 5 of them identify themselves as employees and are further included as employees in the analysis. Some of the respondents in the student sample are international students and are excluded. This is because we assume that they are living in Scandinavia on a temporary basis and are not a part of the target population. This is taken account for by the exclusion of international students through a filtered question in the questionnaire. However, NHH students are a very homogeneous group considering their age and purchasing power. Therefore, the questionnaire was also distributed by the Resource & Development Manager at Helly Hansen to their employees, where 55 chose to respond. We consider these respondents not to be biased because the questionnaire asks for general consumer preferences regarding renting and second-hand sale of outdoor jackets and are not linked to Helly Hansen in any way. One challenge when using questionnaires for heterogeneous populations is to ensure sufficient

response from different groups of the population. To increase the response rate, an incentive in the form of a raffle of cinema gift cards was included.

The optimal sample would have consisted of an equal distribution of students and employees. This was difficult to achieve because we could not control how many from each of the two groups that chose to participate when using the self-selection method. The questionnaire was concluded after two weeks when we assumed that all respondents who wanted to participate had completed the survey. We ended up with a final sample size of 210 responses, which we assumed to be sufficiently high for further analysis.

4.3 Design of the Questionnaire

In this subsection, the structure and the intention of each part in the questionnaire will be explained (see Appendix A). The questionnaire is highly structured, meaning that the respondents answer the to same questions with mainly predefined response alternatives (Saunders et al., 2016). This provides data which is easy to both interpret and analyze. The purpose of the questionnaire is to learn more about consumer preferences related to rental-based and second-hand business models of outdoor jackets in the Scandinavian market. To cover different aspects of consumer behavior, the questionnaire is structured into four parts in the respective order: personal information, buying behavior in general, consumer preferences related to rental and second-hand, and the willingness to pay.

4.3.1 Part 1 - Personal Information

In Part 1, we will collect information about gender, age, yearly income and employment status. In order to ensure that the respondents meet the requirement of the population, the students will be asked a filtered question if they are Scandinavian or international. These demographic variables allow us to see how well the respondents represent the desired sample. Additionally, this information can be used to check if there are differences in the consumer behavior across these groups.

4.3.2 Part 2 - General Buying Behavior

In Part 2, the intention is to collect information regarding consumers' buying behavior of outdoor jackets. We first ask which of the three jackets the respondents currently own, and how often they buy new outdoor jackets. These questions can reveal if the principle of critical mass in the second-hand model can be fulfilled. This is an important insight because there have to be enough consumers returning their used clothes in order for the assortment to be sufficient. The last question asks the respondents to rank the relative importance of seven common attributes when buying new outdoor jackets. This can be used to define the value propositions and reveal why people buy new jackets. The attributes included are sustainable production and consumption, low price, brand name, trends, express personality, symbolize social status, and quality. The attributes are chosen on the basis of the Consumer Style Inventory by Sproles and Kendall (1986) and the various customer types by the Ellen MacArthur Foundation (2017) discussed in the literature review. We have included both tangible and intangible attributes in order to catch the most important aspects. We have chosen a ranking question to ensure that the respondents have to compare the importance of each of the attributes. If a rating had been used, there could have been a risk of respondents choosing the same response alternatives for several attributes. Therefore, the attributes ranked at the bottom may still be important, but not relative to the others.

4.3.3 Part 3 - Consumer Preferences Related to Rental and Second-hand

In Part 3 of the survey we aim to collect information regarding consumer acceptance and preferences related to renting and second-hand. It consists of two subparts: assessment of statements and ranking of potential motivations for second-hand and leasing. We have included four statements regarding the respondents' acceptance of the new business models. The first statements reveal the degree of acceptance for leasing ski jackets and everyday jackets if professionally cleaned by the brand. The next two statements show if the respondents would be willing to pay more for second-hand ski jackets and everyday jackets if they are professionally cleaned and quality-proven by the brand. The reason for assessing if they would pay more is because there already is acceptance for buying second-hand on peer-to-peer platforms and in consignment stores. By selling second-hand directly through the brand, it may be possible to increase the value through selling quality-proven clothes. We

aim to reveal if the respondents would be willing to pay more for this. These statements will reveal how many respondents may be interested in using the services, and if there is a varying degree of acceptance for special occasion jackets and everyday jackets. The results of this part are essential for determining the potential of the new business models.

Additionally, two statements regarding which channels they prefer the services to be offered through are included. This is important insight because availability and convenience are crucial to ensure that consumers take the new services into use. A five-point Likert-scale ranging from “Strongly disagree” to “Strongly agree” is used and is a commonly used scale for gathering quantitative data (Beech, 2015). A scale with odd numbers gives the possibility to include a neutral midpoint. The next two questions include a ranking of motivations for renting and second-hand sale of outdoor jackets. The motivations included are built on the theory on collaborative consumption. This insight is important in order to base the value propositions on what the consumers value.

4.3.4 Part 4 - The Willingness to Pay

The last part reveals the maximum prices the respondents are willing to pay for renting and buying second-hand outdoor jackets. In this part, we chose to use a text entry box where the respondents could freely write a number since this is the neatest way to display the questions. This information is further used in the analysis to discuss the pricing strategy of the new business models. The first questions in this part ask about the maximum prices for renting the three jackets for 30 days, and ski jackets for one weekend and one week. Ski jackets are usually needed for special occasions or short periods of time, which is the reason for including the option of shorter rental periods. The rest of this part ask for the maximum prices the respondents are willing to pay if buying second-hand outdoor jackets quality-proved by the brand itself.

4.4 Data Analysis

This part describes the different techniques and statistical tests used for the data analysis. The analysis of the results is based on the data collected in the questionnaire and is presented in Part 6. Firstly, the dataset is prepared for analysis by removing incomplete responses and

answers from international students. We start by presenting the results for each set of questions. Descriptive statistics, line charts, and rankings will be applied to visualize the data and are developed in Qualtrics and Microsoft Excel. In the next subsection, correlations between the some of the variables are presented using cross tables and line charts. Chi-square independence tests of significance will be conducted for the more important correlations even though the sample is biased and cannot be generalized. The results can still be used to explain the consumer behavior of our sample and may still be an indication for the rest of the population. To conclude the analysis, the main findings are summarized.

4.5 Quality of the Study

4.5.1 Data Reliability

Reliability refers to the replication and consistency of the data in a study. Saunders et al. (2016) state that “if a researcher is able to replicate an earlier research design and achieve the same findings, then that research would be seen as being reliable” (p.202). There are four possible errors or bias of the participants or the researchers which may affect the reliability. Participant error or bias include factors affecting the way the participant performs or induces a false response and are the biggest threats when using questionnaires. First, the incentive may have decreased the reliability. Incentives are often needed to ensure enough responses. However, one inherent weakness when using incentives in questionnaires is that respondents may rush through the questions in order to enter the raffle. To avoid errors in the participant, we conducted a pilot study on four people of different ages and employment statuses to test the understanding, response time, and the simplicity of the survey. Based on the feedback, we made some minor adjustments to formulations and made the structure and layout clearer. We tried to make the questionnaire as short as possible without affecting the quality and ended up with a predicted duration of 5-7 minutes. The most time-consuming and tough questions were placed last because they were less important, so an increased respondent break-off at this stage had less impact for the analysis. Additionally, we ensured the participants that the questionnaire is completely anonymous. This anonymity may decrease the social desirability bias, which is a bias where respondents answer what is considered politically correct instead of their own opinions (Saunders et al., 2016). By taking these possible threats into account in the questionnaire design, we believe that the degree of reliability of our research increases.

4.5.2 Data Validity

The purpose of validity is to assess the degree of appropriateness of the measures used, the accuracy of the results, and generalizability of the findings (Saunders et al, 2016). Validity is separated into two types: external and internal. External validity is the extent to which the results of the study can be generalized to other contexts. When assessing if the sample is representative for the population, there are two aspects to consider. The first aspect to consider is the sampling technique used. Saunders et al. (2016) state that when using a self-selection technique, the likelihood of the sample being representative for the population is low. However, since we did not have an overview of the whole population in the form of a sample frame, a self-selection technique had to be used. This may have decreased the external validity of our study.

The next aspect to consider is the composition of the respondents in the sample. When having a heterogeneous population, sampling bias is a threat to the external validity. We tried to capture the diversity of the population in our sample to make it representative by including both students and employees. Therefore, an equally large sample size from the two groups was desired to ensure representativeness. The incentive used may have increased the external validity through a higher response rate. We added forced response to all of the questions to avoid missing data. However, this may have affected the completion rate through higher dropout. The sample size of 60 employees was not as large as desired in order to compare the group with the larger sample of students. Neither was it large enough to generalize the results of this group to all employees in the population. Nevertheless, the results may be an indicator of their consumer preferences. On the other hand, due to the large share of students, 150 of 210 respondents, it is possible to say something reasonable about this group or other groups with similar characteristics. As a result of this distribution, the sample is biased and we do not capture the diversity of the population. As a consequence, the external validity of our study is weakened. Biased samples are a common problem when using questionnaires, especially due to the nature of a master thesis. The external validity could have been increased if we had enough resources to ensure a more representative sample, for example by using a market analysis company offering panel surveys.

Internal validity, called measurement validity for questionnaires, refers to the questionnaire's ability to measure what it is intended to measure (Saunders et al., 2016). One type of measurement validity is content validity, described as the extent to which the questions

adequately cover the research questions. This can be ensured through assessing if each of the questions asked is essential or not. As explained in the design of the questionnaire, each question was carefully thought through. We made sure that the questions covered all aspects of the research questions in order to answer them extensively. The questionnaire was approved by the Research & Development Manager in Helly Hansen to make sure we asked solid and sufficient questions. One inherent weakness in questionnaires is that the questions and response alternatives are interpreted subjectively by each respondent. For instance, Question 8 revealed the degree of acceptance for renting and buying second-hand directly from the brand, and the respondents may have interpreted the options of the Likert-scale differently. The response alternatives of the attributes may also be interpreted differently. The respondents may have different motivations during their purchasing process, which may have affected the ranking of attributes. “Brand name” is one of these attributes, which could have been interpreted as for example brand loyalty, high-quality clothes, or status. Our intention was that brand name should be interpreted as brand loyalty because “Quality” and “Symbolize social status” was separate attributes. Subsequently, we recognize that respondents may have different interpretations of this attribute, and that we should have specified this more precisely. Such deviations between what we intended to measure and what we actually measured may have reduce the internal validity.

4.6 Ethical Concerns

Saunders et al. (2016) define research ethics as “the standards of behavior that guide your conduct in relation to the rights of those who become the subject of your work, or are affected by it” (p.239). The questionnaire itself does not contain questions we consider sensitive. However, in Part 1 we ask for the respondents’ income in order to assess their socioeconomic position, which can be perceived as sensitive by some respondents. To assure the privacy of the respondents, the results are completely anonymous. This is clarified in the invitation email and the introduction of the questionnaire. We anonymized the survey in Qualtrics in accordance to the guidelines received from the school administration, meaning that we do not record any contact association such as IP-addresses. The respondents who choose to enter the raffle are asked to enter their email, and we assure them that their email will not be linked to their answers. This is done by making an independent survey which the respondents are redirected to if entering the raffle. Since we have followed the guidelines for anonymizing the responses, NSD notification and approval was not required.

5. CONCEPTUAL BUSINESS MODELS

Based on the framework by Duml et al. (2017) for fashion-sharing business models we will outline the value creation, value delivery, and value capturing of the potential new business models for Helly Hansen. First, the conceptual business model for the rental service will be outlined, thereafter the second-hand business model. The nine building blocks of the two business models will be discussed and visualized using the Business Model Canvas.

5.1 Rental-based Business Model

The rental-based business model includes two types of rental services with different time perspectives: short-term and long-term. Each service can satisfy different needs and reach different customer segments.

1. Service 1 - Pay Per Use: In the pay-per-use service, the customers pay a one-time fee for renting outdoor and activewear for a limited leasing period. The leasing periods can either be predefined such as one weekend or one week, or be unlimited with daily prices. The model is suitable for one-time rentals, typically done by consumers who need outdoor and activewear for a specific purpose (Botsman & Rogers, 2011). One example is the need for a ski jacket for a winter holiday.

2. Service 2 - Monthly Subscription: In the subscription service, the customers pay a fixed monthly fee for a predefined package giving them access to a product assortment. The customers can alternate their membership in accordance with their needs by choosing between different packages. The price of the packages will depend on the different benefits included, for instance the varying number of pieces and the frequency of swapping each month. This service is suitable for customers with a long-term need for outdoor and activewear and prefer to change their clothes frequently based on season, style, trend, and fit.

Value Proposition

The value proposition of the rental-based business model focuses on three aspects: convenience, saving money, and environmental matters. These aspects are derived from the literature on consumers' motivations for using product service systems. Convenience may involve saving closet space and customizing one's wardrobe in accordance with current

needs or wants. The customization may be based on current style, trends, season, and fit. The service gives everyone access to outdoor and activewear at a lower price and can save the customers money. Additionally, the service reduces the negative impact on the environment by exploiting the capacity of the clothes to the fullest and thereby preventing overproduction and reducing waste.

Customer Segments

The rental-based business model mainly aims at serving both current customers who can get their needs served in a better way and new customers who cannot afford the clothes without this service. This model can, therefore, give Helly Hansen access to new markets they currently cannot serve and is a new way of serving the old market. The pay-per-use rental service aims at targeting customers with a need for outdoor and activewear limited to rare occasions. This includes one-time users with a short-term need, for example coach potatoes or tourists. The monthly subscription rental service can serve customers with a long-term need for outdoor and activewear. This service is suitable for customers who are avid users of outdoor and activewear with different needs for each season and activity, for example mountain goats.

