

ERA Convention 2019

Workshop Technical

Question 1: In terms of equipment, what does make a rental company different from a rental platform?

The main differences mentioned during the discussions are related to:

- Interpersonal relationship: there is no personal interaction in a rental platform, whereas the customer of a rental company can receive information and specialised advice from an expert,
- Added value: the rental company is knowledgeable and provides added value; the platform has a lower ability to help customers and gives no guidance on the rental,
- Customer relationship and customer information are owned by the rental company,
- Complexity: maybe 10% of the transactions are possible on the platforms because they don't need interactivity. For the rest, the transactions are too sophisticated and require interaction (with the rental company),
- Liability and reliability of the machines and of the support (trained technicians), safety,
- Owning vs. not owning assets,
- Solution providing vs. product selling,
- Specialist vs. generalist,
- Support: the rental company provides the support of the machine.

Some advantages of the platforms were put forward, for the end users:

- They enable swift transaction, with a reduced value added proposition, which can be fully adapted to some operations (channel for simple equipment / demands),
- Standard offering, easier ordering online, one stop shop,
- Instant information about availability and pricing (24/7).

It was also discussed how a platform assesses and selects its suppliers:

- Standard operating rules,
- Digital systems need to apply,
- Screening on terms, quality and process rigor.

The conclusion for some was that both channels have their place, proposing a different value proposition. The platform is the enabler, where the rental company provides solution.

But the question often asked is: are the platforms a business digital disruption or are they a channel in rental?

The platforms have some benefits for the traditional rental companies: they extend the market reach and offer new market shares, they improve the fleet utilisation and they require lower costs to serve customers.

Question 2: In terms of equipment, what does make a rental company unique among the Sharing Economy players as partners of OEMs?

The following arguments were put forward by the different groups:

- Partnership (information, knowledge, direct access to market and customers),
- Feedback loop back to the OEMs (data),
- Marketing for OEMs (machines in the field),
- End of life / recycling (back to OEM),
- Service / training: the rental companies are able to offer service and trainings on the OEMs equipment,
- Telematics, database, KPIs measured,
- Advice to the customers on how to use the machines correctly,
- Product solution, specs, new product development,
- Customer relation owned by the rental company.

This preferred relation between rental companies and OEMs brings many advantages to the customers:

- One single contact / one stop shop (with platforms, the customer may have many apps to use and several different contacts),
- Rental knowledge to support the customer (vs. the customer needs to know and find the right product by themselves),
- Awareness on regulations,
- Responsibilities / safety, reliability, liability,
- Logistics / transport solutions,
- Through handover of machines,
- Technical support from OEMs,
- Aftermarket support,
- Maintenance / guarantee of a good products on time, Instructions / manual, product information,
- Customer knowledge,
- Industry and application knowledge.

As a conclusion, the participants agreed that the platforms can best serve commodity rentals (excavators, booms, etc.). When the needs are more specific or that the rental requires information to select the right products for the job, the rental companies are the best placed to serve the needs of the customers.

The rental platforms were compared to brokers, using many other companies in their process.

The question was asked about telematics and about who owns the data in case the equipment is rented through an online platform.