

THE RISE OF EQUIPMENT RENTAL MARKETPLACE:

Not Under Tapped Anymore!



TABLE OF CONTENTS

1. INTRODUCING THE EQUIPMENT RENTAL MARKETPLACE TYPES	02
2. TRENDS AND GROWTH OF THE EQUIPMENT RENTAL MARKET	05
3. HOW EFFECTIVE IS IT TO GO ONLINE?	08
4. HOW CAN YOU START YOUR OWN ONLINE EQUIPMENT RENTAL MARKETPLACE?	11
5. CONCLUSION	14

INTRODUCING THE EQUIPMENT RENTAL MARKETPLACE TYPES

An equipment rental can be of two types;

1

BUY AND RENT MARKETPLACE

2

P2P RENTAL MARKETPLACE

- **Buy and Rent Marketplace:** This is where you will buy the relevant equipment in your niche, and take care of its storage and upkeep. By creating an online platform you will list equipment and take orders, accept payments, and ensure delivery and pickup of the equipment. For delivery, you can build your fleet of delivery vehicles or associate with a third-party delivery organization to deliver and pick up the item by paying a fixed fee (or commission) for every delivery
- **P2P Rental Marketplace:** In the second type of rental marketplace, you don't have to invest into buying the equipment. Instead, you will build a platform, onboard the existing suppliers of the equipment who also want to lease their equipment on rental basis. Post onboarding and listing the equipment, the users can view the equipment along with the rental prices set by a standard pricing formula, which includes your commission. For delivery, here again, you can build your fleet or associate with a third-party delivery service.

In every instance, the renters will look at five probable factors before deciding to rent any equipment.

1. **Existing Financial Situation**
2. **Cost of Ownership (Renting vs Buying)**
3. **Project duration**
4. **Availability of the equipment required**
5. **Managing, storing, and maintaining the equipment**

MEDICAL EQUIPMENT

Renting is a cost-effective solution than buying as any equipment once bought will start depreciating, which begins from the very next day. So, the organizations and individuals who are facing a cash crunch prefer renting equipment instead of buying.

This becomes even more crucial at a time when we are collectively dealing with the woes of the pandemic.

COST OF OWNERSHIP

Companies look into the cost of ownership before investing in a heavy machine. However, the same concept must be applied to every purchase. The total cost of ownership includes the price of purchase and the operating cost of the equipment during its lifespan.

According to Costhack, the cost of buying a new excavator ranges between \$100,000 to \$500,000.

As opposed to this, the cost to rent one is between \$900 to \$1750 per day. Added to this, the operating costs of the excavator will add to buying cost in both options. Ergo, renting an excavator is easier on the pocket than buying one

PROJECT DURATION

Think about buying an excavator for a project that will go on for four months instead of renting. Maybe an excavator is an important part of your machinery fleet. But there are machines and equipment that are not used daily, and buying those will only cause an extra burden on your finances.

Depending on the project duration, it is cost-effective to rent equipment rather than buying one and blocking the investment, not to mention the cost that will go into its maintenance and storage.

Simply put, the equipment can be bought for a long-term project, but renting it is a better option for a short term project.

AVAILABILITY OF EQUIPMENT REQUIRED

In a situation when the customer is not getting the equipment required for any reason, renting the same is an alternate option.

MANAGING, STORING, AND MAINTAINING

Buying equipment, no matter the size and industry, is not enough. You also need to invest some capital for its maintenance and storage. For larger machines and tools, the owners might also need to dedicate permanent spots for their storage.

However, for renting there is no need to look after a permanent solution to store the equipment. For maintenance, even if you are not using the equipment, it will demand maintenance costs.

But with the renting model, the maintenance costs will be applied only till the moment you are using the equipment, and after that, maintenance, storage, and managing are on the owner.

After considering these aspects, if the required tool or equipment is favorable to rent, the renters will go for it and check the offline and online stores for the same. Online stores are gaining prominence because they provide more variety, competitive prices, and pick and drop service facilitated by the marketplace management.

Among the types of equipment rental marketplaces, here are some of the following:

- Medical equipment
- Construction equipment
- Gym equipment
- Indoor and outdoor sports equipment
- Office equipment
- Music, Audio/Video equipment
- Gaming equipment

Each of these segments has observed incredible growth, with some industries grossing billions of dollars in annual revenue. The insider story of each of these equipment rental types is self-explanatory.

For instance, in office equipment, you will get office furniture, IT equipment, accessories, etc. With gym equipment, rental machines and individual supporting gear like benches, weights are easily available for rent on a month-to-month basis.