Customer Relationships

Long-term relationships are especially important in rental models because the customers become more attached to the leasing company, making it more difficult to win customers from the competitors. In order to become the preferred rental service provider on the outdoor and activewear market, Helly Hansen has to focus on establishing and retaining customer relationships. It is important to promote the launch of the service, and Helly Hansen should exploit their social media and website to connect and make awareness of the new rental-based business model. To continue establishing new customer relationships even after the launch, Helly Hansen should keep being active on their social media and website through regular updates regarding new products available for leasing. Additionally, advertising by using their storytelling approach should be used to reach out to all possible customers. In order to retain the customers putting the new rental services into use, they should focus on exceptional customer service. It should be easy to understand the service, as well as to cancel, change, and ask questions. Helly Hansen can encourage them to further use the rental service through reminding them of the value proposition and offering the customers

incentives in the form of good deals. Another way to both establish and retain customers is through incentive-based recruitment campaigns where customers can recruit friends. It is important to adapt the rental service based on the customers' experiences, which can be done by, for example, asking for their opinions after use.

Channels

It is important to consider both channels to offer the service through, and which to use for communication. In order to make the use of the service as effortless as possible, it needs to be easily accessible and convenient. Therefore, the choice of channels is crucial and the consumers' preferences must be taken into consideration. The rental service can take place in both online and offline channels. In order to make the service available for everyone on the Scandinavian market, online channels should be used. The customers can order online and receive the clothes by mail, or reserve online and pick up in store or other pick-up points. These pick-up points can, for instance, be positioned close to the location of the activities, such as ski resorts or cruise ships. It should also be possible to rent offline in Helly Hansen's flagship store in Oslo. The return of the clothes needs to be convenient in the form of many drop-of-points and the use of a reusable shipping bag with a prepaid return tag. When it comes to communication, it is hard to establish and retain customers through personal service from the employees since Helly Hansen only has one physical store located in Oslo. Therefore, marketing through social media is an inexpensive and effective communication tool to reach out to all customers. Helly Hansen can also promote the rental service on their website, posters, television, through sponsorships of influencers and athletes, and to subscribers of their mailing list.

Key Activities, Partners and Resources

In order to deliver the value proposition, certain activities, partners, and resources need to be implemented in the new business model. Implementing a rental service includes four new key activities in the supply chain: inspection, cleaning, tailoring, and managing the rental process. First of all, the returned clothes need to be inspected for damages. This activity requires resources in the form of employees. Next, damaged clothes need to be tailored, and all the returned clothes must be cleaned. For these activities, Helly Hansen must decide whether to perform the cleaning and tailoring themselves, or to outsource the functions. If the functions are outsourced, Helly Hansen needs to establish new partnerships with cleaning

and tailoring firms in order to quality-prove the clothes between rentals. If the service is successful, Helly Hansen should implement a prioritized system for the inspection, tailoring, and cleaning to ensure that clothes with a waiting list are taken care of first. This way, the clothes can be shipped to the waiting customers within a short period of time. To be able to manage the rental process, employees in control of the online rental shop are needed. This also applies to packing, shipping, and handling of the returns. Additionally, there needs to be an IT-system for handling the automatized tasks, for example a system to keep track of the inventory status and waiting lists. At the same time, Helly Hansen needs controllers to keep track of the returns of the clothes and send dunnings if returns or payments are not received.

Cost Structure

In addition to the costs recurring in the current business model, Helly Hansen has to pay for the extra costs involved in managing the rental process. This may include costs for logistics, transportation, cleaning, and tailoring. The employees managing these activities are also a cost. Quality and durability of the clothes are critical to ensure a successful rental model because this will minimize the tailoring costs and the cost of acquiring new clothes to the product assortment. Helly Hansen should consider acquiring insurance to avoid lost income if clothes are not returned and paid for. If necessary, the costs of developing an IT-system can occur. It may be difficult to estimate the costs of the new activities and resources included in the new model, so the service should be tested in advance to gather more information about the costs. This can be done by running a pilot program.

Revenue Streams

The revenues will be generated through rental fees from the two services. The prices should, among other aspects, be based on the prices of similar rental services, costs, demand, and what the consumers are willing to pay. Helly Hansen must consider what should be included in the price, such as shipping and insurance. The prices will depend on the costs occurring in the model. This includes aspects such as how many times the clothes are rented out and their condition, which will affect the costs of inspecting, tailoring, cleaning, transportation, and logistics. The pricing strategy also requires an in-depth profitability analysis, which is outside the scope of this thesis. The prices will ultimately depend on the demand of the leasing service.

Business Model Canvas

Key Partners - Cleaning and tailoring firms if outsourced	Key Activities - Inspection - Cleaning - Tailoring - Transportation - Logistics - Managing the rental process	Value Proposition - Convenience - Saving money - Environmental matters	Customer Relationships <u>Establish relationships</u> - Promote the launch and regular updates <u>Retain relationships</u> - Exceptional customer service - Deals and reminders of value proposition - Improve services based on feedback	Customer Segments - Pay-per-use: customers with a short-term need - Subscription: customers with a long-term need
Cost Structure - Tailoring, cleaning, logistics, and transportation costs - Insurance fee - IT-system - New employees	Key Resources - Clothing assortment - Employees - IT-system	Revenue Streams - Rental fees from pay-pay-use and subscription <u>Price setting</u> - Profitability analysis - Consumers' willingness to pay - Competitors' pricing strategy - Demand	Channels <u>Rental service</u> - Offline: flagship store in Oslo and pick-up points - Online: order online with home delivery <u>Communication</u> - Social media, website, mailing list, sponsorships, and television	

<https://strategyzer.com/canvas/business-model-canvas>

Devised by Alexander Osterwalder

Figure 5: The Conceptual Rental-based Business Model

5.2 Second-hand Business Model

The second business model we will outline is the one for second-hand sale, which encompasses resale of pre-loved Helly Hansen clothes. One important aspect of second-hand business models is that consumers must operate as both a supplier and a customer. Therefore, Helly Hansen depends on both receiving used clothes from consumers, and reselling these clothes to customers. The building blocks of the business model must take into account both the seller and the buyer.

Value Proposition

A study by Gopalakrishnan & Matthews (2018) reveals that cheaper prices are the main motivation for buying second-hand clothes. Getting access to unique, luxury, or vintage clothes with a history may be other important motivations for many customers when buying second-hand clothes. The main value proposition of the second-hand business model is, therefore, to save money through buying gently used outdoor and activewear to a lower price. As revealed in the literature review, hygiene is a barrier for acquiring used clothes for many Norwegian consumers. By offering resale through the brand itself rather than going to

a consignment store or buying directly from the previous owner, the customers are assured that the used outdoor and activewear are quality-proved. This involves that the clothes are professionally cleaned and repaired, which can increase the value of the clothes and give the customer a safer shopping experience. Another motivation is the environmental aspect, where buying second-hand clothes reduces the need for new production.

When the consumer operates as a supplier, the value proposition will be different. The focus is on redistributing clothes that are no longer in use to new homes, and at the same time make money. Additionally, this will simplify the selling process and reduce all the risks involved for the seller through giving Helly Hansen the responsibility of the sales process. In addition, consumers concerned with the environment will minimize their environmental impact. This service allows them to find new homes for their pre-loved clothes that are still in good condition instead of the clothes ending up as waste.

Customer Segments

The target customers of the second-hand model are mainly customers concerned with quality outdoor and activewear. At the same time, they may be price-conscious or want to reduce their environmental impact. This can include both current customers who want to save money, and new customers who cannot afford Helly Hansen today. A common feature of these segments is that they want permanent ownership of the clothes, rather than temporarily ownership through the rental service.

Customer Relationships

Establishing long-term relationships are also important for second-hand sale. This is because the consumers should prefer to buy, donate, or sell pre-loved Helly Hansen clothes through Helly Hansen instead of using consignment stores and peer-to-peer platforms. An important aspect is to make the customers aware of the service through promoting the second-hand sale on social media, to subscribers of the mailing list and, on their website. Additionally, to reach out to new customers and retain customer relationships Helly Hansen should frequently remind the customers of the second-hand sale. As stated in the value proposition, saving money is the most important motivation for buying second-hand. To focus on cheaper prices when promoting the service may, therefore, be a good way to establish and retain customers.

Channels

Different channels are used for the second-hand sale and the communication to customers. The channels for second-hand sale are online stores and physical stores. If shopping online, the customers can either order home or reserve and pick up in store. As revealed in the literature review, low availability of second-hand stores is one barrier for buying used clothes. Since Helly Hansen only has one physical store, they should also offer their second-hand assortment online to make the sale more available and to reach out to all consumers on the Scandinavian market. In order to give all customers access to the same assortment, the same selection should be available for sale both online and in the physical store. The channels used for communication may be social media, television, and their website.

Key Activities, Partners and Resources

There are two separate processes which need to be implemented to make the model function. The first process includes activities that must be performed in order to quality-prove the clothes before resale. This includes inspection, tailoring, and cleaning of the pre-loved clothes. After the inspection, damaged clothes must be tailored, and all clothes must be cleaned. Helly Hansen needs to decide if they want to outsource the cleaning and tailoring function. In that case, Helly Hansen needs to establish new partnerships. In this model, the consumer becomes the main supplier because Helly Hansen is dependent on receiving used clothes from consumers. A precondition for the model to work is that the selling consumers own Helly Hansen clothes they no longer use, and that these clothes are still in good condition. The clothing assortment is an essential resource and without the clothes there would be no pre-loved clothes to sell. The latter process consists of the activities of valuating and pricing of the clothes. New employees need to be hired in order to perform the new activities which needs to be implemented in this business model.

Cost Structure

The additional costs involved in the second-hand model stem from the tailoring, cleaning, logistics, and transportation of the clothes. The employees and partners needed to perform the new activities become a cost. Depending on the revenue sharing method, losses may occur if the clothes are not sold.

Revenue Streams

The revenues in this model will depend on the revenue sharing method chosen, which is how the revenues are shared between the selling consumer and Helly Hansen. Standard second-hand shops tend to divide the revenue 50/50 between the brand and the seller (Gopalakrishnan & Matthews, 2018). Helly Hansen's share of the price is the sales price minus the amount the selling consumer receives. Because of the quality-assurance done by Helly Hansen, it may be possible to sell the clothes for a higher price than the consumer can do on other platforms such as Finn.no and Tise. The price may depend on the consumers' willingness to pay, similar models of competitors, the condition of the clothes, demand, costs, and the price of similar used clothes on other second-hand platforms. The costs that must be taken into account are those of inspection, tailoring, cleaning, and logistics. The price will ultimately depend on the demand of the clothes.

Business Model Canvas

Key Partners <ul style="list-style-type: none"> - Cleaning and tailoring if outsourced - Consumers operating as suppliers 	Key Activities <ul style="list-style-type: none"> - Inspection - Cleaning - Tailoring - Transportation - Logistics - Valuation and pricing Key Resources <ul style="list-style-type: none"> - Assortment of pre-loved clothes received from consumers - Employees 	Value Proposition <ul style="list-style-type: none"> - Saving or making money - Ownership of quality-proved pre-loved clothes for buyer - Simplifies process and reduces risk for seller and buyer - Environmental matters 	Customer Relationships <p><u>Establishing relationships</u></p> <ul style="list-style-type: none"> - Promotion of launch and regular updates - Reminders of the service <p><u>Retaining relationships</u></p> <ul style="list-style-type: none"> - Reminders of the value proposition Channels <p><u>Sale of second-hand</u></p> <ul style="list-style-type: none"> - Offline: flagship store in Oslo - Online: order online with home delivery <p><u>Communication</u></p> <ul style="list-style-type: none"> - Social media, website, mailing list, and television 	Customer Segments <ul style="list-style-type: none"> - Consumers concerned with high-quality. - Price-conscious customers - Environmentally-conscious customers - Consumers who prefer ownership
Cost Structure <ul style="list-style-type: none"> - Tailoring, cleaning, logistics, and transportation costs - Employees - Costs of unsold clothes 		Revenue Streams <p><u>Revenue:</u> selling price minus amount of price to selling consumer</p> <p><u>Revenue sharing method:</u> 50/50 between Helly Hansen and seller</p> <p><u>Price setting:</u></p> <ul style="list-style-type: none"> - Costs - Condition - Consumers' willingness to pay - Competitors pricing - Demand - Market price 		

<https://strategyzer.com/canvas/business-model-canvas>

Devised by Alexander Osterwalder

Figure 6: The Conceptual Second-hand Business Model.

6. SURVEY RESULTS AND FINDINGS

6.1 Missing Data and Preparation of the Dataset

The questionnaire recorded 313 responses in total. Out of these, 94 were incomplete. 68 of the incomplete cases were removed because the respondents abandoned the questionnaire before completing Part 3. These respondents only recorded personal information and their current buying habits, and do not give us any valuable information. We have chosen to include the 17 cases of missing data where only Part 4 was not completed. We can still use this information to assess the acceptance without knowing their willingness to pay. We also removed the 35 international students since they are not included in our target population. On the basis of this preparation we ended up with 210 responses. After this, Part 1, 2 and 3 were ready to be analyzed in Qualtrics. Since the respondents could freely enter their maximum prices in Part 4, we were unable to analyze the results directly in Qualtrics. Therefore, we had to manually prepare the dataset of Part 4 in Excel. This was done by removing incomplete responses including answers equal to zero and “I don’t know”. Additionally, one response was removed due to higher recorded prices than the retail prices.

To ensure the validity of the data, the assumption of normally distributed variables must be fulfilled. The central limit theorem suggests that sufficiently large sample sizes are assumed to be normally distributed regardless of the underlying distribution. The general rule is that this applies to sample sizes over 30 (Elliott & Woodward, 2007). When using a smaller sample size, a normality test should be performed, and the data normalized if the distribution is non-normal. Our sample size of 210 responses is therefore sufficiently large to be considered normally distributed, and normality tests will not be conducted.

6.2 Survey Results

6.2.1 Part 1 - General Information

The results in this part are used to reveal if the sample fulfills our desired distribution. These demographic variables can also be used to uncover potential correlations between the variables. This is done in Part 6.3 Correlations.

6.2.1.1 Gender

In order for the results to be representative we aimed for an equal distribution of the two genders. The final distribution is 58 percent females and 42 percent males, which is assumed to be acceptable.

Table 1: Frequency table of gender

Gender	Count	Percentage
Female	121	58%
Male	89	42%
Total	210	100%

6.2.1.2 Age

The age groups were divided into 18-29, 30-40, and over 40. The results show that the majority of the respondents are between 18 and 29. This was expected because a great part of the respondents are students at NHH who fall within the youngest age group. We aimed for an even distribution of the three groups, but this was difficult due to our limited access to respondents from the other age groups.

Table 2: Frequency table of age

Age	Count	Percentage
18-29	166	79%
30-40	24	11%
Over 40	20	10%
Total	210	100%

6.2.1.3 Yearly Income

Yearly income was initially divided into four groups: under 250.000, 250.000-500.000, 500.001-750.000, and over 750.000. Ideally, an equal distribution of the income groups is desired. However, this was not fulfilled. The majority have a low income, which is to be expected on the basis of the large proportion of students. Since there were few respondents in the two groups with the highest income, and because we assume that they have an equally high purchasing power in this market, we merged the two groups. The income groups are therefore divided into low-income, medium-income and high-income. This grouping is used throughout the analysis.

Table 3: Frequency table of yearly income

Income	Count	Percentage
Under 250'	143	68%
250'-500'	36	17%
Over 500'	31	15%
Total	210	100%

6.2.1.4 Employment Status

Employment status was divided into employee and student. This demographic variable has approximately the same distribution as the income groups which is to be expected because the low-income group mainly consist of students. We will primarily focus the rest of the analysis on the income groups instead of employment status. This is because the income groups are divided into three and are more informative when checking for correlations.

Table 4: Frequency table of employment status

Employment status	Count	Percentage
Student	150	71%
Employee	60	29%
Total	210	100%

6.2.2 Part 2 - Buying Behavior in General

This part aims at collecting information about current buying habits of outdoor jackets. These results may be used to explain the degree of acceptance.

6.2.2.1 Current Ownership and Buying Frequency

These questions reveal the respondents' current ownership of outdoor jackets and how often they buy new ones. Table 5 and 6 show the percentages of how many respondents who own each type of jacket and the buying frequency. The results show that 83 percent of the respondents buy new jackets either every 2-3 years or more often. As revealed in the literature review, most consumers today buy new clothes because they crave newness and get tired of their clothes fast. Our results can indicate that this literature also applies to outdoor jackets because a great part of the respondents own each type of jacket and buy new ones relatively often. However, we have not revealed the reasons why they buy new jackets

yet, and based on these questions in insolation we cannot conclude that craving newness is the reason. An alternative explanation could be that their jackets are worn out. As mentioned in the conceptual second-hand business model, there needs to be enough consumers operating as suppliers for the model to work, and these results can be used to check if this is fulfilled. Based on the observed high percentage of ownership and the relatively high buying frequency, we assume that there is potential for the consumers to operate as suppliers.

Table 5: Frequency table of current ownership

Ownership	Count	Percentage
Ski jacket	159	76%
Parkas	159	76%
Rain coat	195	93%
Total	210	

Table 6: Frequency table of buying frequency

Buying frequency	Count	Percentage
More than once a year	15	7%
Once a year	42	20%
Every 2-3 years	117	56%
Less than 2-3 years	36	17%
Total	210	100%

6.2.2.2 Ranking of Attributes

In this question, the respondents rank the relative importance of different attributes when buying new outdoor jackets. There is great agreement that quality is the most important attribute, and that symbolizing social status is the least important one. While the other attributes have a mean of approximately 4, meaning that the perception of the importance is varied, quality and symbolize social status deviate notably with means of respectively 1.52 and 6.24. The standard deviations, which is a measure to quantify the variation of the values, confirm the agreement of the most and least important attributes. They also confirm the variation among the other attributes. As mentioned in Data Reliability, political correctness may affect how the respondents rank the attributes. For example, if ranking sustainable production as more important relative to the others even if this contradicts their actual opinion. The results show that this attribute is ranked as number 5, and, therefore, we assume that the social desirability bias is low.

The ranking of attributes can also be used to reveal why the consumers buy new outdoor jackets, as discussed in the previous subsection. Quality is ranked as the most important one, suggesting that worn out clothes may not be the reason for buying new jackets relatively often. Simultaneously, this strengthens our assumption that people buy new jackets often because they crave newness.

Table 7: Descriptive statistics of attributes for outdoor jackets

Attributes	Ranking	Mean	Standard deviation
Quality	1	1.52	1.13
Express personality	2	3.89	1.69
Low price	3	4.00	1.81
Brand name	4	4.03	1.50
Sustainable production	5	4.10	1.74
Trends	6	4.22	1.65
Symbolize social status	7	6.24	1.17

6.2.3 Part 3 - Buying Behavior Related to Leasing and Second-hand

This part collects information about acceptance and preferences of leasing and second-hand and is the most important part of the questionnaire. The statements regarding the degree of acceptance can be used to answer the first and second research question. The ranking of motivations is included because it is important to take the respondents' motivations into account when defining the value propositions of the new business models.

6.2.3.1 Assessment of Statements

In this part, we first reveal the degree of acceptance for leasing and second-hand sale of outdoor jackets. These results are presented in Table 8 and visualized in Figure 7. As Table 8 shows, 57 percent is positive or neutral to lease ski jackets, 30 percent to lease everyday jackets, 74 percent to buy second-hand ski jackets, and 70 percent to buy second-hand everyday jackets. For three of the statements, more than half of the respondents are positive or neutral. These results suggest that there may be potential for offering leasing and sale of second-hand clothes. As discussed, these results cannot be generalized to the entire population. They only apply to our sample, yet they can be an indication of the populations' acceptance.

The acceptance for leasing of everyday jackets has a right skew distribution, which means that a high proportion of the respondents are not interested. The willingness to lease ski

jackets has a bimodal distribution meaning that there are divergent opinions. This shows a tendency that consumers may be more acceptable of leasing clothes for rare occasions than for everyday use. However, due to the bimodal distribution, this result will be studied more closely in Part 6.3 Correlations. On the other hand, buying second-hand ski and everyday jackets both have a left skew distribution, meaning that there may be more acceptance to buy second-hand jackets. Additionally, the distributions are much more similar for second-hand ski jackets and everyday jackets than for leasing. These results indicate that there may generally be more acceptance for buying second-hand than leasing, and a bigger market for offering all types of clothes in a second-hand model. However, there seems to be potential for leasing of special occasion wear on the outdoor and activewear market.

Table 8. Degree of acceptance in percentage for leasing and second-hand

Statements	1 - Strongly disagree	2 - Somewhat disagree	3 - Neutral	4 - Somewhat agree	5 - Strongly agree
Leasing of ski jacket	24.8%	18.1%	10.5%	22.9%	23.8%
Leasing of everyday jacket	40.0%	30.5%	10.0%	15.2%	4.3%
Buy second-hand ski jacket	10.5%	15.2%	18.6%	38.6%	17.1%
Buy second-hand everyday jacket	11.0%	18.6%	19.5%	33.8%	17.1%

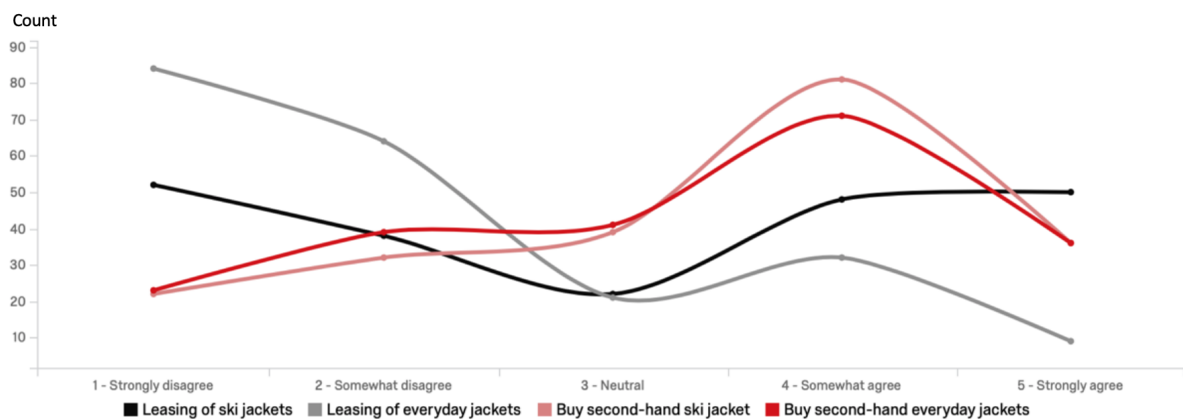


Figure 7: Line chart of the degree of acceptance for leasing and second-hand

The results from the statements regarding which channels the respondents prefer the leasing and second-hand sale to be offered through are presented in Table 9 and visualized in Figure 8. The distributions of both statements have a right skew, meaning that most of the respondents either prefer offline channels or are neutral.

Table 9: Degree of agreement in percentage regarding channel preference

Statements	1 - Strongly disagree	2 - Somewhat disagree	3 - Neutral	4 - Somewhat agree	5 - Strongly agree
Lease online rather than store	26.7%	26.2%	33.3%	9.5%	4.3%
Buy online rather than store	27.4%	30.5%	25.7%	11.9%	4.8%

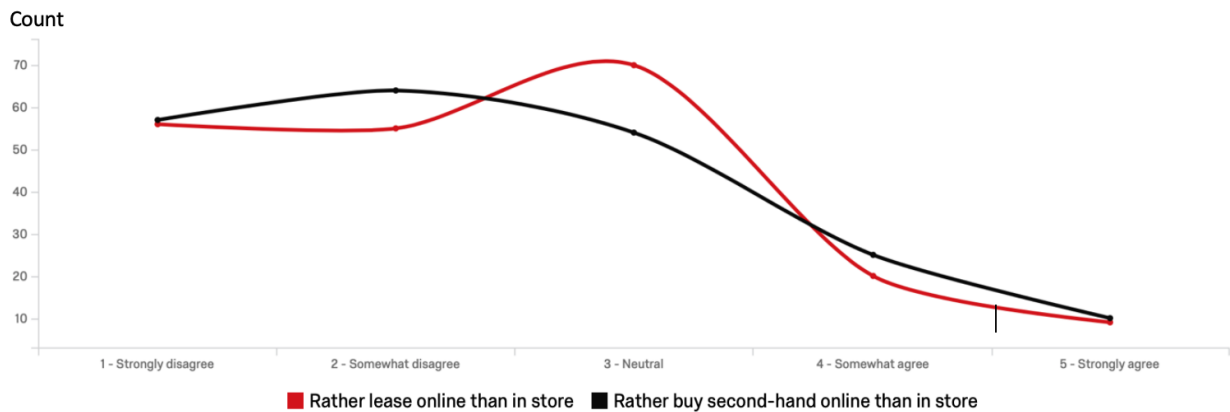


Figure 8: Line chart of the degree of agreement regarding channel preference

6.2.3.2 Ranking of Motivations for Leasing

The results of the ranking of motivation for leasing show that environmental matters are most important relative to the other motivations, followed by customization of wardrobe and saving money. The standard deviations show that there are only minor differences in the ranking among the respondents. Following trends and saving closet space are ranked as the less important motivations, with averages considerably lower than the other motivations. This does not mean that following trends and saving closet space are not important at all, only relative to the others. We assume that everyday wear is the clothing category where people are concerned with trends. Since we revealed that most of the respondents are not interested in leasing everyday wear, we assume that this is the reason why following trends is ranked as less important. There is a risk for the social desirability bias to occur in this ranking. When comparing attributes for buying new jackets with motivations for leasing, it may be natural that environmental matters are valued higher for leasing. Additionally, there are only minor differences of the means of the three top motivations. Therefore, we assume that the social desirability bias has not affected the ranking.

Table 10: Descriptive statistics of motivations for leasing

Motivations	Ranking	Mean	Standard deviation
Environmental matters	1	2.24	1.34
Customize wardrobe	2	2.43	1.11
Saves money	3	2.51	1.21
Easier to follow trends	4	3.90	1.10
Saves closet space	5	3.92	1.22

6.2.3.3 Ranking of Motivations for Second-hand

The most important motivations for second-hand are similar to those of leasing, with saving money as the most important one and environmental matters as a close second. This shows that access to unique and vintage clothes are less important for outdoor jackets. The standard deviations for all of the motivations are relatively low, meaning that there is great agreement among the respondents. The social desirability bias can also occur here. However, since the top two motivations are ranked this close, we assume it has not affected these results either.

