



THE ULTIMATE GUIDE

BUILD YOUR ONLINE RENTAL COMMUNITY TO FACILITATE MUSICAL INSTRUMENTS



TABLE OF CONTENTS

INTRODUCTION	02
CHAPTER 1: STEPS TO GET STARTED WITH YOUR RENTAL MARKETPLACE FOR MUSICAL INSTRUMENTS BUSINESS	03
1.1: BUSINESS MODEL FOR RENTAL MARKETPLACE OF MUSICAL INSTRUMENTS	
1.2: SOURCE OF REVENUES	
CHAPTER 2: TRENDS IN RENTAL MARKETPLACE FOR MUSICAL INSTRUMENTS BUSINESS IN 2021	07
2.1: ACADEMIC MODEL	
2.2: GIG RENTALS	
2.3: IDLE RENTALS	
CHAPTER 3: TOP FEATURES FOR A RENTAL MUSICAL INSTRUMENT BUSINESS	09
3.1: ADVANCED SEARCH	
3.2: INSTRUMENT BOOKING	
3.3: INSTRUMENT LISTING	
CHAPTER 4- MAJOR CHALLENGES IN CREATION OF A RENTAL MARKETPLACE FOR MUSICAL INSTRUMENT BUSINESS	12
4.1: LICENSING CHALLENGE	
4.2: PRICING MODELS	
4.3: SAFETY ISSUES	
4.4: DELIVERY/PICKUP MANAGEMENT	
CHAPTER 5- HOW TIGER CAN HELP YOU CREATE A RENTAL MARKETPLACE FOR MUSICAL INSTRUMENT BUSINESS	13
CONCLUSION	15

INTRODUCTION

In April 2020, when Fretish, one of the most popular online musical instrument rental businesses, took over the reins of Spark Plug, also a prominent rental marketplace for renting music equipment, it came as no surprise. Rental marketplaces are booming, and renting musical instruments has gained traction from students, upcoming artists, and musicians.

According to Statista, revenues for musical instrument parts and accessories will grow at a compound annual growth rate of 5.46% and reach \$1,946 million by the end of 2021. Even the market for musical instruments is growing at a CAGR of 4.24%, with revenues predicted to reach \$4,508 million within the same period(2021).

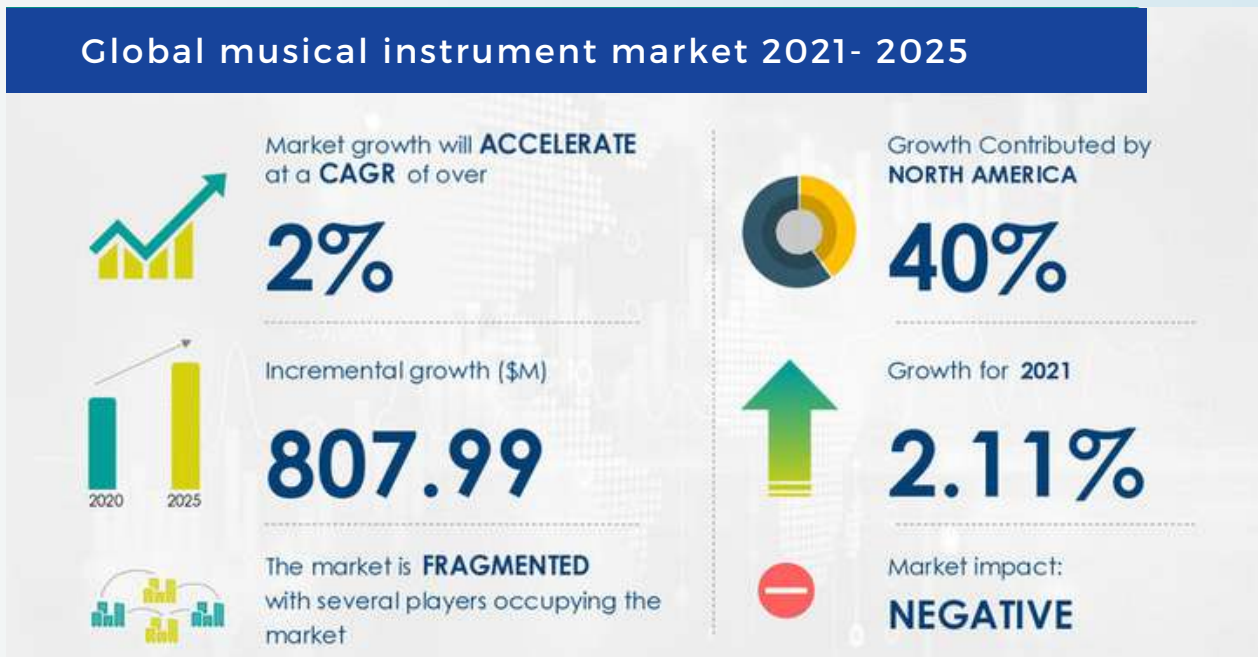
The demand for musical instruments is increasing, primarily due to the recent pandemic forcing upcoming musicians to have one at their home for practice sessions. Such a scenario has worked in favor of many online musical instrument rental businesses.

