

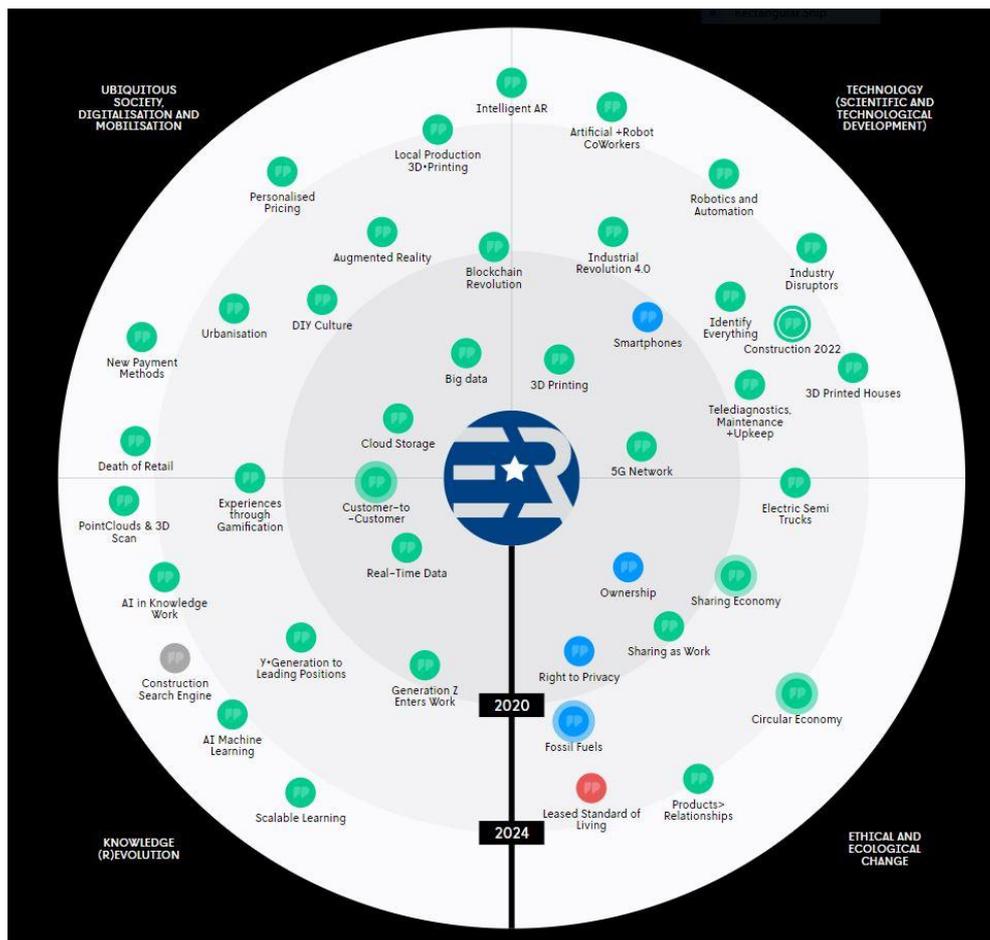
**ERA CONVENTION 2019
FUTURE GROUP WORKSHOP - 16 MAY 2019
SUMMARY OF THE WORKSHOP**

Under the topic of The Rental Branch of the Future, 8 phenomena were discussed at the workshop:

- Platform Economy
- AI Robotics
- Personalized Pricing
- Leased Standard of Living
- Big Data
- Augmented Reality
- Circular Economy
- Industry Disruptors

The topics were selected from a list of trends that were identified by the ERA Future Group as relevant for the rental branch of the future by using [Futures Platform](#) tool.

All identified topics are visualized on a radar:



Participants debated when these trends could have an impact on the rental branch of the future and how disruptive they could be.

➤ **Platform Economy**

Even though presence of platforms is increasing online, they are not perceived as a threat to the rental industry today. They provide price transparency and convenience to the customer but do not offer information on safety, utilization and do not offer responsibility for breakdowns or delays. Rental business also differs from platforms like Uber, Airbnb in that it focuses more on larger transactions value and B2B.

A future disruptor for rental companies could come from an OEM or from outside the industry.

➤ **Artificial Intelligence Robotics**

Robotics will improve productivity, but opening new social / economic questions (universal income etc.)

AI robots will be useful for operations such as loading, unloading of machines, washing of machines but not in customer interaction. In the future, rental companies will rent robots for services like cleaning, cooking, etc.

➤ **Personalized pricing**

Dynamic pricing is possible in rental and a reality; personalized pricing is still far away. It could be more disruptive for smaller equipment (tools), less disruptive for larger and heavy equipment, large accounts.

Rental business is not prone to adopt personalized pricing as many items have fixed prices and major clients have fixed pricing.

➤ **Leased Standard of Living**

Customers might demand flexibility from rental companies to offer subscription business models, as they expect instant availability. Subscription business models involve higher risk (seasonality), but could bring more income certainty as the price is higher and the income regular.

It is not suitable for all products, only in some specific niches and markets using fixed base rate + variable time-based rate.

