

Atelier B Consulting

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Topic Title: Rent the Runway - Breaking the Boundaries of Sustainable Consumerism

Audience: Board of Directors of Rent the Runway

Sustainable Development Goal

SDG #(12) : Ensure sustainable consumption and production patterns.

Executive Summary

The COVID-19 pandemic had irreversible impacts on the fashion industry, pushing brands to not only meet promises for product quality but exceed expectations for sustainability. According to a 2021 study by First Insights, roughly 75% of Gen Z consumers cite sustainability as a higher priority than loyalty to brand names. Clothing rental companies hold the potential to break the need for mass production and facilitate an overall shift to a more circular economy for responsible consumption and production. Rent the Runway established itself as a trailblazer in the reuse industry, offering luxury brands for both rent and purchase amidst the growing demands of the Gen Z consumer base. As of 2021, the company effectively performed 41 million garment repairs and diverted 1.1 million decommissioned rental products from landfills.

Shared consumption has experienced intensive scrutiny, particularly after the COVID-19 pandemic due to persisting concerns about the transferability of microorganisms and harmful substances between end consumers. Surges in customer complaints reveal poor product quality, wear-and-tear, and irreparable damage to products, calling into question the impact of rented clothing on exacerbating environmental degradation. The lack of product durability combined with a societal shift to affordable smart-casual pieces is driving complications for the brand's long-term financial position. Dry cleaning, the company's current solution to clothing sanitation, challenges environmental laws and consumer safety regulations. To enhance the sustainability and overall market potential for Rent the Runway's prospective growth, Atelier B Consulting recommends a shift to sourcing more durable, fluid clothing for high-quality product maintenance, justifiable with fair market pricing. Promoting a circular economy will help end the long-term impact of fast fashion, making an overwhelming impact on the larger approach to mass consumerism for responsible consumption and production at scale.