However, there are many challenges that a startup may face for starting a music instrument rental marketplace. So, here is a comprehensive take on a business model, trends, must-have features, and challenges of creating online musical instrument rental businesses.



STEPS TO GET STARTED WITH YOUR RENTAL MARKETPLACE FOR THE MUSICAL INSTRUMENTS BUSINESS

There is no shortage of upcoming artists and musicians working hard to make a name in the multi-billion dollar music industry. According to the IFPI report, the music industry recorded a revenue of around \$21.6 billion in 2020. The music industry is growing at 7.4% and has been sustaining the current pandemic through streaming rights.

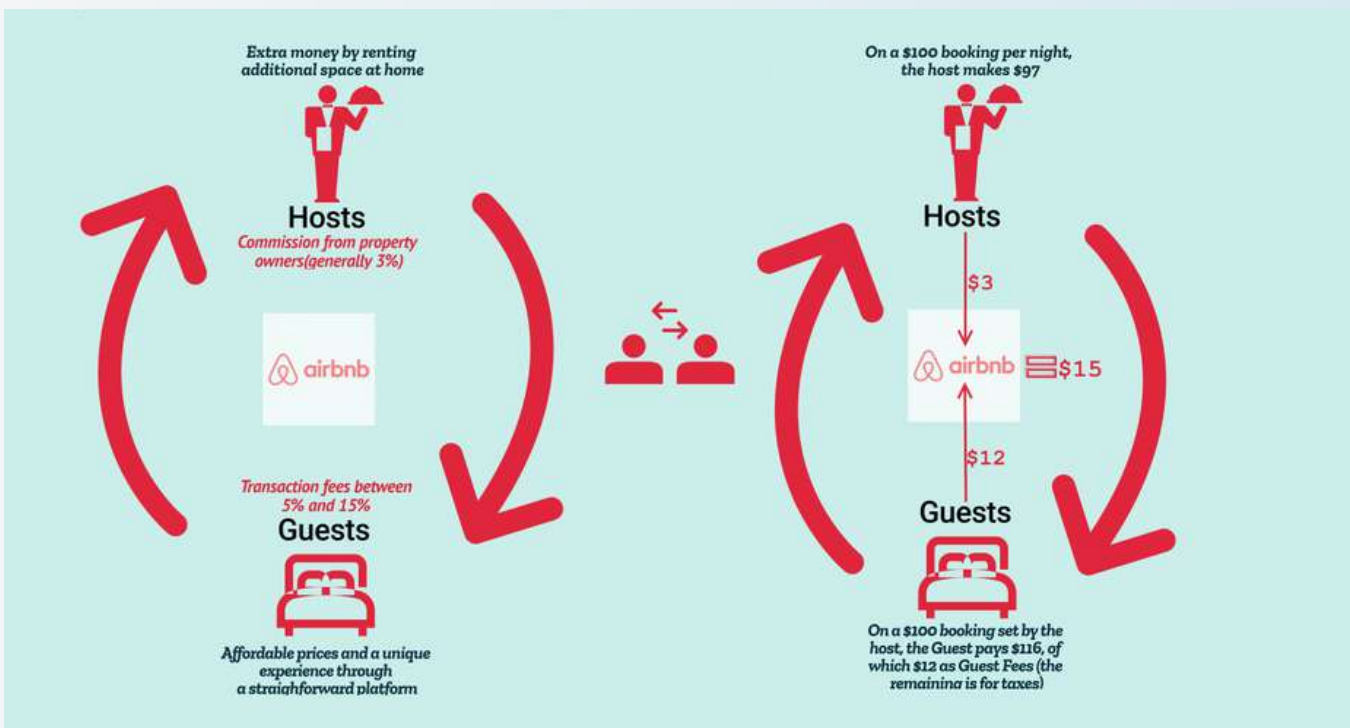


