



Live Challenge no. 135

# DECATHLON

## RENTALS

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## PROBLEM STATEMENT

You have joined Decathlon India as Director of Product.

You witnessed a huge uptick in sports gears being rented out by users through platforms like Rentomojo, Furlenco and realized a new user behavior - users want to rent out to try the sports equipments before committing onto buy it. This new behavior makes it even more difficult to attract users and make them buy your sports and gym equipments. You want to venture into renting out such equipments at reasonable subscriptions to compete with renting companies.

## ABOUT DECATHLON

**Decathlon** is a French sporting goods retailer. With over 2080 stores in 56 countries and regions, it is the largest sporting goods retailer in the world.



**Stores in India:** 103 across 35 cities



**Revenue from India:** 1.5 billion euros (14% of worldwide)



**Strategy:** Lower end price positioning, value-for money



**Employees:** 5,000



**App Downloads:** 1 crore+

## COMPETITORS



## WHY SPORTS GEAR RENTAL MARKET?

**Predicted CAGR for sports gear renting market: 30%**

**Estimated Worth IN 2021: INR 200-300 crores**

- The sports gear renting market in India is highly fragmented and includes various segments such as cycling, trekking, camping, and fitness equipment.
- The **bicycle renting market in India is one of the largest segments**, with startups such as Yulu, Bounce, and Pedl leading the way.
- The fitness equipment renting market in India is a growing segment, with startups such as Fitso, Rentomojo, and Gympik Rentals offering a range of fitness equipment on rent.
- The **COVID-19 pandemic has accelerated the growth of the sports gear renting market** in India but is expected to face challenges such as lack of awareness among consumers, limited availability of quality sports gear, and high operational costs
- **Work from home** has moved consumers towards preferring rental services and the uncertainties introduced by covid changed the preferences of business owners.



**Average order value:** INR 1,900



**Average rental duration:** 13 months

## USER PERSONAS



### Behavior:

A young individual who is living in a shared apartment on rent and has just started earning.

### Pain points

- Have **limited income**
- **Keeps relocating** based on job requirements
- Need deliver and pickup service
- Miss out on rent payment schedules, leading to heavy fines.

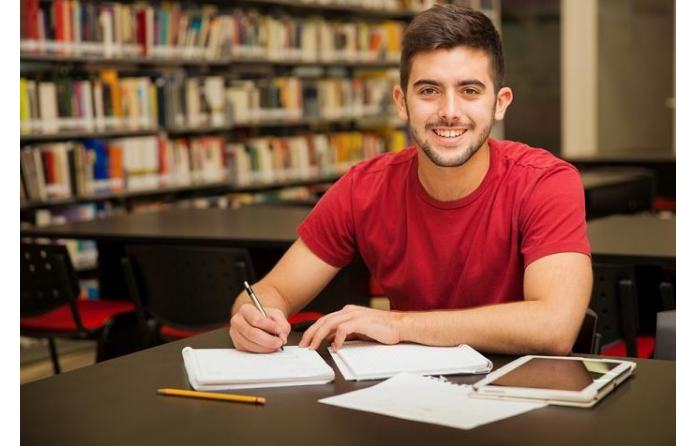


### Behavior:

A business owner who wants to open a sports facility but has limited capital or wants to gauge the market first

### Pain points

- Have **limited capital**
- Quality is of primal importance
- Needs installation and maintenance support
- Complicated rent to buy procedures



### Behavior:

College going Fitness beginner who wants to experiment with different sports at home to finally settle with one.

### Pain points

- Have **limited exposure** to different sports
- Do not want to shell out much money trying different sports
- Current platforms offer no less than 3 months subscription.

## CURRENT USER PAIN POINTS

### What the current competitors do not solve for?

#### No provisions for business owners

The current solutions do not offer any special pricing for wholesale rent provisions for business owners

#### Lack of Store Experience for Try & Rent

The current solutions do not have stores to try the product before renting nor does have as strong distribution system as Decathlon.

#### Difficulty to discontinue in case of relocation or buy

One of the major pain points is that current experience of discontinuing subscription is very problematic and there are limited relocation assistance provided by rental companies.

#### No Quality Assurance/Pickup QA Process

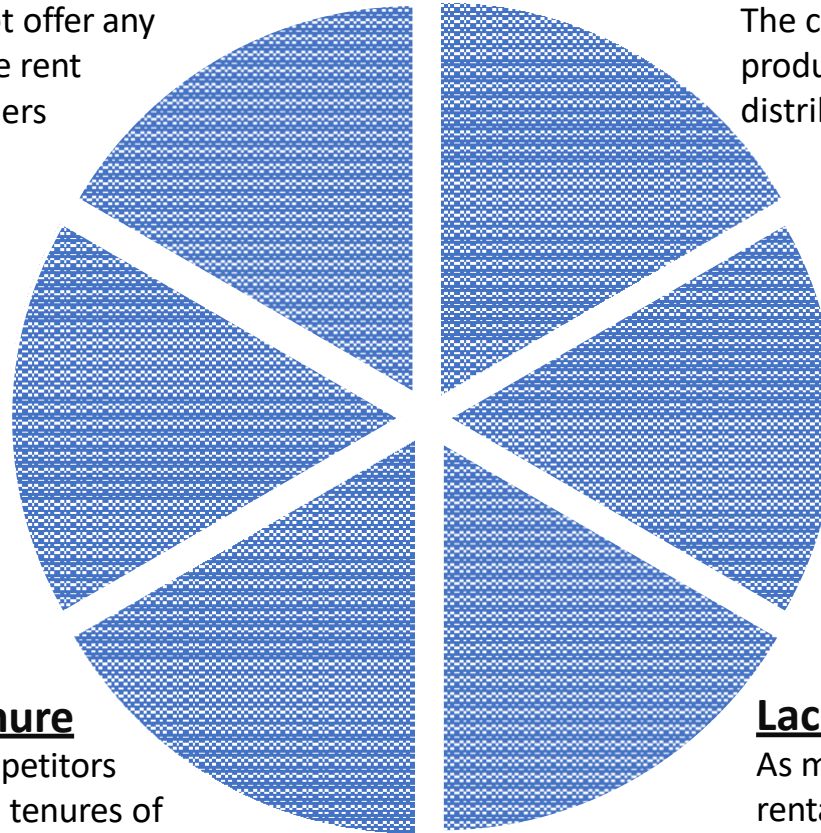
As the core business of competitors is not sports, there is no assurance of quality of rented equipment. Also, during the returns, rental companies charge extra saying XYZ is damaged, something Decathlon will solve for.

#### Inflexible tenure

Most of the competitors provided limited tenures of 3,6 or 12+ months.

#### Lack of sporting categories

As mentioned, sporting not being the core category for rental companies, there are very limited options. Cycles are not available even though that is the major category.





## CURRENT USER PAIN POINTS

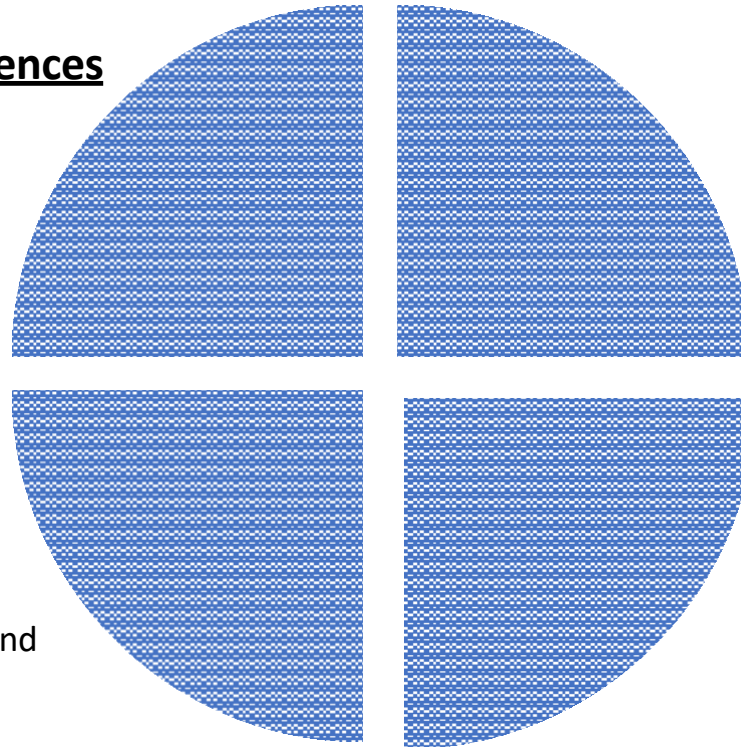
### What the current Decathlon offering does not solve for?

#### Fails to acknowledge changing preferences

The buy options reflect the long-term commitment and fails to capture uncertainties and changing consumer behavior due to covid and work from home.

#### No special provision for business owners

The current offerings for Decathlon, Adidas, Fitso does not treat business owners or wholesale buyers as a special target group and hence lack of provisions for them.



#### Limited Income/Capital for Gym Equipments

The buy option is not suitable for college going or limited income individuals or business owners who are not sure about the business or has limited capital.

#### Does not cater 'always on the move' lifestyle audience

The buy option is not suitable for individuals in early career or always on the move families who just want the equipments for couple of months as they keep relocating and does not want to incur the cost of moving such things.

