



SOLUTIONS FOR THE MOBILE CONSUMER

AMITSODHI

CATEGORY: 3-7 YEARS

Rentickle

RENTICKLE IS ONE OF THE LEADING lifestyle rental companies in India. It offers lifestyle products on subscription basis to young and mobile customers in Delhi, Gurugram, Noida, Bengaluru and Hyderabad. Its offerings include fitness equipment, DSLR cameras, air and water purifiers, home furniture, kids furniture and appliances. Over the last three years it has shown tremendous growth serving more than 30,000 B2C customers and furnishing more than 500 B2B rooms. Rentickle's unique value proposition is 'affordable quality', underpinned by offering best quality products at lowest rentals. Buoyed by its success the company is looking to expand the offering set by launching mobile phones, laptops, bicycles and apparels on its platform, while also expanding its footprint to cities such as Pune and Mumbai in the coming quarter. The company has set a mission to achieve a top-line of Rs 500 crore, and plans on serving a million customers by 2023. CEO and founder Amit Sodhi talks to BW Businessworld about the company. Excerpts:



The idea behind the startup

Renting of lifestyle products and furniture is another dimension of the fast growing shared economy concept and presents a huge opportunity for organised players, which till a few years ago, was largely dominated by the unorganised, localised players offering very few products with little or no focus on quality, variety or convenience to the consumers. This is where Rentickle stepped in — to offer superior quality lifestyle products on subscription basis at affordable rentals. We at Rentickle realised that the whole rigmarole of finding furniture and appliance shops, managing the process of delivery and installation, managing maintenance of the same and later selling them off when one had to move cities was the biggest inconvenience and expense for modern, mobile consumers.

While marching ahead in the B2C space, Rentickle has simultaneously stitched strategic B2B partnerships as well. We are one of the largest partners for OYO Rooms across its geographical locations. We are also significant suppliers for Coho, Nestaway and some of the other emerging residential solution providers. On the B2C front, our customers come from some of the most well known MNCs in India – American Express, Accenture, Convergys, PayU, Policy Bazaar, Deloitte, HCL, NIIT to name a few.

The USP

We believe that following some of our key differentiators: Customer centricity: This includes the best value proposition for the customers in terms of the most competitive pricing, the best quality and the most flexible rental duration anywhere from 1 day to 36 months.

Robust KYC and credit check processes: Our KYC and credit check and risk analysis processes are counted among the best in the industry enabling us to register very high recovery rates and almost negligible defaults. The

benefit of low default rate is, in turn, passed on to the good customers by offering them lowest rentals.

Wide range of essential and lifestyle products: We offer our customer the most basic goods required to start, as well products with which they can experience enhanced living in a new city.

Extremely high focus on analytics: We continuously scan the market for new emerging trends and deploy data analytics to come up with new value propositions for our customers.

OUR VISION IS TO
SERVE CUSTOMERS
AS MUCH AS
SERVED TODAY BY
THE E-COMMERCE
COMPANIES LIKE
FLIPKART AND
AMAZON

Business model

While we started off with the industry norm of asset ownership model, we have evolved our model to move into a hybrid model, which is a combination of owned inventory and a marketplace model. This enables us to offer an optimal mix between high margin and high scalability driving categories. We face competition from other rental platforms and outright sales focused players. While we outdo our rental competitors by developing better value proposition than what they do, we also believe that our approach to become the one-stop solution for all the rental/subscription related requirements will help us overcome the competition and firmly establish ourselves as the most trusted platform for the urban consumers. The competition we face from outright sellers involves educating urban consumers that not everything that they need must be purchased and renting products is also a very viable option. This involves breaking the perception around rental products being poor in quality, not hygienic enough, etc. We will win when people start believing in a simple philosophy about experiencing products and services – “Rent. Use. Return.”

The way forward

Few years ago, the concept of renting lifestyle products was almost unheard of but the pace of change in this

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industry has been unprecedented. The industry has grown exponentially across many categories and is constantly evolving. More and more customers are now open to not 'owning' but simply 'renting' products and services.

Our endeavour is to establish a strong platform of customers and suppliers, and as is evident from the success of many global brands like Uber, AirBnB, Ola, etc, shared economy industry has immense growth potential globally. Our vision is to service customers as much as served today by the e-commerce companies like Flipkart and Amazon.

Overseas foray

Rental/subscription of lifestyle products is an established industry in North America and many other countries in Asia for many decades now. South East Asia is a huge potential market for us. With many of our investors based out of Singapore, we do have plans to launch our offerings in South East Asia in the coming years to enable consumer base expansion as well as develop strategic supply chain and sourcing efficiencies. We (Rentickle founders Sodhi and Vineet Chawla) have diverse experience across global markets with large MNCs and hence we are favourably positioned to be a global company in times to come.

Social touch

As renting of furniture and appliances gets more popular in India, there is a direct positive impact on employment generation in main as well as ancillary industries.

Furniture manufacturing has been labour intensive historically and the industry growth has had a direct positive impact on our ability to get more and more people into formal employment with associated benefits for the team. In addition, lifestyle products rental business is operations intensive with logistics, warehousing, refurbishing, etc., which directly creates employment opportunities in all cities we cover currently and plan to cover in near future.

Along with generating organised employment, we have a well defined system of skill enhancement and upskilling of our employees thereby further enhancing their employability.

From a consumers perspective, they are only too happy to enjoy trendy, latest lifestyle products at the click of a mouse at 2-3 per cent of buying price of these products as monthly rentals along with complimentary maintenance at home from Rentickle, free home delivery and option to choose tenures from 1 to 36 months from an extensive range of products.

We believe that our business fundamentally encourages the concept of 'circular' and 'shared' economy whereby we enable reduced consumption and reuse of the resources required to fulfill the consumer requirements.

The paradigm shift

With the global success of players like Ola, Uber and AirBnB, the concept of shared economy has gained tremendous momentum. Statistics show that lifestyle rental has the potential to grow at an ever faster pace in times to come given the trends of economic growth across India and other countries.

Our business has witnessed this in terms of tremendous growth across cities and categories.

Studies show a market size of \$8-10 billion in India with projections for \$30-40 billion by 2023. Globally, similar projections on shared economy show a huge market potential of about \$370 billion by 2025.

STUDIES SHOW A MARKET SIZE FOR SHARED ECONOMY OF \$8-10 BN IN INDIA WITH PROJECTIONS FOR \$30-40 BN BY 2023. GLOBAL PROJECTIONS SHOW A MARKET POTENTIAL OF ABOUT \$370 BN

Message to entrepreneurs

Like any endeavour, the journey of building something of your own is full of surprises and crests and troughs.

However one thing that always works as a virtue for sustenance is "perseverance". No matter what comes up you have to persevere and take it into the stride cause come they will for sure.

Our experience has taught us that there are no "shortcuts" to success. You have to earn it by hard-work and grit and face all that the journey throws up at you. While planning forms an integral part of business it's the execution part that brings the differentiation.

And while executing these ideas, although shortcuts might seem the easy way they are not the sustainable in the long run. **BW**

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