At the same time, there is a massive demand for musical instruments. It is a trend not just limited to upcoming artists and musicians but many people due to COVID restrictions. The musical instrument market is set to reach \$807.99 million during the forecast period of 2021-2025, with a compound annual growth rate of 2%.

If you are looking to tap into a marketplace for rental musical instruments, this is the right time. However, you will need a thorough understanding of the business model for such a marketplace.

BUSINESS MODEL FOR RENTAL MARKETPLACE OF MUSICAL INSTRUMENTS

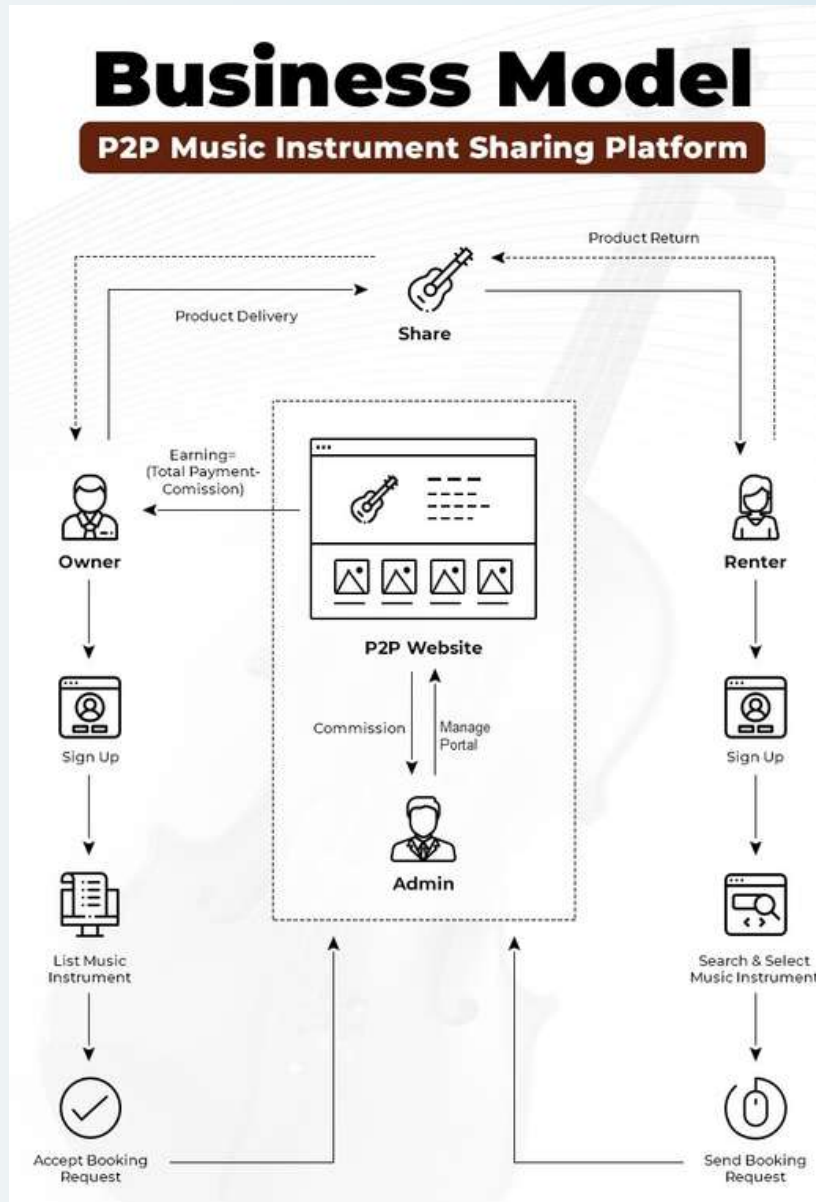
One of the most popular business models used by the most rental marketplace is P2P or Person to Person. It is a product of the sharing economy approach that has been introduced since the inception of on-demand services like Uber. P2P is not just used for the rental marketplace of musical instruments but also other vertices.



For example, Airbnb is a rental marketplace using the P2P business model, where property owners and tenants can connect. The online rental marketplace charges around 5% to 15% to the guests who rent properties and 3% commission to property owners. Apart from Airbnb, there are several rental marketplaces like, Spinlister for renting bikes or even websites that offer games on rent.

For upcoming artists and students struggling to find a foothold in the music industry, revenue sources are limited. So, they prefer renting an instrument rather than buying a new one. This has created a massive opportunity for online rental music instrument businesses.

At the same time, many musicians own several idle instruments, and they can create a side hustle out of it through a rental marketplace. A P2P website acts as a facilitator of the transaction.



Here is how it works!

- A musical instrument owner can sign-up on the portal and list the equipment and hourly/weekly/monthly rental rates.
- Musicians can search from a broad spectrum of musical instrument listings and even sort through rental rates.
- Next, the musician selects the equipment for rent and also chooses the duration of renting.

- The instrument owner receives the request and approves it.
- Once the booking is made, the owner will receive their money after a deduction of commission charges.
- The musician returns the equipment after the booked period of renting.

SOURCES OF REVENUES

There are several different ways in which you can earn revenues from the musical instrument rental business. From subscription charges to commission charges, even classified advertising can boost your revenues.

Commission Charges

A musical instrument rental business can charge commission fees to the equipment owners. The commission fees can depend on different aspects like transactions, listings, and others. On every rental booking, the owner of the musical instrument receives the amount after commission fee dedication.

Subscription Charges

Another way to improve your revenue in the musical instrument rental marketplace is by adding subscription plans for renters and vendors. You can offer discounts on long-term subscription plans for the specific musical instruments on your marketplace.

Classified Section

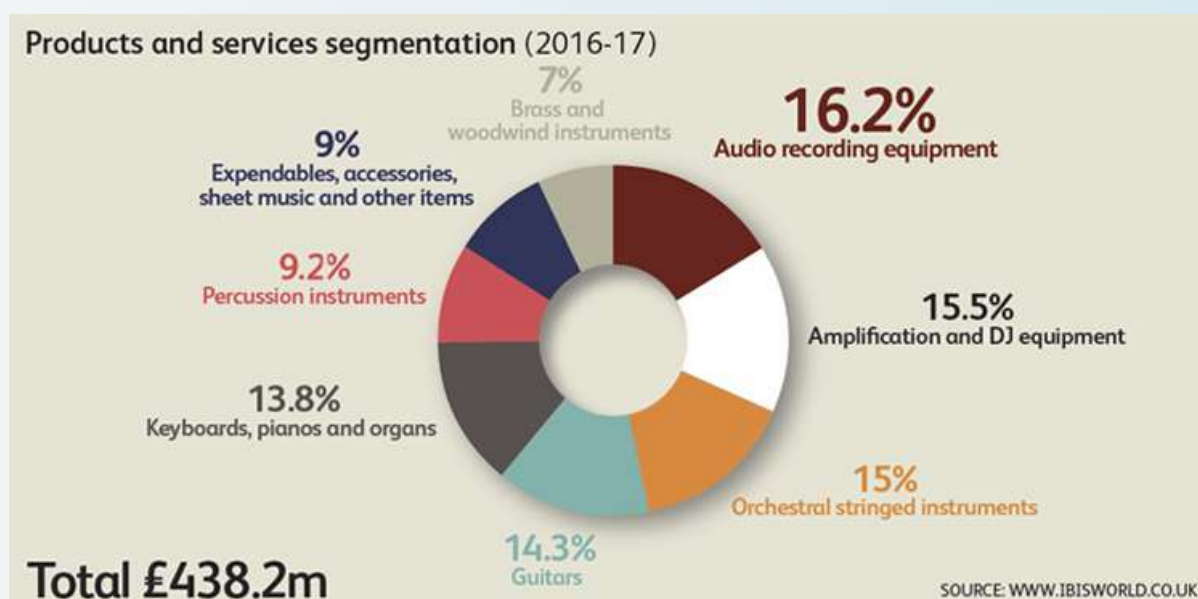
Adding a classified section can help your business in two ways,

