

## Technology / Consumer

### Hiring products and services encourage consumption on the internet

Over ten sites around the world embark on the business of hiring products through the internet. Zilok, with 25,000 members, hopes to become the icon of P2P renting. TuPlaza, promises a Spanish alternative.

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You can learn from the movie *Sex and the City*. Carrie (actress Sarah Jessica Parker), in love with Manolo (a pair of shoes), hires an assistant to organise her life and her home. The assistant gets the job after Carrie noticed the luxury bag that she's carrying. Her secret? The luxury of renting.

If you turn to the internet for renting DVDs, cars or even your apartment, why wouldn't you do the same with a luxury bag to show off at a party? Or the drill that you may never use again after a Sunday of laborious DIY? It's the starting point for a growing number of start-ups, hopeful to establish a curious trend of consumption: renting online any product to trustworthy people and companies. If eBay has become the king of sale and purchase, P2P renting, or renting from person to person, is now looking for its niche on the internet.

"It's a phenomenon that has to be developed, but the potential is huge", explains Gary Cige. Twenty seven years old and co-founder of Zilok, the

French/Belgian web site decided to break into the market. Together with Thibaud Elziere, creator of *Fotolia*, and Marion Carrette, they have



Promoters of TuPlaza, renting garages by the hour SANTI BURGOS

accomplished something that few expected: slipping into five countries in only eight months, attracting 25,000 members and completing a catalogue of over 40,000 products. Anything goes, from videogame consoles to licence plates or maracas to liven up parties. "We want to reach 1,000 daily transactions at the end of the year".

Over ten companies in the world have embarked on different strategies for

conquering a promising segment. The Zilok model, or the English *The Hire Hub*, capture the interest of internauts, but its viability still has to be proven.

Others look for specialisation, like the Spanish *TuPlaza*: a service for renting parking where with a hit of a click you can get a garage for a few hours in the middle of the circulatory chaos of Madrid.

In the professional segment, the German *eRento* places its confidence in connecting renting companies with consumers. And Spanish ones like *Look and Stop* hire on the internet luxury bags

following the mania for ephemera developed by the North-American *Bag Borrow or Steal*. Will eBay react? "The concept of renting online is, no doubt, interesting", recognises Klaus Gottschlich, general director of eBay in Spain. "We are studying the possibility of extending our offer to that field, especially to P2P renting". Continued...

### The social web and a growing trust on the Internet, keys to online hiring.

The thriving social networks and economic crisis encourage hiring products amongst consumers. *Look and Stop* borrows luxury bags for a night. *TuPlaza* finds you a parking spot for a few hours.

...from previous

"The idea existed before but no one until now had the courage to present it in an attractive way". Gary Cige, co-

founder of *Zilok* is about to accomplish it. The small company with 12 employees in between Brussels and

Paris is managing to awaken a latent opportunity from the years of the technological bubble: renting any

imaginable product from a neighbour willing to lend it for a few days and at the same time earn some extra money.

The mechanism is simple, a mixture of real and virtual worlds. Almost 12,500 owners upload in Zilok all types of elements available for hiring. Listing these things is completely free. People contact the owner through the web and book it paying 10% of the total price, which goes to Zilok. The delivery takes place in person: the owner receives from the hirer the remaining 90% of the cost, a bond, a contract written by Zilok and the deal is done.

“It’s a local market, people prefer to deal with people they can trust and who they can see and get to know”. Achieving lots of active and balanced registrations amongst owners and requesters is the determining factor. Sixty per cent of the 25,000 members of Zilok come from the United States where they launched last November. The United Kingdom has been their latest launch, after France and the Benelux countries. Spain and Canada will be targeted before the end of this year.

Tim Gibbs, general director of *The Hire Hub*, a British start-up competitor of Zilok, states that consumers ignore that renting online is an option as viable as buying.

“People should wonder if it really is necessary to buy all that they own”. *The Hire Hub* plans an imminent landing in other six European countries. It counts with 10,000 available items and 1,500 active members a month.

## The new competition to buying and selling

Are you not sure if the iPhone is for you? For 10 euros a day you can rent it, test it and if you become convinced go to the nearest store and get your brand new iPhone 3G. New options of consumption are appearing: renting online as an

### Global phenomenon

Similar initiatives of P2P renting are flourishing all around the world. *Rentoid*, with head office in Australia and operating since April 2007, offers a vast catalogue of almost 40 categories. *iRent2U* in California inaugurated in November last year with a similar philosophy. **And Hire Things in New Zealand offers 4,000 products and 30,000 monthly visitors.**



Gary Cige, cofounder of Zilok

Together with Zilok the German *eRento* is one of the most powerful in this blossoming sector. It was the first to be born in May 2003 but with a model based in renting online from businesses to consumers (B2C). Its 8,000 suppliers, 90% small companies, hire from machinery to projectors for watching football matches. It has achieved 500,000 registrations and received the financial blessing of the owners of *Studi VZ*, the German *Tuenti*

alternative to buying but also as a testing tool previous to buying. For many it already entails a forced competition to the leadership of *Amazon* or *eBay*. According to Klaus Gottschlich general director of *eBay* in Spain “the offer must be

with more than 2 million connected students.