Table 11: Descriptive statistics of motivations for second-hand

Motivations	Ranking	Mean	Standard deviation
Saves money	1	1.94	0.97
Environmental matters	2	1.97	1.03
Access to unique clothes	3	2.85	0.98
Access to vintage	4	3.24	0.87

6.2.4 Part 4 -The Willingness to Pay

This part reveals the consumers' willingness to pay for the different types of jackets, which is important to take into consideration when developing the pricing strategies. Since there are few companies on the outdoor and activewear market offering such services, we are aware that it is difficult to set a price without having a point of reference. There is also a risk that the dataset includes arbitrary prices either because of the incentive or because the questions require a high degree of consideration and time in order to answer precisely and thoughtfully. However, it may still be interesting to check if the respondents are centered around different prices.

6.2.4.1 Maximum Prices for Leasing

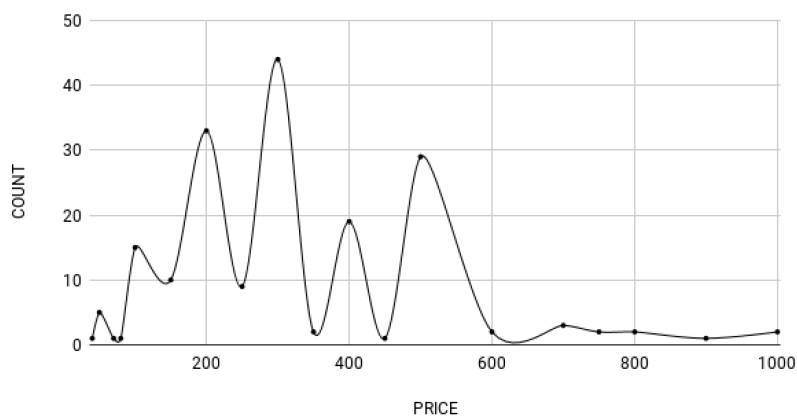
In this subsection, we assess the willingness to pay for the jackets in the leasing service when professionally cleaned. We ask for maximum prices for leasing the three types of jackets for a month, as well as for a weekend and week for the ski jacket. Descriptive statistics are shown in Table 12.

Table 12: Descriptive statistics of the maximum prices for leasing

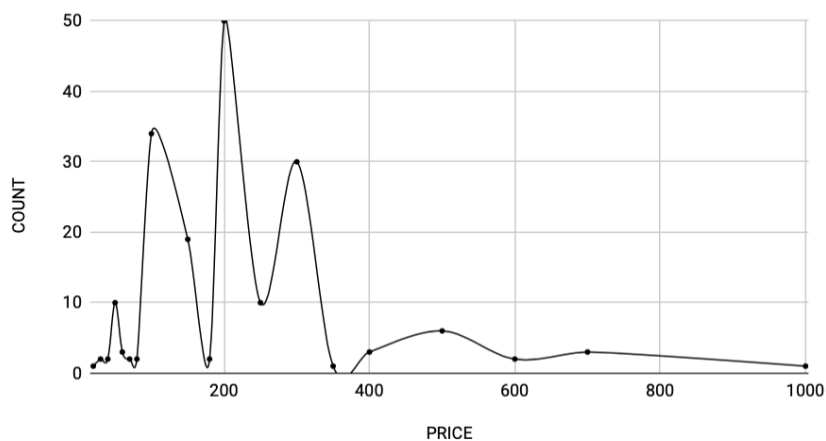
Jacket type, retail price, leasing period	Mean	Standard deviation	Median	Lowest price	Highest price
Parkas, 3000, 30	319	180	200	40	1000
Rain coat, 2000, 30	208	140	200	20	1000
Ski jacket, 5000, 3	244	164	200	30	1000
Ski jacket, 5000, 7	358	254	300	50	1750
Ski jacket, 5000, 30	525	385	500	50	2500

One notable observation for the leasing period of 30 days, independent of jacket type, is the mean of approximately 10 percent of the retail price. It is also interesting to look at the distribution of prices among the respondents in order to reveal if the respondents are centered around the same prices and how many of the customers who may lose interest if setting a higher price than the mean. This is visualized in Figure 9. For example, pricing a jacket equal to the average price means that only the area to the right of the average may be willing to use the service. The distributions of maximum prices are more spread out for parkas and rain coats than for ski jackets. This may be because the need for a parka is usually longer than a month, and many respondents may have entered the price based on this assumption. On the other hand, the respondents with the intention to lease a parka for a maximum of one month may have entered a higher price. This assumption can be confirmed by the distribution of ski jackets, where we assume that most of the respondents have perceived the price as a one-time payment for a short period of time. Hence the distribution is more centered around one price. Based on this, the price for ski jackets may be a more precise estimate than the prices for parkas and rain coats.

Parkas



Rain coat



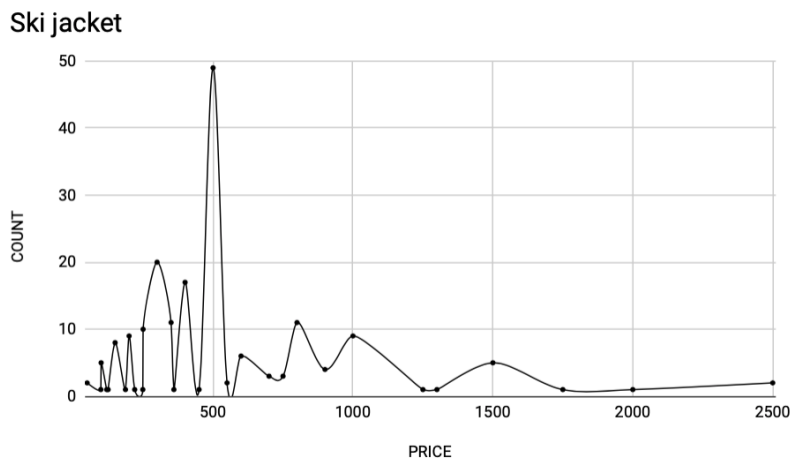


Figure 9: Distributions of maximum prices for a leasing period of 30 days

6.2.4.2 Maximum Prices for Buying Second-hand

In this subsection, we assess the willingness to pay for second-hand jackets when professionally cleaned and quality-proved by the brand. We ask for maximum prices for buying the three different types of jackets on the basis of the retail price. Based on the mean, the respondents are willing to pay 40 percent for parkas, 37 percent for rain coats, and 35 percent for ski jackets. The descriptive statistics for these prices are outlined in Table 13 and visualized in Figure 10. As the figure shows, the distributions are scattered. This may be because the respondents perceive the condition of the second-hand jackets differently. These average prices should, therefore, be proceeded with caution if used when developing the pricing strategy in the business model.

Table 13: Descriptive statistics of the maximum prices for second-hand

Jacket type, retail price	Mean	Standard deviation	Median	Lowest price	Highest price
Parkas, 3000	1209	498	1200	150	2400
Rain coat, 2000	741	324	750	50	1800
Ski jacket, 5000	1757	860	2000	200	4000

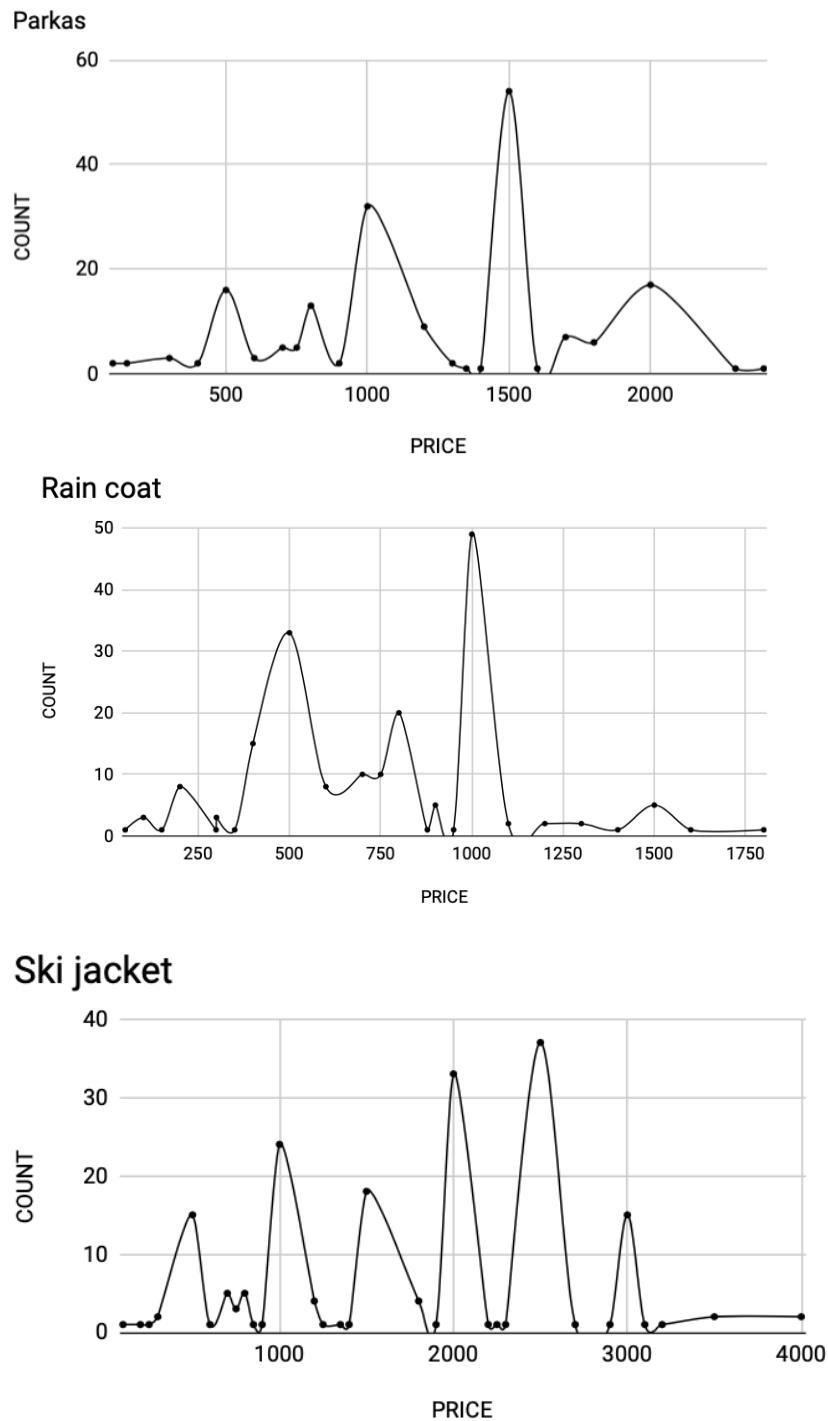


Figure 10: Distributions of maximum prices for second-hand

6.3 Correlations

In this section, we will explore possible correlations between the variables and check if there are any interesting explanations for the results revealed in the previous section. All relevant correlations are checked for, but only the most important findings are outlined. In order to

visualize and compare the results, they will mainly be presented in cross tables and line charts. As explained in the methodology, the correlations cannot be generalized to the population, and are, therefore, only valid for our sample. At the same time, the correlations including groups with few respondents must be considered with caution because of the biased sample.

6.3.1 Correlations Between Age/gender and the Acceptance of Leasing and Second-hand

In this subsection, we want to explore if there exist any correlations between the age and gender groups and the willingness to lease and buy second-hand outdoor jackets. It is essential to assess if there are any differences between the demographic variables in order to refine the segments more specifically. Since the survey revealed a bimodal distribution for leasing of ski jackets, we will check if differences between age and gender groups may be the reason for this distribution. Based on the literature review, where it was stated that the younger population generally are more accepting of sharing rather than owning, we expected a correlation between the acceptance and the age groups. However, when studying the line charts, the distributions seem more or less the same regardless of the breakout by age and gender groups. Due to the importance of these statements we will, nonetheless, conduct a test of significance.

In order to test if there are any significant relations between the variables, we will perform a chi-square test of the variables (McClelland, 1999). Saunders et al. (2016) state that “the chi-square test enables you to find out how likely it is that the two variables are independent”. The null hypotheses are that there exist no associations between the two demographic variables and the four statements. The test calculates a p-value, which needs to be significant in order to reject the null hypotheses. The most commonly used significance level for such tests is 5 percent ($\alpha = 0.05$), which is used. The test was conducted in Qualtrics. To achieve a valid result, the expected frequency of each cell must be at least 5 (Qualtrics, 2019). The expected frequencies are shown as the green numbers in the cross table. Because of few respondents in some of the groups, we merged “Strongly agree” and “Somewhat agree” as well as “Strongly disagree” and “Somewhat disagree” to achieve a high enough expected frequency. Additionally, we had to merge the age groups 30-40 and over 40 to get a valid result. As shown in Table 15, no significant distinctions were found due to higher p-values than the chosen significance level, meaning that there are no significant differences between the gender and age groups and the degree of acceptance for leasing and buying second-hand

outdoor jackets. For the age groups, this may be due to the uneven distribution in our sample. Therefore, we cannot state that there are no significant differences with certainty, yet it may be an indication that age does not affect the degree of acceptance too much.