- Allow musicians to market instruments.
- Generate more revenues.

Here, you can also deploy a hybrid approach where subscription plans can be offered for classified ads and even charge commissions on every sale from these ads.

TRENDS IN RENTAL MARKETPLACE FOR MUSICAL INSTRUMENTS BUSINESS IDEAS IN 2021

Restrictions on physical movement and social distancing norms have forced many musicians and students to be at home while practising their art. It is the reason why there has been a surge in demand for the rental marketplace. Further, buying a new instrument is not an option for every artist.



The adoption of a rental marketplace model is getting traction due to a high amount of segregation of the musical instrument market. According to a survey, audio recording equipment sales have been a major contributor to the market with 16.2%, and instruments like keyboards contribute 13.8%.

A rental marketplace for musical instruments can offer not just the equipment but cater to a wide range of products like recording devices, DJ tools, accessories, and more. Let's look at some business ideas that can be leveraged through a rental marketplace model for musical instruments.

ACADEMIC RENTALS

Students pursuing music as majors are often using musical instruments at home. According to the Associated Board of the Royal Schools of Music (ABRSM), seven out of ten UK children use a musical instrument. About 85% of the children have already played an instrument compared to 74% of adults.

The trend clearly shows how students choose to play instruments, which can be leveraged for your rental marketplace. A hybrid approach can create a virtual academy of music and a rental marketplace for musical instruments.

Students can learn to play an instrument and at the same time, rent them from your marketplace. Such a hybrid approach can help you with an alternate revenue source along with the rental marketplace model.

GIG RENTALS

Many upcoming musicians need special instruments for gigs. Buying a musical instrument is not a viable option for musicians that are not yet so established in the industry. A rental marketplace, therefore, is the best option that can offer branded musical organs for a specific period at affordable rates.

IDLE RENTALS

Many established musicians often have several instruments in their collection, and not all of them are being used at every gig. This is where a rental marketplace comes into play with its business model to help such musicians generate revenues from idle instruments.

Especially with the onset of the pandemic, there has been a massive decline in the physical sales of music. While the online streaming of music has increased by 12%, there is a decline of 11% for physical sales, impacting live performance events worldwide.

In such a scenario, musicians can leverage a rental marketplace to compensate for their revenue loss by renting their instruments and still keeping the ownership.

TOP FEATURES FOR A RENTAL MUSICAL INSTRUMENT BUSINESS



Any rental marketplace needs advanced features for a better user experience and enhanced functionality. It is one of the most significant parts of your marketplace solution as these features are the front-facing component that a user will interact with for transactions.

The development of reliable musical instrument rental software for your rental musical instrument business is essential to ensure smoother operations, and wireframing of the architecture takes centre stage. For effective wireframing and development planning, identifying the features is vital, as it enables organisations to re-assess the need for resources.