TRENDS AND GROWTH OF THE EQUIPMENT RENTAL MARKET

Like any other industry, equipment rental involves a transaction between two people, where one is the buyer and the other is the seller (owner). The transactions are subject to the market forces of demand and supply, along with the changes in customer preferences.

Every industry listed above responds to different market variables. The construction equipment is associated closely with the real estate and construction businesses plus the market position of their respective communities. The gym rental equipment business is connected to the sudden emergence of home-based gyms, courtesy of the pandemic.

Let's find out the growth of a few industries in rental equipment.

CONSTRUCTION EQUIPMENT RENTAL

Starting with the construction rental equipment, the trend of this marketplace started after the Sub-prime crisis. In addition to the crisis, changes in the equipment's technology and more integrated equipment design leading to specialization set the ball rolling for a scenario when people bought less equipment.

We were able to trace the Rental Penetration Index, which measures the amount of equipment bought by the rental houses as a percentage of the cumulative manufacturing of the construction equipment. In 2016, the number stood at 52.8%.



In 2018, the standing was 55.9%, and in 2019, it was 56.7%. So, there is a steady increase in the businesses buying construction equipment for renting out. It is a cue for you if you wish to build an equipment rental marketplace and get a kickstart on your growth journey in the market.

Coming up to the year 2020, the American Rental Association pegs the 2020 rental revenue at \$58.1 billion, growing at 3.8% from 2019. The rental revenue has started to pick from late 2020, and it is on a path reflecting growth in 2021. The rental rate decreased with a 2.7% decline according to the Y-o-Y performance in October 2020.

MEDICAL EQUIPMENT RENTAL

The demand for medical equipment is soaring high amid the pandemic. With OPDs shut down and doctors resorting to telemedicine solutions for treating their patients, The requirement of people for medical equipment at home started soaring high.

In the past decade, the increased rate of medical equipment adoption and accelerated technological development gave a push to the rental industry for medical equipment. In 2017, the medical equipment rental market was valued at \$48.54 billion.

Among the three segments of medical equipment, the Durable Medical Equipment recorded the highest growth in the succeeding years. The medical equipment rental marketplace is expected to reach a market value of \$64.5 billion at a CAGR of 4.2% between 2020 and 2027.

GYM RENTAL EQUIPMENT

The COVID-19 pandemic has taught us staying fit is imperative for our health. A study done in the US proved that physical inactivity increases the risk of suffering from the COVID-19 virus. This emphasized the need for taking care of your own health.

In 2019, the fitness equipment rental industry was valued at \$11.5 billion. By 2027, the market value is predicted to reach \$15.2 billion. The pandemic has helped skyrocket the market demand of the fitness equipment rental industries.

Among the regions that are speculated to show the highest growth between 2020 and 2027, Asia-Pacific tops the list with an expected CAGR of 7.6% during these seven years. As a result, if you are looking to establish a fitness equipment rental marketplace, ensure you tap the right market.

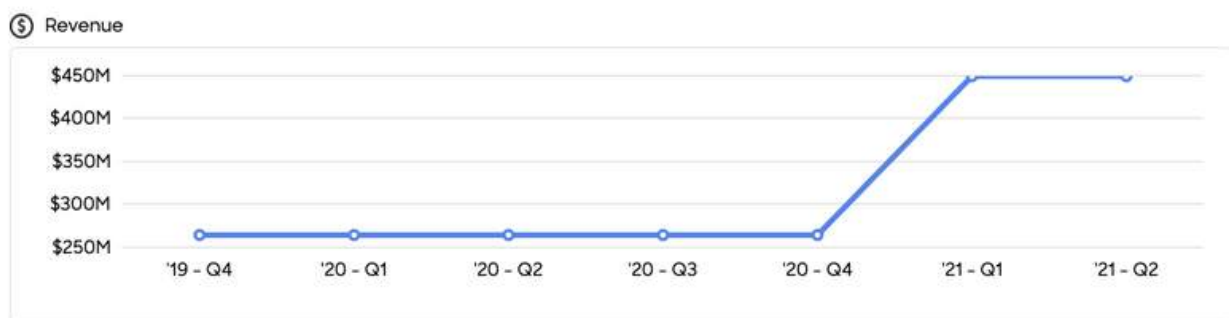


SPORTS EQUIPMENT RENTAL INDUSTRY

The sports rental equipment industry is primarily concentrated in places that offer diverse activities and experiences to travelers.

Such an industry is still predominantly run from the brick and mortar shops with small establishments clustered in the spot from where the activity begins. But that does not mean that you cannot exploit the demand potential to create a new way of doing things in places that are still lacking an online platform.