Table 14: Cross table of correlations between gender/age and the degree of acceptance for leasing and second-hand

		Gender			Age		
		Male	Female	Total	18-29	Over 30	Total
Lease a ski jacket	4-5	44 51.79	78 70.21	122	99 98.60	23 23.40	122
	3	13 10.61	12 14.39	25	18 20.20	7 4.80	25
	1-2	47 41.60	51 56.40	98	81 79.20	17 18.80	98
	Total	104	141	245	198	47	245
Lease a everyday jacket	4-5	16 19.53	30 26.47	46	34 37.18	12 8.82	46
	3	11 11.46	16 15.54	27	23 21.82	4 5.18	27
	1-2	77 73.01	95 98.99	172	141 139.00	31 33.00	172
	Total	104	141	245	198	47	245
Pay more for a second-hand ski jacket	4-5	58 54.33	70 73.67	128	106 103.44	22 24.56	128
	3	19 19.95	28 27.05	47	35 37.98	12 9.02	47
	1-2	27 29.71	43 40.29	70	57 56.57	13 13.43	70
	Total	104	141	245	198	47	245
Pay more for a second-hand everyday jacket	4-5	53 50.51	66 68.49	119	101 96.17	18 22.83	119
	3	23 19.95	24 27.05	47	37 37.98	10 9.02	47
	1-2	28 33.53	51 45.47	79	60 63.84	19 15.16	79
	Total	104	141	245	198	47	245

Table 15: Chi-square test of correlations between gender/age and degree of acceptance for leasing and second-hand

		Gender	Age
Lease a ski jacket	Chi Square	4.19	1.48*
	Degrees of Freedom	2	2
	p-value	0.12	0.48

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

		Gender	Age
Lease a everyday jacket	Chi Square	1.52	1.90
	Degrees of Freedom	2	2
	p-value	0.47	0.39

		Gender	Age
Pay more for a second-hand ski jacket	Chi Square	0.94	1.57
	Degrees of Freedom	2	2
	p-value	0.63	0.46

		Gender	Age
Pay more for a second-hand everyday jacket	Chi Square	2.61	2.60
	Degrees of Freedom	2	2
	p-value	0.27	0.27

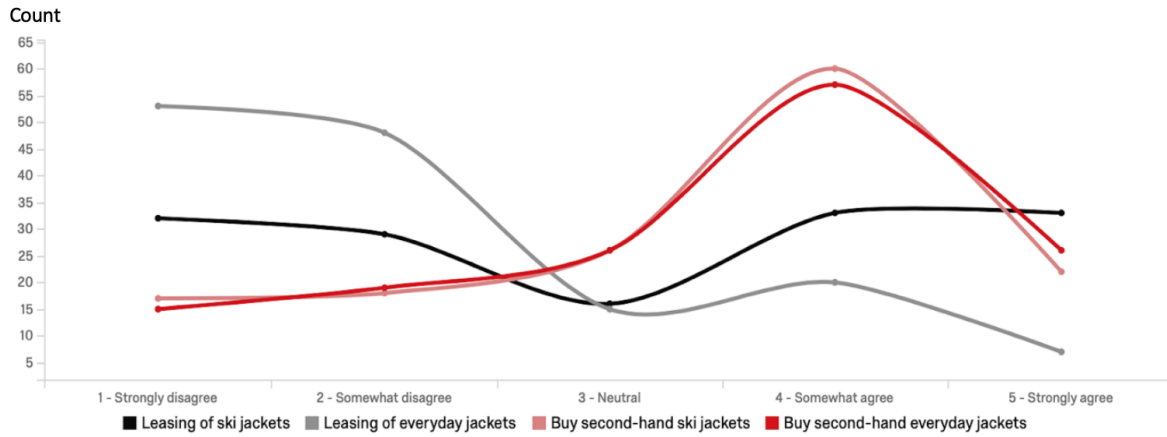
6.3.2 Correlations Between Income and Acceptance of Leasing and Second-hand

In this subsection, we will search for correlations between the income groups and the willingness to lease and buy second-hand outdoor jackets. This way, we can explore if the willingness varies between consumers with different purchasing power. Possible correlations can be used to refine the customer segments. It is important to customize the model so that customers with lower purchasing power can adapt the leasing service and buy second-hand as well. Based on the literature review, it is assumed that higher income equals lower interest for rental of and buying of second-hand outdoor jackets. This is because the literature revealed that saving money is the main motivation for engaging in fashion-sharing models.

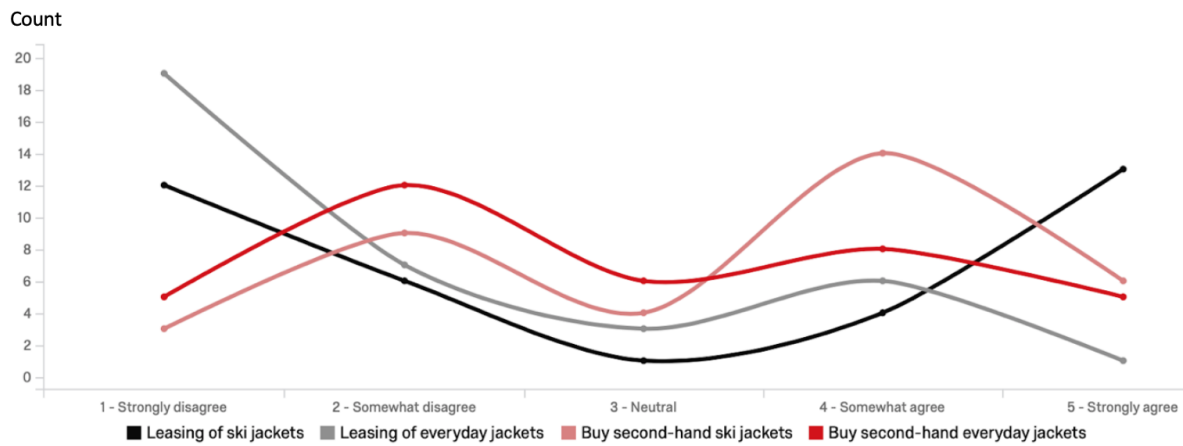
Based on Figure 11, there seem to be some interesting correlations. The willingness of leasing does not seem to differ much between the income groups. Also here, all the distributions for leasing of ski jackets are bimodal. Therefore, income can neither explain the bimodal distribution. For the low-income groups, the majority seem willing to buy all three second-hand jackets. On the other hand, the distributions of the willingness of the medium- and high-income groups are spread out. There seem to be more respondents who are willing

to buy ski jackets than everyday jackets. Since there seem to be interesting findings here, we have conducted a chi-square test to check if the results are significant.

Under 250.000



250.000 – 500.000



Over 500.000

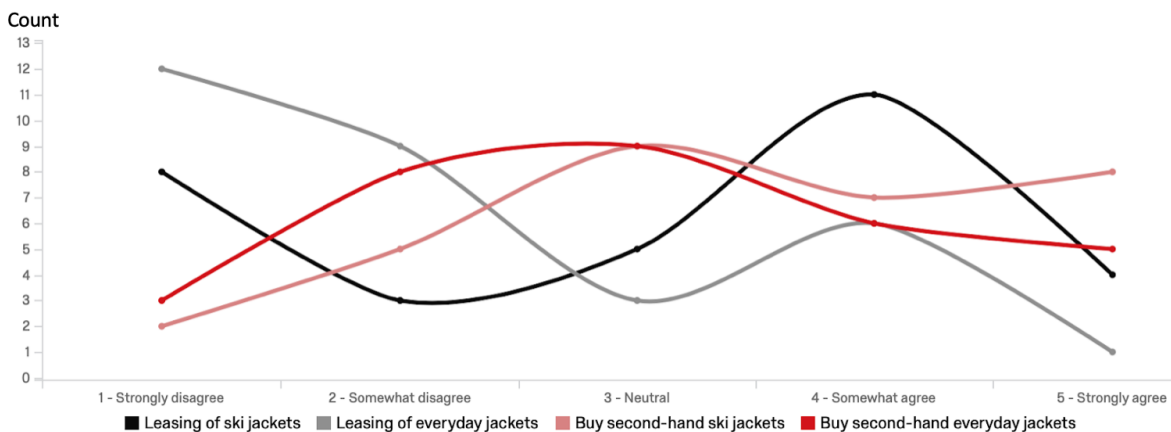


Figure 11: Line charts of distributions for the willingness to lease and buy second-hand divided by income groups

Because of few respondents in some of the groups, the medium- and high-income groups were merged in order to achieve an expected frequency over 5 and thereby valid chi-square values. By dividing the income groups this way, we achieved approximately the same cross table as for employment status. We have included both income and employment groups in Table 16. Because of the similar distributions, only the correlations for income groups will be discussed.

Table 16: Cross table of correlations between income/employment and degree of acceptance for leasing and second-hand

		Yearly income (before taxes)		Total	Employment status		Total
		Under 250'	Over 250'		Student	Employee	
Lease ski jackets	4-5	66 66.73	32 31.27	98	70 70.00	28 28.00	98
	3	16 14.98	6 7.02	22	15 15.71	7 6.29	22
	1-2	61 61.29	29 28.71	90	65 64.29	25 25.71	90
	Total	143	67	210	150	60	210
Lease everyday outdoor jackets	4-5	27 27.92	14 13.08	41	28 29.29	13 11.71	41
	3	15 14.30	6 6.70	21	16 15.00	5 6.00	21
	1-2	101 100.78	47 47.22	148	106 105.71	42 42.29	148
	Total	143	67	210	150	60	210
Pay more for a second hand ski jacket	4-5	82 79.67	35 37.33	117	85 83.57	32 33.43	117
	3	26 26.56	13 12.44	39	26 27.86	13 11.14	39
	1-2	35 36.77	19 17.23	54	39 38.57	15 15.43	54
	Total	143	67	210	150	60	210
Pay more for a second hand everyday outdoor jackets	4-5	83 72.86	24 34.14	107	86 76.43	21 30.57	107
	3	26 27.92	15 13.08	41	26 29.29	15 11.71	41
	1-2	34 42.22	28 19.78	62	38 44.29	24 17.71	62
	Total	143	67	210	150	60	210

The results of the chi-square test are presented in Table 17. The p-values of the three first statements are much higher than the chosen significance level of 5 percent, and therefore the null hypotheses are not rejected. The conclusion is that there are no significant differences between income groups and the willingness to lease ski jackets and everyday jackets and to buy second-hand ski jackets. Further, the result of the last statement shows a significant difference with a p-value of 0.01. This means that the null hypothesis is rejected, and there is a significant difference between income groups and the willingness to pay more for buying second-hand everyday outdoor jackets. In other words, the respondents with the lowest income are more interested in buying pre-loved everyday jackets than the respondents with

income over 250.000. However, because the tests are conducted on a biased and non-statistical sample, these results must be considered with caution. Additionally, because of few respondents in the medium and high-income groups, it is not possible to draw any conclusions regarding their acceptance.

Table 17: Chi-square test of correlations between income/employment and degree of acceptance for leasing and second-hand

		Yearly income (before taxes)	Employment status
Lease ski jackets	Chi Square	0.25	0.14
	Degrees of Freedom	2	2
	p-value	0.88	0.93

		Yearly income (before taxes)	Employment status
Lease everyday outdoor jackets	Chi Square	0.20	0.43
	Degrees of Freedom	2	2
	p-value	0.90	0.81

		Yearly income (before taxes)	Employment status
Pay more for a second hand ski jacket	Chi Square	0.52	0.54
	Degrees of Freedom	2	2
	p-value	0.77	0.77

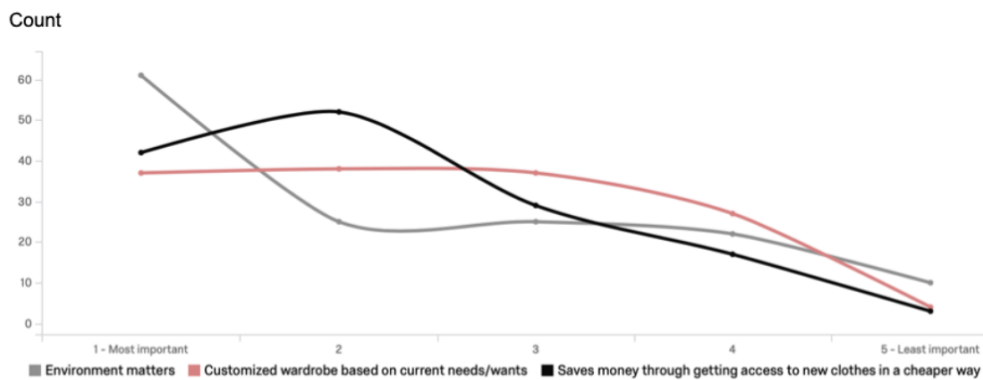
		Yearly income (before taxes)	Employment status
Pay more for a second hand everyday outdoor jackets	Chi Square	9.85	8.61
	Degrees of Freedom	2	2
	p-value	0.01	0.01

6.3.3 Correlations Between Income Groups and Motivations for Leasing and Second-hand

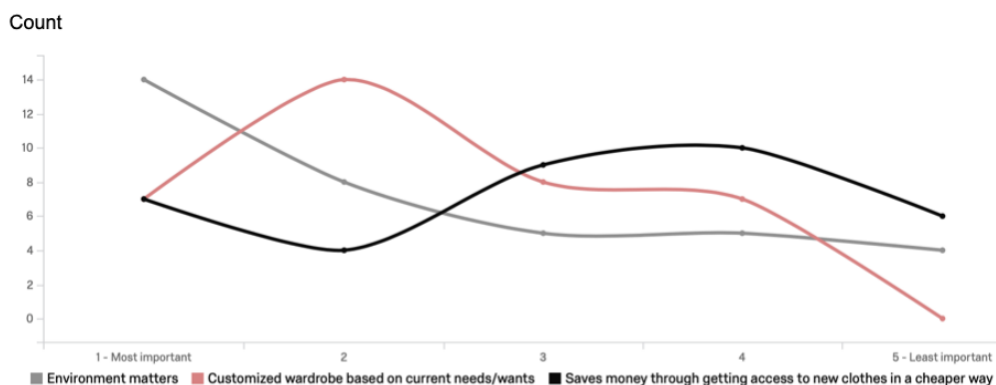
In this part, we will check for correlations between the demographic variables and motivations for leasing and buying second-hand. The motivations may explain why there are differences in the acceptance within each demographic variable. When checking for correlations, we only found distinct differences for the motivations for leasing and income groups, which is why we have only visualized these results. The line charts in Figure 12 show the ranking of the three most important motivations for leasing of outdoor jackets for the income groups. The main finding is how saving money changes from being the second most important for the low-income group, to second least important in the high-income

group. Simultaneously, customized wardrobe based on current needs or wants is more important than saving money for the medium and high-income groups. These results also apply for second-hand, but is not as apparent as for leasing. Since the high- and medium-income group are less motivated by saving money, this may explain why they are less interested in leasing of and buying of second-hand outdoor jackets.

