

# A Netflix Model for Haute Couture

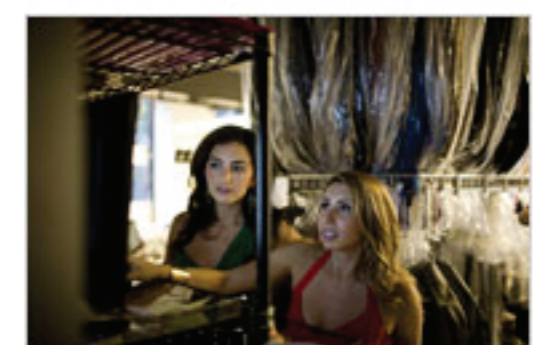


Jennifer Hyman, left, and Jennifer Carter Fleiss at Rent the Runway headquarters.

By JENNA WORTHAM  
Published: November 8, 2009

For many women, a \$1,000 dress is something they admire in the pages of a glossy magazine or see draped on the frame of a celebrity — not an item hanging in their closet.

Enlarge This Image



Todd Heisler/The New York Times  
Through the mail-order service from Jennifer Hyman, above left, and Jennifer Carter Fleiss, a four-night dress rental costs \$50 to \$200.

Enlarge This Image



Todd Heisler/The New York Times

### Readers' Comments

Readers shared their thoughts on this article. [Read All Comments \(79\) »](#)

But a nascent Web site called [Rent the Runway](#) is hoping to make high-end fashions much more accessible and almost as easy as renting a movie from Netflix.

The mail-order service, which finishes the testing phase on Monday, allows women to rent dresses from notable fashion designers like [Diane Von Furstenberg](#), [Hervé Léger](#) and [Proenza Schouler](#) for roughly one-tenth of what they would cost to buy in a retail store.

The rentals run \$50 to \$200 for a four-night loan and are shipped directly to the customer's doorstep. After wearing the dress, she puts it into a prepaid envelope and drops it in the mail. Dry cleaning is included in the price, but damage insurance costs \$5, and in the case of outright destruction of the dress, the renter is responsible for the full retail price.

Rent the Runway is a recession-era twist on the Internet rent-by-mail model, which has been used for things like textbooks and video games in addition to movies. Unlike those utilitarian items, however, the dresses offer a touch of Cinderella — on a budget.

Julia Harris, a 27-year-old graduate student living in New York, turned to Rent the Runway when she needed something chic for a fall wedding. For \$50, she got a fuchsia Catherine Malandrino number with an elaborately ruffled bust that would have cost \$495 to buy.

"It was so easy. You just wear it and drop it back in the mail to them," Ms. Harris said. "I don't spend \$2,000 on a dress regularly, so it's nice to be able to wear some of the more expensive brands I wouldn't be able to buy otherwise. And instead of just buying one or two dresses for this season, I can still have a lot of things to wear."

Rent the Runway was founded by two recent Harvard Business School graduates, Jennifer Hyman and Jennifer Carter Fleiss. Ms. Hyman said she got the idea for the service last year after watching her younger sister agonize over whether to buy an expensive new outfit to wear to a wedding.

"Here was this young girl who loves fashion and was willing to spend a good portion of her salary on a dress that she's only going to wear once or twice, and I thought, there has to be a solution for this," said Ms. Hyman.

The founders say that more than 20,000 women have signed up for the service, which has been shipping dresses for only a week. Bain Capital Ventures provided seed financing, which the company used to build its inventory of 160 styles.

Rent the Runway declined to discuss its business strategy, but it is clear the company faces several risks. Unlike DVDs, fashion changes quickly, and there is no guarantee that the company will be able to rent each dress enough times to cover its costs.

In addition, retail stores in major cities have offered dresses for rent for years. Rent the Runway is betting that its shop-by-Web convenience and the appeal of its top-quality fashions will persuade women across the country to rent a dress for a special occasion without trying it on beforehand.

The company has also chosen to make the service invitation-only, which gives it an air of exclusivity but may limit its audience.