GlobeTrotter is a Germany-based sports equipment rental website mostly dealing in backpacking, water sports, bikes, tents, and other outdoor equipment for kids. The company observed a stagnant growth in 2019 until the mid of 2020 due to the imposed lockdown. But the rentals started to pick pace from the fourth quarter of 2020 (\$265 million) and skyrocketed in the first quarter of 2021 (\$450 million).



In 2016, the sporting equipment rental industry was valued at \$66.3 billion and is expected to grow at 6.8% between 2018 and 2025. As we have said earlier, bringing this business online should be your approach. This is because you will be able to take reservations, reduce the operational expenses, and ensure advanced payments.

FURNITURE EQUIPMENT RENTAL

With an aim to make work from home more efficient, ergonomic, and productive, there is a surge in demand for furniture by corporates and remote employees. This gave a big boost to the rental businesses that supplied the products that the customers demanded monthly.

Even before the pandemic, the work culture was undergoing a change shedding the 9-5 desk routine to a more relaxed and work from anywhere anytime schedule. But the pandemic-induced lockdown propelled the need, which ultimately increased the demand for furniture and office equipment everywhere.



In 2017, the industry was valued at \$2.7 billion, growing at the rate of 3.1% from the past three years. It is speculated to achieve a growth rate of 5% between 2021 and 2026.

Here again, we want to focus on the point that the industry is growing and the demand is also soaring. The demand is already present. What's left is building a platform and leveraging this potential.

HOW EFFECTIVE IS IT TO GO ONLINE?

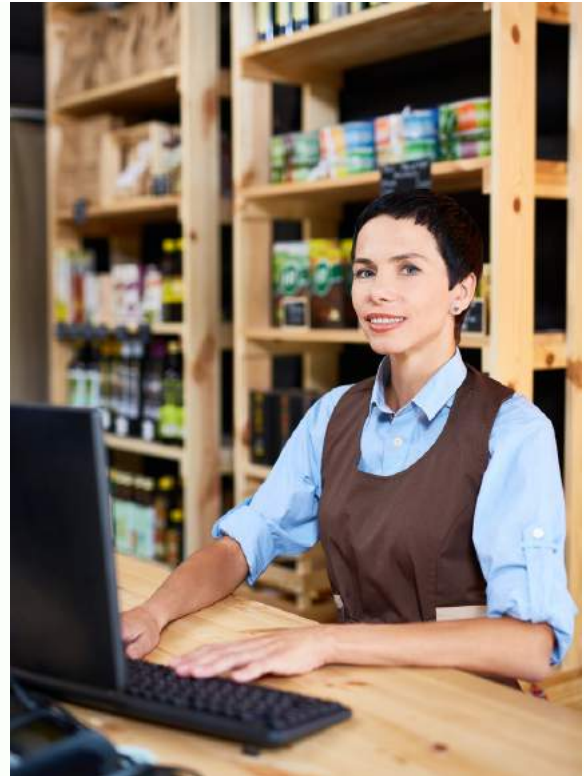
Going online is the new way of doing business, and you shall implement the same for your equipment rental business. Plus, with the uncertainties still lurking around in the market, investing in a brick and mortar rental equipment business is nothing but a cash-burning exercise.

Even if you open a rental shop in your area, you will only get customers from a limited region. Going online will help you increase the outreach. This way, even if you don't want to spend any money buying the equipment that you want to rent out, you can still operate in the industry by connecting the demand and the supply.

A few benefits of moving your rental equipment business online:

ONBOARD MULTIPLE VENDORS:

You can build a platform and onboard all relevant commercial and individual equipment owners, and build a big inventory without spending a dime on stock management and warehousing. You will help the individual owners earn through an extra stream of money and help the stagnant brick and mortar businesses in any part of the world rent out their equipment.



LESS MANAGEMENT WOES:

We have seen several businesses worldwide take the heat due to the sluggish growth during the pandemic, except those already using the web to interact and sell their products in the market. If anything, we have seen a growth in businesses that have online portals like food, meals, groceries, furniture, fitness equipment, etc.

MARKETING IS EASY:

Getting online means that there is no need to hire people for door-to-door sales. Instead, going online means you can create and implement customized marketing campaigns for your target audience.



EXPAND GLOBALLY:

Did you know that Airbnb started with two people getting an air mattress in their hostel room and renting it out? Now, Airbnb operates in more than 100,000 cities across the globe and has generated \$110 billion till now (2020). That is the potential of running a rental business online, and Airbnb is only one of the numerous examples with such an impressive growth story.