However, having a sound technical partner can make all the difference. Let's discuss some of the features that you can include in your rental marketplace for musical instruments

ADVANCED SEARCH

The rental marketplace portal should have an advanced search feature to search for their favourite instruments they need to rent. Search must-have automated suggestions features allow the renters to explore the musical instruments through different keywords.

The search bar can include different filters for location, category, price range, instrument name, brand names like Gibson, Marshall, and others. You can also integrate search options through social sharing and the wishlist section.

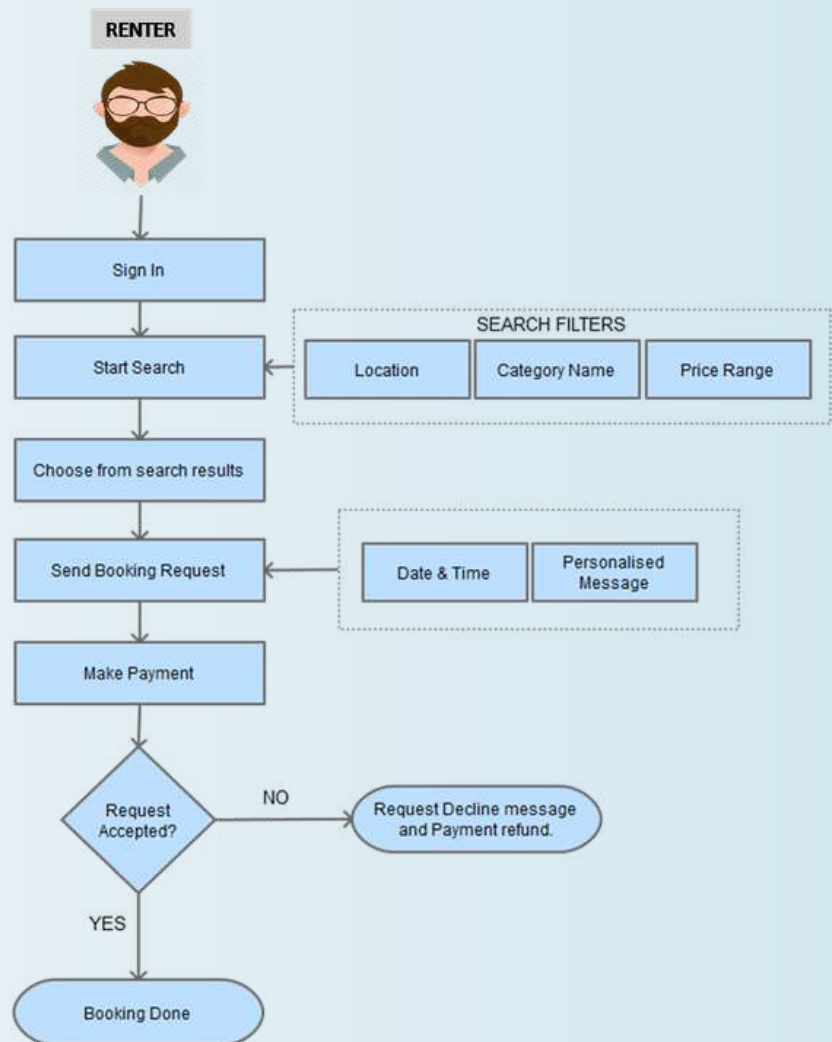
INSTRUMENT BOOKING

The instrument booking feature should be easy to navigate, and the checkout process needs to be faster. Renters that access your portal for searching the instrument and book them for a specific renting period should have easy-to-use navigational features.

A single click on the rent button should take them to the checkout page where they can access information like,

- Final rent to be paid
- Period of rent
- Delivery/pickup options
- Online payment options

Another essential feature that you should include is to allow the renters to register their personal information, location details, and even log in from a social media platform.