Jeff Roster, an analyst with Gartner, said that execution would be critical. "If my movie doesn't come on time, I might be mad, but life goes on," he said. "But if my fancy dress for a big important event doesn't arrive, that's a customer service problem like you've never had before."

Ms. Hyman and Ms. Carter Fleiss said they had taken several steps to guard against service fiascos. For starters, they use a reservation system to ensure that a customer can get a specific dress for the night she needs it.

To assist with fitting, they have on-call stylists who can advise customers on how certain materials feel and how a particular dress might hang on various body types. In addition, the site offers returns within 24 hours for any reason and will include an extra size of a first dress at no additional cost.

Customers who want to be extra-safe can choose a second style as a backup, for an additional \$25. And all dresses come with a custom garment bag and a "fit kit," which includes double-sided tape, bra strap adjusters and deodorant stain removers.

For fashion designers, the service is a creative marketing strategy and a way to reach a new generation of customers, said Ms. Hyman. "If someone wears a dress and absolutely loves it, she will go out and buy it," she said.

Although most designers are selling their dresses directly to the service, some are providing exclusive runway pieces that are not commercially sold in exchange for a cut of the revenue.

Christian Siriano, a New York designer who was the winner in the fourth season of the "Project Runway" reality TV show, said Rent the Runway was a way to introduce his collection to a broader audience.

"Even though most people probably know who I am, they don't know the brand yet," he said. At a boutique, Mr. Siriano's pieces can cost as much as \$3,000. On Rent the Runway, his styles are offered for \$150 to \$200.

Those prices are especially appealing in a tough economy, said Karen Scheck, president of Lela Rose, a label whose fans include celebrities like [Anne Hathaway](#).

"In challenging economic times, it's important for brands to reach a larger audience and age demographic that you wouldn't normally because of the price," she said. "This is a great way to do it without jeopardizing the brand."

The real test of the service will be the quality of its collection, said Samantha Durbin, editor of [FabSugar.com](#), a fashion blog. "The key is to have really great products that are on trend," she said. "No one wants to rent last season's dress."

*This article has been revised to reflect the following correction:*

### Correction: November 10, 2009

A picture caption on Monday with an article about Rent the Runway, an online dress rental company, reversed the identifications of the company's founders in some copies. Jennifer Hyman is at the left and Jennifer Carter Fleiss is at the right.

### More Articles in Technology »

Have you joined? It's free. nytimes.com | LinkedIn. The New York Times and LinkedIn have teamed up to give you customized industry news. Automatically. Click here to activate

SIEMENS ANSWERS FOR Moving America CLICK ON A THUMBNAIL TO DISCOVER Articles from The New York Times Siemens videos Siemens map

Get the Opinion Today E-Mail Sign up for the highlights of the day in Opinion, sent weekday afternoons. Sign Up See Sample | Privacy Policy

Subscribe to Technology RSS Feeds Technology News Internet Start-Ups Business Computing Bits Blog Personal Tech Pogue's Posts

- MOST POPULAR - TECHNOLOGY E-MAILED BLOGGED VIEWED 1. Supply Chain for iPhone Highlights Costs in China 2. Apple Blocks App Developer 3. Bits: Twitter Gets Into E-Commerce 4. Microsoft Calling. Anyone There? 5. You Say God Is Dead? There's an App for That 6. State of the Art: Big Phone, Big Screen, Big Pleasure 7. Suit Over Faulty Computers Highlights Dell's Decline 8. Nokia to Sell Its Business in Modems 9. Bits: Changing Government and Tech With Geeks 10. Bits: Lobbyists Try to Reframe Distracted Driving Issue Go to Complete List »

A Jeep for high rollers ALSO IN AUTOS » Lexus Hybrid recall Follow the Wheels blog on Twitter nytimes.com AUTOS

ADVERTISEMENTS Find your dream home with The New York Times Real Estate Fan The New York Times on Facebook Watch today's top videos See the news in the making. Watch TimesCast, a daily news video.

SEE THE NEWS IN THE MAKING. Don't miss TimesCast: Behind the Scenes in the Newsroom. nytimes.com/timescast