Taking your equipment rental marketplace business online creates better opportunities in every form. One of the issues you can face is the cost to build a functional and adept online rental marketplace, but we have a solution for that too.

HOW CAN YOU START YOUR OWN ONLINE EQUIPMENT RENTAL MARKETPLACE?

Building your online rental marketplace is no child's play. Apart from the development works, you need to cover various aspects before starting the development part.

Begin the process of building a marketplace by understanding your interest group. This includes the renters and the product owners. Understanding them is essential to build the ideal platform that will help them connect and interact.

The second step would be to identify your competitors and scan their work proceedings and marketing strategies. Know how they are working, identify gaps and see how you can improve your platform's performance. Identifying how they approach their customers can help you create scalable campaigns for your audience.



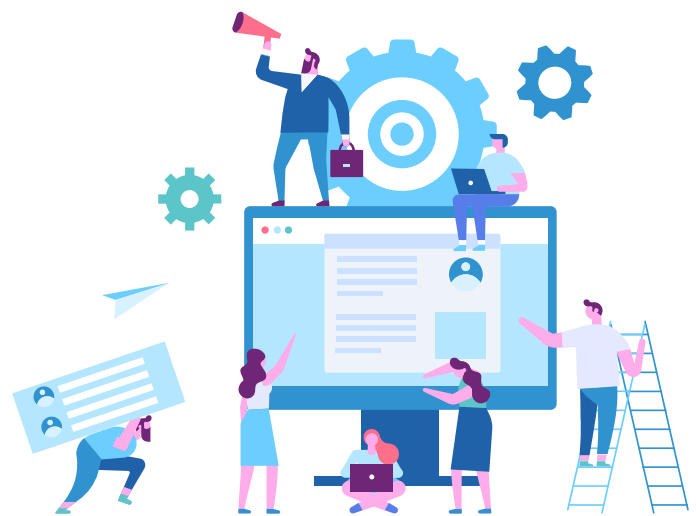
The next step is to choose a scalable and effective business model for your rental marketplace. There are many ways to support and increase your platform's functional capacity, provided that you start generating income. The standard business model that every rental marketplace leverages is the commission model.

Commission implies when you take a cut from the owner's rent for getting them one more order via your platform.

You can also combine it with other revenue streams like memberships, featured listings, and advertisements.

FOR THE DEVELOPMENT PART; THERE ARE TWO WAYS TO MOVE AHEAD:

- 1** **HIRE A TEAM**
- 2** **USE TIGER**



HIRING A TEAM OF DEVELOPERS AND DESIGNERS

One way is to hire a development and design team. They will build the platform from scratch, which can take a substantial amount of hours. Add to this the time required to understand your target audience and competition. As a result, you are looking at spending close to six months and a substantial amount of money on creating a platform with the basic features and functions.

We can help you build an equipment rental marketplace that performs well, has in-built marketing features, and lets you scale in a short period of time.

INTRODUCING TIGER

Created by Jungleworks, Tiger is a ready-to-use cloud-based online rental marketplace builder and manager with outstanding functions and features. Tiger cuts out the need for coding and designing the marketplace, offering an innovative and easy way to build your platform with equally impressive UI/UX aspects.

Tiger gives you the freedom to run and scale your business in your own way without relying on a technical team to take care of everything. Here, even if you don't know how to code or design, it doesn't matter.

You can add every sort of basic and advanced feature like real-time chat, order sequencing, allocation of deliveries, automated marketing, push notifications of an online rental marketplace with a single click and get your business rolling.

If that's not all, Tiger is compatible with multiple integrations (in-built and third-party) to enhance your rental marketplace's functioning. You can access CRM software to manage and track customer's activities and the analytics platform helps visualise and monitor the sales.

More than 100 payment options will make it easier for the platform users to accept payments in almost every part of the region. In terms of customer-friendly functions, you can add search filters, allow social media login, rate the products, and leave reviews.

What Tiger Can Do for You?



Sell Goods

Apparel | Furniture |
Equipment



Provide Services

Travel services | Books |
Boats



Peer to Peer Marketplace

Travel services | Sell &
Purchase Marketplace



Rent out Anything

Space | Equipment |
Gadgets

CONCLUSION

Creating an online rental marketplace is a great business idea and one which has a growth-oriented future.

Tiger gives you the ability to overpower your competitors by creating an easy to use platform quickly and at a fraction of the cost. All of this is available while ensuring that you don't make any compromises on the platform's quality and functionality aspects.

We have peaked into the future of the online rental marketplace, and Tiger is at the forefront of this new way of running a business.

CONTACT TIGER AND GET STARTED RIGHT AWAY.