INSTRUMENT LISTING

Listing is another essential activity in your operational flow. As more musicians list their instruments on your portal, the value for customers will grow. To enhance the listing experience, features should be easy to navigate and offer reliable functionality. There should be features for

- Adding price options
- Availability and delivery/pickup schedule
- Adding personal details and location information of the owner
- Musical instrument description
- Availability marking on the calendar
- Location in the map view for better access

Apart from music store owners, you can also offer a listing facility for offline stores that want to provide musical products for rent. For offline stores, the listing features can include

- Options to add type or category of instruments like gear, space, or equipment.
- Multiple options for categories and subcategories (For example, Instrument-> keyboard-> electric keyboard)
- A detailed description of the equipment (year of manufacture, condition, serial number/brand information)
- Pricing option (hourly/weekly/monthly)
- Images of instrument/equipment
- Store location details
- Email or phone number verification
- Availability for delivery/pickup

TOP FEATURES FOR A RENTAL MUSICAL INSTRUMENT BUSINESS

Suppose you are planning to start a rental marketplace, you may face multiple challenges, like sourcing different listings from musicians, creating a tech stack, generating new revenue models, and even promoting the portal. Apart from these challenges, you also need to understand the customer's demand and create an accessible navigation portal. Let's discuss other challenges.

LICENSING CHALLENGE

Every region has different licensing laws, and skipping it may not end well for your business. So try and have your licensing activity done on priority. Also, having the license verified with local authorities and complete documentation should be ensured to avoid any future mistakes.

PRICING MODEL

For any music instrument rental marketplace, there are many different pricing models. For example, you can charge a commission on each rental transaction in your marketplace. Apart from the commission charges, rent pricing is based on different time frames like weekly, daily, or even hourly.

The pricing model depends on the source revenue, including subscriptions, commission, advertising, and others. However, most startups that are starting a rental marketplace for musical instruments face the challenge of deciding the ideal price. A solution is a hybrid approach that can help you create multiple revenue streams with aggressive pricing, especially for a startup.

SAFETY ISSUES

One of the most challenging aspects of running a rental marketplace is ensuring the safety of musical instruments and infusing some confidence in your vendors. The best way to face this challenge is to include a security deposit for renters to ensure that any damage to the musical instrument can be reimbursed. It gives a sense of confidence to the musical instrument owners in renting them.

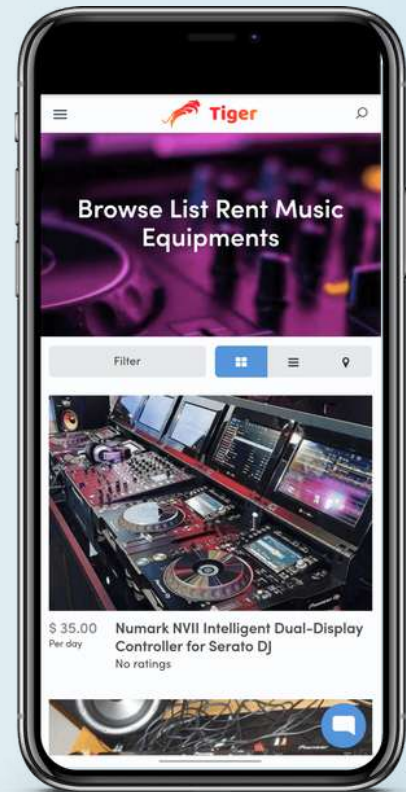
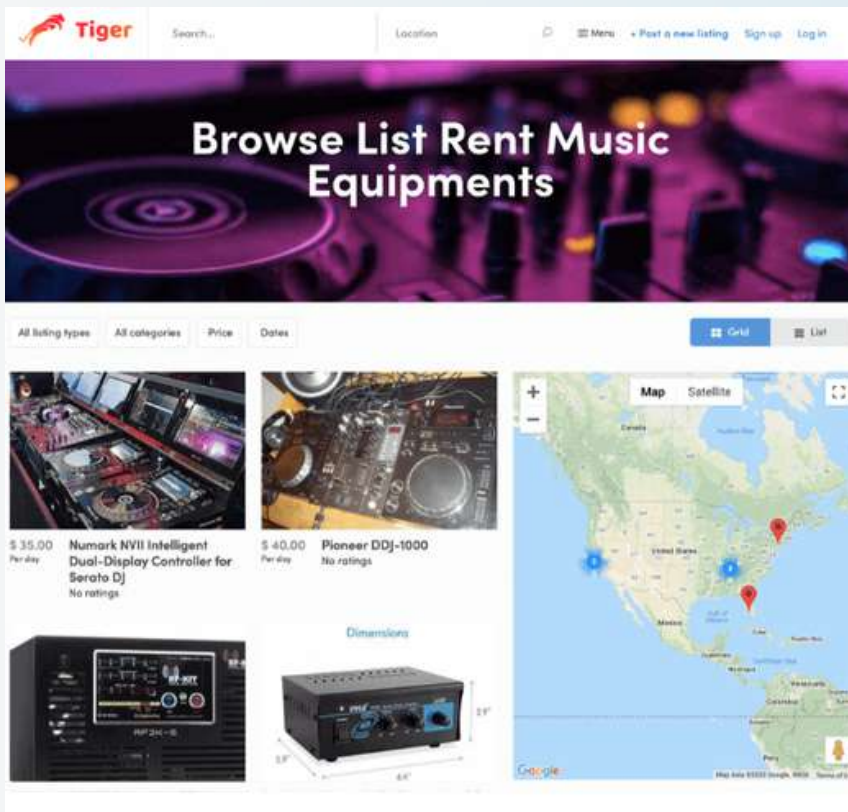
DELIVERY/PICKUP MANAGEMENT