➤ **Big Data**

Big data can help to be more accurate serving customers and offering right solutions. Big data enable efficiency in use of equipment, predictive maintenance. The challenges are standardization, data ownership, different supplier compatibility, knowing how to use the data and data protection.

➤ **Augmented Reality**

Augmented Reality is used today in training and maintenance, helping overcome the lack of technicians. It will bring confidence in using a machine and increase productivity. Generation Z will expect it, rental companies need to be ready to be attractive.

➤ Circular Economy

Customer is interested in renting new machines, which are greener too. Rental companies offer longer lasting machines, but also focus on recycling of machines.

Circular models will depend on profitability. Rental companies will be able to sell hole in the ground instead of renting a machine to dig it.

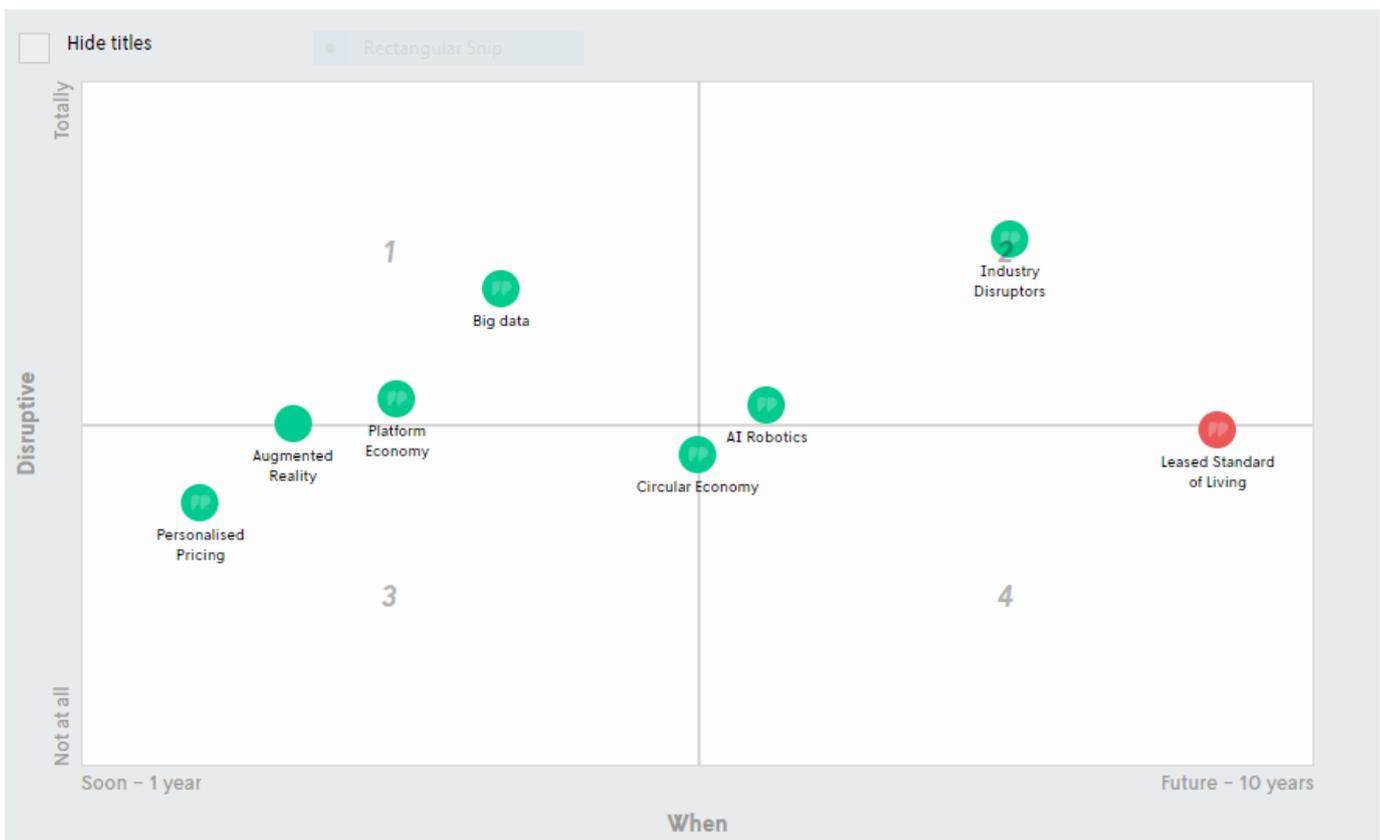
➤ Industry Disruptors

Disruptors are usually coming from outside the industry. In rental, there will probably be several smaller Amazons that will disrupt parts of the process, bringing new opportunities, transparency and economies.

Most commonly mentioned other topics and trends that were not discussed but will have an impact on the rental branch in the next 10 years:

- BIM
- Autonomous machines / robotics
- New source of energy / electric engines
- Internet of things / data
- Virtual / unattended rental in cities

Results of voting on the 8 phenomena in the Futures Platform matrix:



Green dots – strengthening phenomena

Red dots – wild cards (low chance of happening but with potential high impact)

Blue dots – weakening phenomena



Voting results in detail:

