

Topic

From the monopoly of product ownership to the development of rental.

Introduction

Known since ancient Rome, the rental of goods has been growing in recent years.

Access-based consumption is a recent development in the consumer world, which was originally dominated by the market for selling products or services. Instead of buying items, this trend favors renting them, thus offering an alternative to the usual individual ownership and purchase. The rental market was initially limited to the automotive or real estate market. Today, the majority of products used are available for rent.

So what encourages customers to choose this access-based consumption strategy? Although the causes may differ greatly from person to person, it is possible to spot a few broad similarities. These themes include the desire for flexibility, financial savings, a smaller environmental impact, curiosity about new things and the desire to try them, or the preference for experiences over possessions.

We chose this topic because we use more and more rental goods. It is true that as a student, it is more economical to rent some goods that we do not need every day. For example, we can rent a car for our vacations or rent a dress for a special event. It was therefore interesting for us to study it.

Moreover, this new type of market could well change the consumption habits of a large part of the population. Indeed, the rental market has several advantages. It allows not to invest in a good which can be expensive and used only in certain occasions, it allows a saving of space and to finish, it avoids the overconsumption, which is positive for the environment.

This evolution of consumption and consumer will have to make evolve the different marketing techniques used by the current companies.

Problem statement:

The problem that we will study is the following:

How to explain the shift to the rental market?

Indeed, for some time, consumers have decided to change their consumption habits. This fashion phenomenon has been developing in Europe for a few years, a few months. It comes straight from the United States and is spreading all over Europe. The different companies that proposed in the past only the sale are now in trouble. The sales are only decreasing like in the car industry for example. This evolution will inevitably have an impact, whether positive or negative, on the development of companies or on the reflection that some future entrepreneurs could have about

opening their business. Finally, from a managerial point of view, understanding the interest for decision-makers of a "re-enchantment" of the service offer with altruistic values, thanks to an experiential and eco-citizen positioning, is a subject that deserves further study.

We can now ask ourselves some secondary questions that could lead to solve this problem:

- 1) How can companies reinvent themselves?
- 2) What are the benefits that caused consumers to change their habits?
- 3) Is the value of the meaning-seeking experience intended to change consumer choice in service marketing?

And does eco-responsibility change the overall perceived value?

- 4) Can we reach a situation where the labor market can be totally disrupted?
- 5) Is this fad temporary or will it stay with us for a while?

All of these questions are avenues of exploration in the quest to advance research.

Objectives:

The main objective of this research will be to explain this change in mentality that has occurred between today's older and younger people.

Whether it is at work, in everyday life or in other situations, today's youth are constantly in need of renewal. They don't want to have fixed hours at work, the same workstation every day or to always be sitting on the same work surface. Without change, the new generation gets bored quickly, they get tired of the situation and prefer to run away rather than stay in a monotonous situation, which they consider uncomfortable.

These desires, different from those of the older generation, are mainly reflected in their consumption habits. As we have already mentioned, they often have the desire to change and not get stuck in a habit. And this is where the rental phenomenon comes into its own. Indeed, when the Audi customer goes to a garage to choose his new car, he will not want to spend 60 000€ in one go, for a car that he will have to keep for 3, 4 or even 5 years. This is where we see the companies that have already taken the lead and adapted. Today, it is possible to have a car under a leasing agreement, the conditions of which vary according to the brand, but which allow you to change the car regularly or to buy it after a certain time if you really like it. But what is leasing: it is the rental, with option of purchase, of capital goods. For example, at Audi, it is possible to change the car every 4 months. This flexibility allows the consumer not to be blocked, contrary to the purchase of a good.

We will now look at the causes of this change. First of all, the first cause of change is the environment. Indeed, young people are increasingly involved in the environmental cause because of the urgency of the situation. A majority (67%) of 18-30 year olds say they can personally play a role in protecting the environment.

More than nine out of ten young people (93%) are already taking action on a daily basis, most often by reducing their waste or sorting it for recycling (63%). Young people also perceive the role they could play on a collective level. They invest more in social networks and the Internet to defend environmental causes and more than half of them (54%) aspire to participate in an environmental protection association. Aware that the smallest gesture can try to reverse the situation, young people prefer, for example, to rent a bike and take more time to go to school or work than to use a purchased car.

Secondly, they need to have a sense of freedom where they are not restricted by various constraints. First, because society is more accepting and open-minded than it was in the past, young people may feel more at ease expressing their thoughts and opinions. Thanks to technology, young people are also more connected than ever before, giving them access to a wealth of knowledge and viewpoints. Young individuals may be inspired to challenge social conventions and pursue their own paths in life as a result of having access to fresh ideas and ways of thinking.

In addition, young individuals may want to pursue routes other than those prescribed by society due to the mounting pressure to succeed in life. The specific challenges that the younger generation experiences, such as the climate crisis and economic inequality, may inspire them to look for novel solutions to these issues.

This sense of freedom is therefore essential for young people to flourish in society in order to overcome any constraints or restrictions they face on a daily basis.

Third, of course, is money. In fact, young people nowadays do not necessarily want to make a loan or take out a large amount of money at once to buy a car. The rental offered by the various car, bike, scooter or house companies allows to spread the expenses over the whole year and not to make a hole in his bank account. These different payment solutions will not cease to fade in time and soon almost everything will become commendable.

Now we will discuss the impact that can have on the labor market.

First, sellers who have hitherto made only sales will absolutely have to reinvent themselves under penalty of seeing their turnover drastically reduced or even worse, the closure of their businesses.

Secondly, this change in consumption will also cause a disruption in the labor market. If this mode persists and remains in place, there is a risk of new businesses being created and start-ups emerging. On the other hand, this will also have the opposite effect since the sales business may disappear.

Methodology:

As for what to do with young people's consumption which is very new and unpredictable, developing the rental of goods (for example a washing machine or even a scooter) must remain an essential element for companies since young people are very big consumers of rental (rental of housing (airbnb) to have a place to stay when we decide to go on trips for example or even just the time of an evening with

friends). Many companies that were until now small companies have seen their turnover explode thanks to the establishment of rental, It remains for many companies to adapt to this new consumption, in fact the rental of products or services improves in some way the quality of life of consumers since almost all their is accessible in just a click and some steps from home.

For older people, renting products is still not enough since they are attached to having goods and to owning them, as with the purchase of a second home or a boat, a nice car.

It is a way to please in the long run but also for the older ones to invest in something that has a "safe" aspect.

As for how to try to anticipate it for young people, the study of social networks like Instagram or tiktok can be very useful. Many concepts are created there and young people love this kind of platform to know the latest news in terms of concept or simply want to share their opinions on a service, product.

The study we are going to conduct will be spread over several years using a multitude of barometers:

- 1) Research and documentary analysis
- 2) Realization of a quantitative survey among rental professionals (satisfaction and needs survey)
- 3) Study of the evolution of social networks, fashion and trends to know if the rental market will become the main market
- 4) Work in collaboration with different brands to propose different rental solutions.

Literature :

1) Dating from 2013, this study is carried out by the Ministry of Productive Recovery, it explains that :

- Access to raw materials, some of which are running out, is becoming more and more difficult, constituting an ecological challenge for our society.
- The acceleration of the life cycle of products, makes the goods very quickly obsolete in terms of design, functionality and performance.
- The rental operation, short or long term, in B2B, B2C or C2C, generates new forms of marketing
- It also induces the adoption of new organizational schemes within companies, in order to create new innovative market services

2) This article written by Victoire Satto on February 17, 2022 talks about the world of textiles:

- The online clothing rental market is expected to grow at an annual rate of 10.60% from 2022 to 2029 .

- The practical and economic dimension of this service is particularly suited to occasional clothing (such as for weddings) and short duration (such as when growing up fast), but also the notion of positive environmental impact of the sharing economy.

- It envisions the future, it helps to imagine the heard of the market

<https://www.thegoodgoods.fr/tech/marques-location-vetements/>

3) This survey from Mordor Intelligence shows the evolution of car rental.

- In 2021, the car rental market was worth \$92.02 billion and is expected to reach \$139.65 billion by 2027.

- Renting a car allows you to have fewer constraints, particularly with regard to its maintenance, to change cars regularly and to have access to the latest cars (hybrid or electric).

- It is a fast-growing sector.

<https://www.mordorintelligence.com/fr/industry-reports/car-rental-market>

4) Survey conducted in 2018 on whether to rent or buy.

- Today, there are several ways to access a good or service: purchase or rental

- More and more people are turning to renting for several reasons: ease, speed, simplicity...

- Renting allows for limited access without ownership

- A survey was conducted on the car market where almost 80% of respondents preferred to buy rather than rent

https://www.researchgate.net/publication/324481462_To_buy_or_to_rent_An_experimental_study_on_the_antecedents_of_consumers'_acquisition-mode_decisions

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