Delivery or pickup of the musical instrument can be challenging, especially if you are a startup that is aggressively pricing the rentals and attracting new musicians. When an owner is paying the commission charges and facilitating the delivery you need, then the profit margin is small, which drives them away from the marketplace.

The best solution to shipping problems is either reducing the commission charges allowing them to spend on delivery, or offering a delivery service through the platform. You can even add paid shipping on rentals and charge your renters.

HOW CAN TIGER HELP YOU CREATE A RENTAL MARKETPLACE FOR MUSICAL INSTRUMENT BUSINESS?

Suppose you are planning to start a rental marketplace, you may face multiple challenges, like sourcing different listings from musicians, creating a tech stack, generating new revenue models, and even promoting the portal. Apart from these challenges, you also need to understand the customer's demand and create an accessible navigation portal. Let's discuss other challenges.



Now that you know the business model, trends, features, and challenges you might face, you need a reliable solution for starting the rental marketplace for musical instruments. Tiger is one such marketplace that can offer musical instrument rental software solutions for creating peer-to-peer marketplace platforms.

Tiger can help you with a fantastic user experience by offering features like social media logins, advanced search, and faster checkouts for rental businesses. It allows Organisations to customise their musical instrument rental software for enhanced listing features, making the owner's onboarding improved and straightforward.

The best part of choosing Tiger for your music instrument rental software is that you can have rapid development without compromising the features. Startups and enterprises looking to create online musical instrument retail businesses rely on Tiger to handle the technical aspects while focusing on the administrative part.

The Admin panel from Tiger offers complete control over the rental business operations. It allows the admin to manage registrations, bookings, listings, and even to manage the printing model from a centralised dashboard. Tiger also enables operation tracking and real-time communications through push notifications.

CONCLUSION

The business model for any peer-to-peer rental marketplace needs an equally reliable technical solution to enhance the customer journey. Not only does it help to improve the operational capabilities, but it also enables the generation of revenues. A robust music instrument rental software can help create enhanced onboarding of the musical instrument owners, which is essential to add value for your renters.

So, if you are thinking of starting a musical instrument rental business, you will need a portal that can offer functionalities and features for higher UX(User Experience). Apart from the features and UX, it should have a centralised dashboard to help you manage bookings and listings in real-time. Here, Tiger from Jungleworks can be the right music instrument rental software solution!

**Having second thoughts or doubt about the solution?
Take a trial by signing up with Tiger.**