Under 250.000



250.000-500.000



Over 500.000

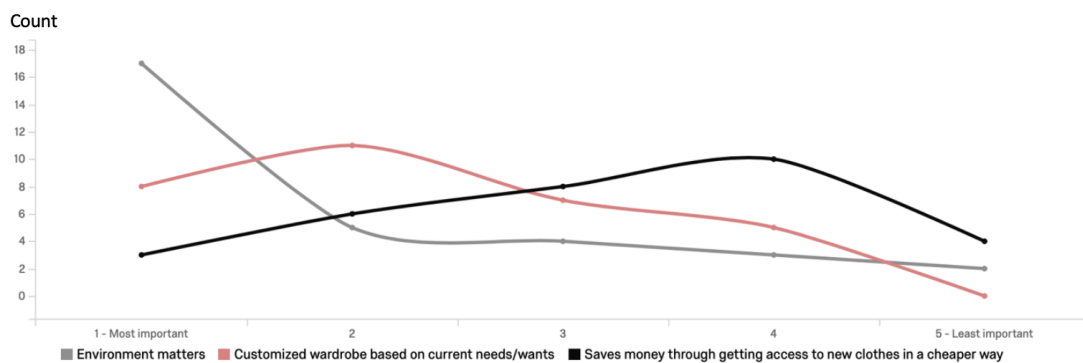


Figure 12: Line charts of motivations for leasing divided by income groups

6.3.4 Correlation Between Current Ownership and the Willingness to Lease

To explore if there are any correlations between current ownership of outdoor jackets and the willingness to lease, we created a cross table and compared if the distributions of ownership were the same as in Table 8. The comparison was done to check if the respondents who already own the different types of jackets are the same ones who are not willing to lease. This could have been a logical explanation for the bimodal distribution for the willingness to lease ski jackets. As shown in Table 18, the distribution of the respondents who own each jacket is approximately the same as in Table 8. Therefore, it seems like current ownership do not explain the bimodal distribution for leasing of ski jackets either.

Table 18: Cross table of current ownership and the willingness to lease

		Which of these outdoor jackets do you currently own?			Total	
		Ski jacket	Parkas	Raincoat		
Lease ski jackets	4-5	62			98	
	3	19			22	
	1-2	78			90	
	Total	159			210	
Lease everyday outdoor jackets	4-5			30	35	41
	3			14	19	21
	1-2			115	141	148
	Total			159	195	210

6.3.5 Correlations Between the Willingness to Pay and Gender/income/degree of Acceptance

In this part, we will examine if different variables affect the maximum price. First, we will check if the willingness to lease and buy second-hand has an impact on the maximum price the respondents are willing to pay for the jackets. This was done by calculating the mean of the maximum prices for all the respondents who are neutral and positive to leasing and buying second-hand. When excluding the respondents who are not willing, the means were approximately the same as the total mean. Therefore, 10 percent of the retail price as a standard for leasing and 35-40 percent for buying second-hand, seem valid regardless of the degree of acceptance. Furthermore, we checked for differences between the genders but found no considerable deviations. The only observation that deviated from the 35-40 percent

of the retail price for second-hand jackets were females with an average maximum price of 32 percent for ski jackets. However, this deviation is too small to consider further. We also explored the maximum prices the three income groups are willing to pay. We found that the average prices for the high-income group for second-hand sale of all three jackets is 30 percent of the retail price. This deviates from the total average of 35-40 percent. This means that the respondents in the high-income group are willing to pay less for second-hand jackets, which may be explained by their lower acceptance. On the basis of the small group size, this average may not be accurate enough to rely on and must be carried forward with caution.

6.4 Summary of the Main Findings

1. Demographic variables: 210 responses were used in the analysis. The distribution of male and female is 42 percent and 58 percent. There are 79 percent between the age of 18-29, 11 percent between 30-40, and 10 percent over 40. 68 percent are in the low-income group, 17 percent in the medium-income group, and 15 percent in the high-income group. Additionally, the distribution between students and employees is 71 percent and 29 percent. The distributions give us a biased sample. The results can therefore only be indicative for the groups, and not be generalized to the population.
2. Current ownership, buying frequency, and ranking of attributes: most of the respondents own each type of jacket, and on average buy new jackets every 2-3 years or more often. Quality is ranked as the superior attribute when buying outdoor jackets. These findings confirm what was revealed in the literature regarding consumers buying new clothes because they crave newness, not necessarily because the clothes are worn out. This insight also reveals that many consumers may own high-quality jackets with unused capacity because of their durability. Based on this, we assume that there is potential for the consumers to operate as suppliers in the second-hand business model.
3. Acceptance of leasing and second-hand: the survey revealed that 57 percent are positive or neutral to lease ski jackets, 30 percent are positive or neutral to lease everyday jackets, 74 percent are positive or neutral to buy second-hand ski jackets, and 70 percent are positive or neutral to buy second-hand everyday jackets. These results show that the respondents are in general more positive to second-hand than leasing. There is relatively low interest for leasing of everyday jackets, while leasing of ski jackets has a bimodal distribution with an approximately equal distribution of positive and negative

respondents. This may indicate a higher acceptance for leasing of special occasion wear than everyday wear. For second-hand, it seems like there is approximately the same level of acceptance for special occasion wear and everyday wear. However, there is a significant difference in the correlations between the willingness to pay more for buying second-hand everyday jackets and income groups, where the low-income group has a higher acceptance than the other two income groups combines.

4. Channels: when it comes to which channels the respondents prefer to be offered the new services through, a major part would rather lease or buy second-hand in stores than online. However, many are neutral and do not have a preference of channel.
5. Motivations: there is a clear tendency that the three most important motivations for leasing are environmental matters, saving money, and customization of wardrobe based on needs or wants. For second-hand, the most important motivations are saving money and environmental matters. When checking for demographic variables, we found that the higher the income, the less important saving money becomes for both leasing and second-hand.
6. The willingness to pay: the average maximum prices the respondents are willing to pay for a leasing period of 30 days is 10 percent of the retail price for all of the jackets, and 35-40 percent of the retail price for buying second-hand for all of the jackets. When checking for correlations between the willingness to lease and pay more for second-hand, we found that the maximum prices are the same regardless of the degree of acceptance. When checking for yearly income, we found that the high income-group has a lower average maximum price they are willing to pay for both leasing and second-hand than the two other groups.

7. DISCUSSION OF THE MODIFIED BUSINESS MODELS

In this part we will discuss modifications of the conceptual business models and outline the final versions of the business models based on the survey results. Some of the building blocks will include a discussion of how similar companies have built their rental and second-hand models. As discussed in Part 6, the findings of our survey cannot be generalized to the population. Therefore, these models can work as suggestions of how the models may look like for Helly Hansen. First, the modifications of the rental-based business model are discussed and the final version presented. Thereafter, we discuss the modified second-hand model and present the final version. In the final subsection a critical discussion of how the implementation of such models can affect Helly Hansen and the industry in general will be given.

7.1 The Modified Rental-based Business Model

Value Proposition

The survey revealed that the main motivations for leasing outdoor jackets are environmental matters, customization of the wardrobe, and saving money. The value proposition should focus on what the consumers value, and for that reason, only the most important motivations and attributes are included. Since quality is the superior attribute for the respondents, this is included in order to highlight the high-quality of Helly Hansen outdoor and activewear. Our suggestion of a final value proposition for the rental-based business model is therefore:

*The rental service gives the customers the opportunity to **customize their wardrobe** based on current needs or wants and **save money** by giving them access to **high-quality** outdoor and activewear at a low price. This way, **the planet can be saved** by minimizing the environmental impact by exploiting the capacity of the clothes to the fullest.*

Customer Segments

It is difficult to refine the customer segments based on the findings since we found no significant differences in the acceptance of leasing between the different age groups.

However, based on the literature review, rental-based models mainly aim at serving younger consumers due to their tendency to accept sharing-services. Therefore, the main focus should be to reach out to younger customers regardless of our findings. Since there were no distinct differences between the genders and income groups, consumers of both genders and all income groups located in Scandinavia are included. As revealed by the results of the survey, respondents are more acceptive of leasing ski jackets than everyday jackets. This can be interpreted as a sign for Helly Hansen to mainly offer outdoor clothes for special occasions in the product assortment available for leasing. The main segment for the pay-per-use model is therefore younger consumers on the Scandinavian market with a limited need for special occasion wear, like ski and hiking clothes. Another possible segment can be tourists visiting Scandinavia with a short-term need for special occasion wear, as well as a limited need for everyday wear such as rain coats or parkas. When it comes to the subscription model, the main segment is younger customers on the Scandinavian market with a long-term need for both special occasion and everyday wear.

Customer Relationships

As mentioned in the conceptual business model, establishing long-term relationships with customers is crucial. As revealed by the survey, “Environmental matters” is the most important motivation for leasing. One way to both establish and retain customer relationships may be through informing them of the impact of being an environmentally-conscious consumer. This can be done, for example, by sharing a fun fact about how much resources are saved by renting rather than buying new clothes. After studying competitors’ websites, we have noticed that they strongly focus on communicating how they contribute to a more sustainable production, consumption, and disposal. Helly Hansen should also focus on this type of communication if launching the leasing service. The customers should find sufficient and clear information on their sustainable contribution immediately when visiting Helly Hansen’s website.

Channels

The survey revealed that approximately 50 percent of the respondents prefer to lease in store, 15 percent prefer online, and 35 percent are neutral. In order to meet the demand for rental in physical stores, it is important to offer the service in the flagship store in Oslo. In order to be widely available and to reach out to the rest of the Scandinavian market, Helly Hansen

should ideally establish collaborations with stores across Scandinavia and stores located where the activities are taking place. The rental service should also be offered online. This way, the service becomes easily available for everyone. The communication must be customized to the customer segments of the leasing service. Due to the age of the main segment, social media is the easiest way to reach out to as many consumers as possible.

Key Partners, Activities and Resources

In order to implement the modifications in the final version of the rental model, new partners, activities, and resources need to be introduced. To make renting more available offline, Helly Hansen should establish new partnerships. This may include sports retailers, ski resorts, and cruise ships. The new partnerships will make the supply chain more complex because outsourcing leads to lack of control. These collaborations will, therefore, involve new activities and resources in order to establish and maintain a well-functioning logistic system between Helly Hansen and the partners. A well-developed IT-system is an even more essential key resource within partnerships to ensure control. Additionally, the clothing assortment available for renting becomes a new resource. Helly Hansen must decide which pieces to offer in order for all consumers to find something they like and fit, and thereby fulfill the underlying principle of critical mass. Since the survey revealed a higher acceptance for leasing of special occasion wear, the assortment should primarily consist of such clothes. Further, we revealed that current fashion trends are a less important attribute for special occasion wear in the outdoor and activewear market, and therefore Helly Hansen should mostly offer their classic and bestselling clothes. Additionally, to satisfy the consumers' craving for new clothes, Helly Hansen must have a large enough assortment with enough clothes for everyone. This way, the core products are always available, making it easy for the customers to customize their wardrobe. For the assortment to fulfill these conditions, Helly Hansen should put together a team working with the customer data gathered during the rental service. The team can also use this data to make more informed decisions and adjustments to other aspects of the service. This team and the insights gathered become an important resource.

Revenues and Costs

The pricing strategy for the rental fees is the most important aspect to consider for the generation of revenues. In addition to the demand and the costs, the two other aspects to

consider when developing the pricing strategy is the consumers' willingness to pay and the similar models of competitors. These aspects can be specified by using the results from the survey and assessing the competitors' pricing strategies. The first aspect is the respondents' willingness to pay for the three different leasing periods of one weekend, one week, and one month. Since we asked for maximum prices, we assume that the prices include all costs that may occur, such as shipping, insurance fee, cleaning, and tailoring. The survey revealed that the respondents are willing to pay 10 percent of the retail price for 30 days. Furthermore, the respondents are on average willing to pay 5 percent for 3 days and 7 percent for 7 days for ski jackets.