“The transactions from businesses to consumers work, the key is to see if they will work amongst people. There the social web will be in charge of solving trust problems”, assures Chris Moller, general director of *eRento*. With presence in Switzerland, Austria and the United Kingdom, the company will target three new countries in the next two months. Spain is on the list.

### A new consumer

Will the idea seduce Spanish consumers? “Changing consumers’ behaviour is about breaking barriers”, explains Jorge Martinez, co-founder of *TuPlaza*, a service for renting shared parking.

Launched last March and in the trial phase until September, *TuPlaza* allows any owner of a garage to hire it for a few hours in a flexible way. The web acts as an intermediary between the offer and demand and confirms the availability of a spot through the mobile in real time.

Only in Madrid could they reach in a few years an offer of 15,000 spots with a total potential of 160,000. *TuPlaza* takes between 8% and 10% of the final price. If it works they will launch multiple local pages in over ten Spanish cities.

“Our advantage? We deal with the perception of a smaller risk. A photo camera is delicate, it can break, but a parking spot is just a space... although a very scarce one.”

trustworthy and the transaction must be easy and safe. *eBay* has proven that those requirements can be met”.

*Zilok* has followed its steps and created scoring sheets and the possibility to question the owner directly. It has a clean

and direct interface. The company will also inaugurate very soon a service of insurance and deposits for certifying even more the service's potential. "We have hardly received complaints and less than 1% of the total transactions have suffered delays in the returns", assures Cige.

The attraction of renting online could work especially in webs centred in only one category of items. In the United States, *BookSwim* and *Paperspine* have exported the *Netflix* model to books and they hire more than 200,000 titles each. *Bag Borrow or Steal* has been renting online since 2004 its catalogue of 4,000 luxury

bags, jewellery and glasses of the most exclusive brands and has reached a total of 800,000 registered internauts. In Spain, four companies have followed their way.

Online hire & rental websites				
Type	Name	Head office	Launch date	Products for hire
P2P	Zilok	France	Oct '07	40,000
	Rentoid	Australia	Apr '07	20,000
	TuPlaza	Spain	Mar' 08	15,000
	The Hire Hub	UK	Mar' 06	10,000
	iRent2U	USA	Nov' 07	-
	HireThings.com	New Zealand	Apr '07	4,000
B2C	eRento	Germany	May '03	1,000,000
	iLetYou	USA	Apr '07	200,000
	BookSwim	USA	May '07	200,000
	Bag Borrow or Steal	USA	Apr '04	4,000
	Look and Stop	Spain	Dec '06	60

Source: Data provided by the companies EL PAÍS

The first, *Look and Stop*, with headquarters in Madrid, offers 60 models of bags to its 1,600 customers. For developing the

business successfully it won't be enough with a handful of followers.

"It's important to have a critical local mass, it's a market that has to be conquered city by city", explains Gottschlich. The internet giant will wait in the shade.

"It's too soon to evaluate the potential, it will much depend on cultural factors. What works in a country, not necessarily triumphs in another".

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This is a direct translation done by South East West for Hire Things, of an article in the Spanish national newspaper, El Pais. The original article can be found at <http://www.elpais.com/articulo/portada/alquiler/productos/servicios/anima/consumo/Internet/elpepatec/20080717elpepatec/1/Tes>.

**HireThings.com** is New Zealand's online hiring and renting marketplace. It allows any business, group, or individual to list goods, places, or services they offer for hire, so consumers can easily find them and book them online. Listing is free and the website takes a 3.5% commission on successful hire transactions from the hire supplier.

*Hire Things* considers its approach to online hiring and renting to be more a business to consumer (B2C) marketplace, for people find and organise things they need for their events, projects, and adventures, mostly from established and emerging small and medium hire business. It however welcomes and supports person to person (P2P) hiring, and provides a standard hire agreement for all hire transactions, plus consumer feedback & rating.

Hire Things operates the [www.HireThings.co.nz](http://www.HireThings.co.nz) website in New Zealand and aims to partner with other businesses & websites to provide local online hiring and renting communities in other countries.



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