The second aspect to consider is how competitors with similar rental-models have developed their pricing strategy. A few brands have already implemented rental services on the Scandinavian outdoor and activewear market, for example Bergans and Houdini Sportswear. Bergans offers rental of high-quality jackets and pants (Bergans, 2019B). The price for one weekend is 10 percent of the retail price and the price for one week is 20 percent of the retail price. Houdini Sportswear leases jackets and pants with fixed prices independent of the piece and with a quantity discount (Houdini Sportswear, 2019B). Their prices differ based on the leasing period, where the customers can rent from Friday to Monday morning, Wednesday evening to Monday morning, or for one week. For example, one shell jacket can be rented for 9 percent of the retail price Friday to Monday morning and 18 percent for one week. We observe that these competitors have priced their rental services in similar ways, but much higher than what the respondents of our survey are willing to pay. They also have a limited assortment and the leasing services are only available in a few of their retail stores. Higher demand than supply may be the reason why they can set the prices this high. However, there also exists clothing rental companies operating with cheaper rental fees. One example is Tuckify, an online leasing service for children clothes in Norway renting out Helly Hansen for 8-10 percent of the retail price for a month (Tuckify, 2019). As revealed by the survey, saving money is an important motivation for leasing, and Helly Hansen will not be able to reach out to all interested consumers if they price the service too high.

Business Model Canvas

<p>Key Partners</p> <ul style="list-style-type: none"> - Cleaning and tailoring firms if outsourced - Partnerships with sports retailers and stores located where the activities are taking place 	<p>Key Activities</p> <ul style="list-style-type: none"> - Inspection - Cleaning - Tailoring - Transportation - Logistics - Managing the rental process 	<p>Value Proposition</p> <p>The rental service gives the customers the opportunity to customize their wardrobe based on current needs or wants and save money by giving them access to high-quality outdoor and activewear at a low price. This way, the planet can be saved by minimizing the environmental impact by exploiting the capacity of the clothes to the fullest.</p>	<p>Customer Relationships</p> <ul style="list-style-type: none"> - Upgraded website for easy access to service and information about environmental. <u>Establish relationships</u> - Promote the launch and regular updates with focus on the environmental aspect <u>Retain relationships</u> - Exceptional customer service - Deals and reminders of value proposition with focus on the environmental aspect - Improve services based on feedback <p>Channels</p> <p><u>Rental service</u></p> <ul style="list-style-type: none"> - Offline: flagship store in Oslo, pick up points, sports retailers, and stores located where the activities are taking place - Online: order online with home delivery <p><u>Communication</u></p> <ul style="list-style-type: none"> - Social media, website, mailing list, sponsorships, and television 	<p>Customer Segments</p> <ul style="list-style-type: none"> - Younger consumers on the Scandinavian market concerned with high-quality. - Pay-per-use: Consumers with a short-term need for outdoor and activewear. - Subscription: Avid users with a long-term need for outdoor and activewear
<p>Cost Structure</p> <ul style="list-style-type: none"> - Tailoring, cleaning, logistics, and transportation costs - Insurance fee - IT-system - Employees 		<p>Revenue Streams</p> <p>Rental fees: pay-per-use and subscription</p> <p><u>Price setting:</u></p> <ul style="list-style-type: none"> - Costs - Consumers' willingness to pay - Competitors' pricing strategy - Demand 		

<https://strategyzer.com/canvas/business-model-canvas> You can download this file as excel file at:

Devised by Alexander Osterwalder

Figure 13: The Final Version of the Rental-based Business Model

7.2 The Modified Second-hand Business Model

Value Proposition

As revealed by the survey results, saving money and environmental matters are more important motivations for buying outdoor jackets than to get access to unique clothes with history or vintage clothes. Since we uncovered in the questionnaire that quality is the main attribute and saving money is the most important motivation, these should be emphasized in the value proposition. Based on this, a suggestion for the final value proposition aimed at both the buying and selling consumer for second-hand is:

*The customers can **save or make money** through purchasing or selling second-hand clothes directly through Helly Hansen by transferring ownership of **quality-proved** outdoor and activewear through a **risk-free** process. This way, **the planet can be saved** by minimizing the environmental impact through giving pre-loved clothes a new home.*

Customer Segments

The demographic variables from the survey results could have revealed if certain groups were more interested than others and be used to refine the customer segment. Based on our findings, there seem to be no differences between the age and gender groups regardless of the jackets. However, we found that the willingness to pay more for buying second-hand everyday jackets is higher for the low-income group than for the medium- and high-income groups. Therefore, the most important customer segment is the low-income group, with interest for both everyday wear and special occasion wear. As revealed in the survey, environmental matters and saving money are the two most important motivations for buying second-hand outdoor jackets. In light of this, the target segment is mainly women and men of all ages that are price-conscious or environmentally-conscious.

Customer Relationships

As discussed in the conceptual model, saving money is, in general, the most important motivation for buying second-hand. The importance can be confirmed by the results of the survey, where saving money is the second most important motivation. However, environmental matters is the most important motivation for the respondents when buying second-hand outdoor jackets. Therefore, the money saving aspect and Helly Hansen's environmental contribution should clearly appear in promotions in order to establish and retain long-term relationships. Easy access to the second-hand sale and their environmental contribution should also clearly appear on their website.

Channels

As revealed by the survey, approximately 58 percent of the respondents prefer to buy second-hand in store, 17 percent online, and 25 percent are neutral regarding preference of channel. To meet the demand of second-hand in offline channels, it is important to offer second-hand sale in the flagship store in Oslo. In order to reach out to the rest of the market and make it more available, Helly Hansen should also offer second-hand online and ideally in stores across Scandinavia as well. It is difficult to customize the communication to the customer segment based on level of income, therefore Helly Hansen should try to reach out to every potential new customer of the model. This communication can be done through every type of media.

Key Partners, Activities and Resources

Based on the modifications in the model, new partners, activities, and resources must be introduced. In order to be easily available in sports retailers across Scandinavia, collaborations with retail stores need to be established. As we found in the survey, a large part of the respondents already own the different outdoor jackets and 83 percent buy new ones every 2-3 years or more often. We also revealed by the attributes that respondents most likely buy new clothes frequently because they crave newness, not because they are worn out. Therefore, we assume that the jackets they already own are still in good condition. Hence, many of these jackets can be utilized further by redistributing them. This fulfills the precondition we made earlier that consumers need to have clothes they no longer wear in their wardrobes for them to operate as suppliers. This makes these pre-loved clothes a new valuable resource for Helly Hansen. However, because Helly Hansen cannot control the clothes sold or donated, it is difficult to customize the clothing assortment offered based on what the customers want and fit.

Revenue and Costs

The second-hand model includes two elements to consider when developing the pricing strategy: setting of the sales price and revenue-sharing method. In order to set a sales price, Helly Hansen must consider the two last aspects of consumers' willingness to pay and prices used in similar models. The survey revealed that the prices the respondents are willing to pay for buying second-hand jackets are around 35-40 percent of the retail price. As shown in Figure 7, the distributions of the prices for the three jackets are widely spread and should be considered with caution if taken into account. Two competitors which offer sale of second-hand clothes today are Bergans and Houdini Sportswear. It is difficult to check the sales price of the competitors since they only offer resale in their physical stores and do not display their prices online. However, Houdini Sportswear state that they value the clothes based on the condition, as well as their standard price list (Houdini Sportswear, 2019A).

The other element to consider is how the sales price should be divided between Helly Hansen and the selling consumer. Houdini Sportswear gives 50 percent of the sales price to the previous owner if the garment is sold, as well as a 20 percent discount code for their regular assortment (Houdini Sportswear, 2019A). Bergans has implemented a deposit system where consumers can return their old clothes and receive a 20 percent discount code for the

online shop or the flagship store (Bergans, 2019A). Based on the competitors and the literature discussed in the conceptual model, 50/50 division may be a good revenue-sharing method.

Business Model Canvas

Key Partners - Cleaning and tailoring if outsourced - Consumers operating as suppliers - Partnerships with sports retailers	Key Activities - Inspection - Cleaning - Tailoring - Transportation - Logistics - Valuation and pricing	Value Proposition The customers can save or make money through purchasing or selling second-hand clothes directly through Helly Hansen by transferring ownership of quality-proved outdoor and activewear through a risk-free process . This way, the planet can be saved by minimizing the environmental impact through giving pre-loved clothes a new home.	Customer Relationships Upgraded website for easy access to the second-hand sale and information about environmental impact. <u>Establish relationships</u> - Promote the launch and regular updates with focus on saving money and the environmental aspect <u>Retain relationships</u> - Deals and reminders of value proposition with focus on saving money and the environmental aspect	Customer Segments - Consumers concerned with high-quality. - Price-conscious customers - Environmentally-conscious customers - Consumers who prefer ownership
	Key Resources - Assortment of pre-loved clothes received from consumers - Employees		Channels <u>Sale of second-hand</u> - Offline: flagship store in Oslo and sports retailers across Scandinavia - Online: order online with home delivery <u>Communication</u> - Social media, website, mailing list, and television	
Cost Structure - Tailoring, cleaning, logistics, and transportation costs - Employees - Costs of unsold clothes		Revenue Streams <u>Revenue:</u> selling price minus amount of price to selling consumer <u>Revenue sharing method:</u> 50/50 between Helly Hansen and seller <u>Price setting:</u> - Costs - Condition - Consumers' willingness to pay - Competitors pricing - Demand - Market price		

<https://strategyzer.com/canvas/business-model-canvas>

Devised by Alexander Osterwalder

Figure 14: The Final Version of the Second-Hand Business Model

7.3 The Future of the Fashion Industry

An increasing number of fashion companies are developing new and sustainable business models in the form of rental services and second-hand sale. This trend may lead to an evolution in the fashion industry in the years to come. If the implementation of such models is successful, it may affect the original sales in the current business models and increase the

brand loyalty for fashion companies. Additionally, it may influence norms and policies in the fashion industry. It is difficult to predict the strength of the effects and which direction they will take. Therefore, some possible implications will be discussed next.

One implication is that it may affect the original sales in positive or negative ways. The type of impact depends on if the new models enables Helly Hansen to reach out to new customer segments or if only the current customer will shift to the new models. If the latter takes place, the implications will depend on how well the companies manage to make the new and the original models interact. Marianne Tønning Kinnari, responsible for the environmental technology in Innovasjon Norge, states that one challenge for implementing rental models is that companies start to compete with their own original sales model (Nøttveit, 2018). If current customers shift from buying new clothes to renting or buying second-hand, this may lead to reduced sales in the original business model. To avoid that the sales model becomes unprofitable due to overproduction, the production level has to be adjusted to satisfy the demand of both the new and the original models. If Helly Hansen cut the production due to lower sales in the original model, this can reduce their costs. If this shift does not reduce the combined income of the two models, they may become more profitable and sustainable at the same time. However, if Helly Hansen does not manage to adjust the production level, this may lead to negative effects in the form of unnecessary high production costs that the total income may not cover. Another negative consequence is an increased number of unsold clothes. These clothes can be sold at discounted prices, but this may negatively affect the new models. This is because customers would probably rather buy new clothes at discounted prices than lease or buy second-hand. To avoid this problem, Helly Hansen can offer the unsold clothes through the rental service.

Another implication is that implementing a rental service may give an increase in brand loyalty and commitment from the customers. As discussed in the conceptual rental-based business model, rental services may establish a long-term relationship with the customers. They are able to test the quality of the products for a low price, and thereby try them before making their purchasing decision. This can lead to customers realizing that high-quality is essential for the active experience and, therefore, choose Helly Hansen rather than low-quality brands. The founder of Houdini Sportswear states that “their customers would rather afford high-quality performance sportswear for one weekend or week for 10–25% of its retail price, than buying a cheaper, low-quality version or needing to store and take care of the garment for the rest of the year” (Ellen MacArthur Foundation, 2017). A consequence is

that low-quality and cheaper brands may lose their market shares to high-quality competitors offering leasing and second-hand.

In order to make the fashion industry more sustainable, a system-level change is required. This includes a revolutionary degree of commitment, collaboration, and innovation, which may take time (Ellen MacArthur Foundation, 2017). Today, there are few legal requirements for companies' environmental impacts, and the change can only happen on voluntary grounds. Kennari states that the authorities must facilitate this change by making it more profitable for both the producers and consumers to choose sustainable options (Nøttveit, 2018). This can be done by, for example, cutting the VAT rate for such services. According to the Sustainability Manager of Bergans, Yngvill Ofstad, companies which already have implemented circular business models will have a competitive advantage if this happens (Nøttveit, 2018). However, Kennari believes that the European Union will become stricter on the producer responsibility in the future. If these new models turn out to be both sustainable and profitable in the future, this can lead to new industry norms and policies for companies operating in the fashion industry. Ultimately, this can lead to the design of more durable clothes and more circular supply chains, and thereby reduce the fashion industry's negative impact on the environment.

Because very few companies have implemented these models to this date and few consumers know of their existence, it may take time before this development makes an impact. One example proving this is Houdini Sportswear which started their rental service in 2012. Their reuse, rental, and repair services only accounted for 1 percent of the sales in 2017 (Nøttveit, 2018). This shows that these new business models do not affect the original sales model to a considerable extent the first years. However, this may change if the models reach the critical mass, and the services become popular. Houdini has set a goal for these "reservices" to make up 10 percent of the revenues by 2025. On the contrary, this development happened quickly for companies in the market of designer women's clothing and accessories, such as Rent the Runway and Le Tote. The leader of "Fremtiden i våre hender", Anja Bakken Riise, uses the story of Norway's biggest clothing rental company Fjong as one example to confirm how an increasing number of consumers are already changing their mindset from ownership to fashion-sharing (Tønset, 2018). Fjong grew rapidly from 0 to 20.000 users within a year, and they experience a high demand (Syverud, referred in Tønset, 2018). This shows that rapid growth of the new models is also possible for other markets in the fashion industry, but only if the services reach the critical mass.

8. CONCLUSION

8.1 Summary

The textile industry contributes to massive environmental problems and is one of the largest polluters in the world (The European Environmental Agency, 2014). One way to reduce the production, consumption, and waste in the textile industry is by making fashion supply chains more circular. This can be done by implementing business models built on collaborative consumption. The purpose of this master thesis is to check for consumer acceptance of rental service and second-hand sale of outdoor and activewear and to develop new business models for Helly Hansen. The new models are only valuable if the consumers are acceptive of such models, and therefore the models must be customized in accordance with the consumers' wishes and needs. To be able to catch the consumers' preferences, this thesis is based around a consumer questionnaire. The thesis aims to answer three research questions.

The first research question this thesis will answer is:

1. What is the degree of consumer acceptance towards a new rental-based business model?

The survey revealed that, among the respondents in our sample, 57 percent are positive or neutral to lease ski jackets and 30 percent are positive or neutral to lease everyday jackets. Based on this, we assume that there may be potential for leasing of outdoor and activewear. This mainly applies for special occasion wear. However, the acceptance should be explored further due to our biased sample.

The second research question is:

2. What is the degree of consumer acceptance towards a new second-hand business model?

The survey revealed that, among the respondents in our sample, 74 percent are positive or neutral to buy second-hand ski jackets and 70 percent are positive or neutral to buy second-hand everyday jackets quality-proved directly through the brand. Even though our sample is biased, the acceptance is high enough to assume that there may be potential for selling both special occasion and everyday outdoor wear as second-hand.

The third research question is:

3. How to design new business models for rental-services and second-hand sale?

Since there seems to be potential for both of the models based on our sample, we have outlined the final versions. These models are first outlined conceptually built on theory, then modified in accordance with the survey results and similar models of competitors, and are lastly finalized in Figure 13 and 14.

In conclusion, the results from our sample show that there seems to be potential for implementing the new business models. This especially applies to the second-hand model. However, because of the biased sample, we cannot generalize these results from our sample to the population. Therefore, Helly Hansen can use our findings as preliminary work for further research on this topic.

8.2 Limitations, Future Research and Contribution

Limitations and Future Research

We have identified some possible limitations that may affect the validity and reliability of our study. These limitations may be the basis for further research on this topic. The most prominent limitation is the biased sample. The sample mostly consists of Scandinavian students from NHH, only representing a minor part of the population. They may have other characteristics than other parts of the population. For example, they may be more concerned with the environment since there is great focus on sustainability in many courses at NHH. Therefore, they may be more acceptive of the new business models than other groups in the population. At the same time, students tend to be a homogenous group with the same income and age range, which provided us with a sample consisting of mostly young respondents with a low income. For this reason, we suggest future research to use samples consisting of other groups of the population. This can provide more representative results and make it possible to generalize them in order to reflect consumer acceptance of the population more accurately.

Further, there are limitations by only using a questionnaire when researching a topic. It may be more difficult to reveal the reasons and motivations behind each statement and answer. Therefore, a suggestion for further research is to use in-depth interviews with different types

of consumers where they can answer in detail. Additionally, many other questions could have been asked, but to limit the length of the survey we had to choose the most relevant ones in order to answer the research questions. Another limitation is that the thesis is limited to the single product category of outdoor jackets. Future research should look at other product categories to explore the possibility to include either more or less personal and intimate products than outer layers in the rental or second-hand assortment.

Contributions

This master thesis aims to provide Helly Hansen with insights on consumers acceptance of collaborative consumption business models and consumer preferences regarding outdoor and activewear. The questionnaire and the analysis are not specifically related to Helly Hansen because it concerns outdoor and activewear in general. A practical contribution of this is that other companies in the same market can use the results and the new business models as a template when innovating their own business models to become more circular. Since there is a lack of prior research on collaborative consumption in the fashion industry from the customer perspective, further research is necessary. This is because the concept of collaborative consumption is relatively new and an important initiative to reduce the environmental burden of the textile industry. This thesis can function as preliminary work for Helly Hansen's research process if they decide to develop the new models.

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APPENDIX - QUESTIONNAIRE

A. English Version

INTRODUCTION

For Norwegian, please change language in the top right corner.

Hi! We are two master students at NHH, Silje and Kristine, with a strong interest for sustainable fashion. This survey is a part of our master thesis, where we study new business models in the fashion industry.

In this survey we wish to learn more about consumer preferences related to second-hand shopping and leasing of outdoor jackets in the Scandinavian market. We will look at three different outdoor jackets: parkas (everyday winter jacket), rain coats and ski jackets.

The survey takes about 5-7 minutes to complete. All answers are completely anonymous. Thank you for helping us with our master thesis. Your answers are valuable.

By participating, you can sign up with your email to win a cinema gift card on the last page. We will draw three winners who will receive two tickets each to the winners' preferred cinema.

PART 1 PERSONAL INFORMATION

1 Gender

Male

Female

2 Age

Under 18

18-29

30-40

oOver 40

3 Yearly income (before taxes)

oUnder 250.000

o250.000-500.000

o500.001-750.000

oOver 750.000

4 Employment status

oStudent

oEmployee

oOut of work

4.1 Student type:

oInternational student

oScandinavian student

PART 2 BUYING BEHAVIOR IN GENERAL

5 Which of these outdoor jackets do you currently own?

Ski jacket

Parkas

Rain coat

6 How often do you buy new outdoor jackets (rain coats, parkas and ski jackets)?

- More than once a year
- Once a year
- Every 2-3 years
- Less than every 2-3 years

7 Rank these attributes for outdoor jackets (rain coats, parkas and ski jackets) from 1 (most important) to 7 (least important) by dragging the attributes in the right order:

Sustainable production and consumption

Low price

Brand name

Trends

Express personality

Symbolize social status

Quality

PART 3 BUYING BEHAVIOR RELATED TO LEASING AND SECOND-HAND

8 Assess these statements:

	1	2	3	4	5
If professionally cleaned, I would be willing to lease instead of buy ski	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

jackets

If professionally cleaned, I would be willing to **lease** instead of buy everyday outdoor jackets (rain coat, parkas)

I would be willing to pay more for a **second-hand** ski jacket that are professionally cleaned and quality proofed by the brand

I would be willing to pay more for a **second-hand** everyday outdoor jackets (rain coat, parkas) that are professionally cleaned and quality proofed by the brand

I would rather **lease**
jackets online than
in a physical store

I would rather buy
second-hand
jackets online than
in a physical store

9 Rate these possible motivations for **leasing of outdoor jackets** (rain coats, parkas and ski jackets) from 1 (most important) to 5 (least important) by dragging the attributes in the right order:

Environment matters

Customized wardrobe based on current needs/wants

Easier to follow new and fast-changing trends

Saves money through getting access to new clothes in a cheaper way

Saves closet space

10 Rate these possible motivations for buying second-hand outdoor jackets (rain coats, parkas and ski jackets) from 1 (most important) to 4 (least important) by dragging the attributes in the right order:

Environment matters

Saves money

Gives access to vintage clothes with a history

Gives access to unique clothes/style

PART 4 THE WILLINGNESS TO PAY

11 How much would you maximum be willing to pay for **leasing** one parkas of high quality with a retail price NOK 3.000 for **one month** (30 days)?

12 How much would you maximum be willing to pay for **leasing** one rain coat of high quality with a retail price NOK 2.000 for **one month** (30 days)?

13 How much would you maximum be willing to pay for **leasing** one ski jacket of high quality with a retail price NOK 5.000 for **one weekend** (3 days)?

14 How much would you maximum be willing to pay for leasing one ski jacket of high quality with a retail price NOK 5.000 for **one week** (7 days)?

15 How much would you maximum be willing to pay for leasing one ski jacket of high quality with a retail price NOK 5.000 for **one month**(30 days)?

16 How much would you maximum be willing to pay for **purchasing one second-hand** parkas of high quality with a retail price NOK 3.000?

17 How much would you maximum be willing to pay for **purchasing one second-hand** rain coat of high quality with a retail price NOK 2.000?

18 How much would you maximum be willing to pay for **purchasing one second-hand** ski jacket of high quality with a retail price NOK 5.000?

B. Norwegian Version

INTRODUKSJON

Hei! Vi er to masterstudenter ved NHH, Silje og Kristine, med en brennende interesse for bærekraftig mote. Denne undersøkelsen er en del av vår masteroppgave, hvor vi undersøker nye forretningsmodeller i motebransjen.

I denne undersøkelsen ønsker vi å lære mer om kundepreferanser relatert til leie og kjøp av second-hand (brukte) ytterjakker i det skandinaviske markedet. Vi vil se på tre ulike ytterjakker: parkas (hverdagslig vinterjakke), regnjakker og skijakker.

Undersøkelsen tar omtrent 5-7 minutter å gjennomføre. Alle svar er fullstendig anonyme. Takk for at du hjelper oss med vår masteroppgave. Dine svar er verdifulle.

Ved å delta kan du bli med i trekning av kinogavekort på siste side ved å oppgi din e-post. Vi vil trekke tre vinnere som mottar to billetter hver til vinnernes foretrukne kino.

PART 1 PERSONLIG INFORMASJON

1. Kjønn

Mann

Kvinne

2. Alder

Under 18

18-29

30-40

Over 40

3. Årlig inntekt (før skatt)

Under 250.000

250.000-500.000

500.001-750.000

Over 750.000

4. Yrkesstatus

Student

Ansatt

Ikke i arbeid

4.1 Type student:

- o Internasjonal student
- o Skandinavisk student

PART 2 GENERELL KJØPSATFERD

5. Hvilke av disse ytterjakkene eier du i dag?

- Skijakke
- Parkas
- Regnjakke

6. Hvor ofte kjøper du nye ytterjakker (regnjakker, parkas og skijakker)?

- o Mer enn 1 gang i året
- o 1 gang i året
- o Hvert 2-3 år
- o Mindre enn 2-3 ganger i året

7. Rangér disse egenskapene for ytterjakker (regnjakker, parkas og skijakker) fra 1 (viktigste) til 7 (minst viktig) ved å dra attributtene i riktig rekkefølge

Bærekraftig produksjon og forbruk

Lav pris

Merkenavn

Trender

Uttrykke personlighet

Symbolisere sosial status

Kvalitet

PART 3 KJØPSATFERD RELATERT TIL LEIE OG SECOND-HAND

8. Vurder disse påstandene:

	1	2	3	4	5
Hvis profesjonelt vasket, er jeg villig til å leie istedenfor å kjøpe skijakker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hvis profesjonelt vasket, er jeg villig til å leie istedenfor å kjøpe hverdagsjakker (parkas, regnjakke)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg er villig til å betale mer for en second-hand skijakke som er profesjonelt vasket og kvalitetssikret av bedriften	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Jeg er villig til å betale mer for en second-hand hverdagsjakke (parkas, regnjakke) som er profesjonelt vasket og kvalitetssikret av bedriften	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg vil heller leie jakker på nett enn i butikk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg vil heller kjøpe second-hand jakker på nett enn i butikk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Rangér disse mulige motivasjonene for **leie av ytterjakker**(regnjakker, parkas og skijakker) fra 1 (viktigst) til 5 (minst viktig) ved å dra attributtene i riktig rekkefølge:

Miljøhensyn

Tilpasse garderobe basert på nåværende behov/ønsker

Lettere å følge nye og raskt-skiftende trender

Spare penger gjennom økt tilgang til nye klær til en billigere pris

Spare garderobeplass

10. Rangér disse mulige motivasjonene for å **kjøre second-hand ytterjakker**(regnjakker, parkas og skijakker) fra 1 (viktigst) til 4 (minst viktig) ved å dra attributtene i riktig rekkefølge::

Miljøhensyn

Spare penger

Gir tilgang til vintage-jakker med historie

Gir tilgang til unike jakker

PART 4 BETALINGSVILLIGHET

11. Hvor mye er du maksimalt villig til å betale for å **leie** en parkas av høy kvalitet med en salgspris på NOK 3.000 for **en måned** (30 dager)?

12. Hvor mye er du maksimalt villig til å betale for å **leie** en regnjakke av høy kvalitet med en salgspris på NOK 2.000 for en måned (30 dager)?

13. Hvor mye er du maksimalt villig til å betale for å **leie** en skijakke av høy kvalitet med en salgspris på NOK 5.000 for **en helg** (3 dager)?

14. Hvor mye er du maksimalt villig til å betale for å **leie** en skijakke av høy kvalitet med en salgspris på NOK 5.000 for **en uke** (7 dager)?

15. Hvor mye er du maksimalt villig til å betale for å **leie** en skijakke av høy kvalitet med en salgspris på NOK 5.000 for **en måned** (30 dager)?

16. Hvor mye er du maksimalt villig til å betale for å **kjøre en second-hand** parkas av høy kvalitet med en salgspris på NOK 3.000?

17. Hvor mye er du maksimalt villig til å betale for å **kjøre en second-hand** regnjakke av høy kvalitet med en salgspris på NOK 2.000?

18. Hvor mye er du maksimalt villig til å betale for å **kjøre en second-hand** skijakke av høy kvalitet med en salgspris på NOK 5.000?