## SOLUTIONS USERS ARE SEEKING

### What kind of solutions are users looking for?

- 1 WANT EXPENSIVE EQUIPMENTS FOR LIMITED TIME AT AFFORDABLE PRICES**  
Due to limited income/capital, people want to not buy but rent expensive equipments and later make a decision of buying them.
- 2 WANT MAINTAINCE/INSTALLATION AND RELOCATION SUPPORT**  
Wants help in installing and maintaining equipments, especially business owners. Relocation assistance is a big bonus.
- 3 WANT AN EASY DISCONTINUE OR BUY PROCESS**  
If they ever want to discontinue or buy the product, it should be a one click process with no hidden costs.
- 4 WANT TO AUTOMATE RENT PAYMENTS TO AVOID LATE PAYMENT INTERESTS**  
To avoid late interest fee payments, finding a way to automate payments via some wallet.
- 5 WANT TO INSPECT THE QUALITY, TRY AND RENT**  
Want a provision to try and inspect the quality of the product before renting the same.
- 6 BUSINESS OWNERS WANT TO RENT VIA REPUTED BRANDS AT AFFORDABLE PRICES**  
As sports gear quality is primary to business, business owners were looking for renting solutions from reputed brands

INTEGRATING BUY & RENT EXPERIENCE ON APP AND OFFLINE



BUSINESS SOURCE

The business should constantly track the % rent business coming via app and in-store and churn rates respectively.

#1: OPTION TO RENT ON APP

Adding an option to rent applicable products on app to increase scope.

View similar

4.13 (832)

ROCKRIDER

ID: 8779055

Mountain Bike Rockrider ST30 - Khaki Green

₹20,000

EMI AVAILABLE

☒ I want to purchase the item ₹20,000

☐ I want to rent the item ₹400/M\*

[How does this work?](#)

COLORS AVAILABLE

ADD TO CART

#2: BY WHEN TO EXPECT

Given large number of Decathlon stores, express delivery available.

View similar

ROCKRIDER

Mountain Bike R

Green

₹400/month

+ ₹3,000 refundable security deposit

⚡ 2 days

☐ I want to purchase the item ₹20,000

☒ I want to rent the item ₹400/M\*

[How does this work?](#)

Tenure

4 months

Quantity

COLORS AVAILABLE

RENT FOR 4

#3: FLEXIBLE TENURE

Decathlon provides flexible tenures of as less as renting for a month

Your Cart

Items to Rent

ROCKRIDER Mountain Bike Rockrider ST30...  
Tenure: 4 months Qty: 1  
₹400/month  
+ ₹3,000 refundable security deposit

DELIVERY OPTIONS

☐ Deliver at Home

☒ Pickup From Store

DECATHLON ROHINI  
1st Metro Walk Mall Near Rithala Metro Station  
Sector 10, Rohini, New Delhi, Delhi 110085  
[Change PickUp Point](#)

☒ Anytime between 10 AM to 7 PM

PAYMENT OPTIONS

☒ Pay security upfront & pay rent monthly

☒ Decathlon Wallet

☐ UPI

☐ Credit Card

☐ Pay Full Amount Upfront

☐ Cash on Delivery

☐ UPI

₹3000

PROCEED TO CHECKOUT

#6: SCAN IN STORE AND RENT ONLINE

Users can scan the instore QR and reach the rent app experience to rent later.

#4: FLEXIBLE PICKUP AND DROP-OFFS

Users have an option to either get it delivered at home or pickup from convenient store and convenient time.

#5: DECATHLON WALLET

To avoid late fee interests, user can see a recurring payment mandate via Decathlon Wallet

## ASSET RELOCATION REPLACEMENT OPTION

Asset replacement from nearest Decathlon is more profitable for business than relocating the asset given the strong distribution system and even the user will prefer the same.

### #1: NO HIDDEN COSTS + ONE CLICK DISCONTINUE

Easy to discontinue the subscription with clear penalty and rental details communication

### #2: FEEDBACK

Collecting user feedback to understand churn reasons

### #3: RELOCATION ASSISTANCE

If people choose relocation as reason, suggested a free asset replacement for new location\*.

### #5: GIVING RELOCATION/REPLACEMENT ASSISTANCE

Letting people choose if they want asset relocation or asset replacement from nearest store.

### #4: DODGING CHURN


Offering a secondary CTA to explore asset relocation/replacement service

### #6: INFO PROMPTS & FAQs


Providing full information to users on how the option works

**Discontinue Subscription**

Rented Product

 **ROCKRIDER**  
Mountain Bike Rockrider ST30...  
Size: M 165-174cm Qty: 1  
**654/month** 6 months

[View Rental Details](#)

 As you are cancelling your subscription 3 months early, a penalty of **₹400** will be charged.

Why do you want to cancel your subscription?

☐ The rent is too high

☐ I don't like the product

☐ I have purchased it from somewhere else

☒ I am relocating to some other location

[Opt for our free asset relocation replacement option.](#)

☐ I don't need it anymore

☐ Others

[PAY PENALTY AND CANCEL SUBSCRIPTION](#)

[REQUEST FREE ASSET RELOCATION](#)

**Relocation Request**

Current Pincode: 110085 [CHANGE](#)

New Pincode: 110078 [CHANGE](#)

✓ **YOUR AREA IS ELIGIBLE FOR FREE ASSET REPLACEMENT\***


I want to

☒ Relocate my existing asset to new address

☐ Return my current asset and get a replacement from nearest Decathlon store

[How does this work?](#)

Items to Relocate

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**₹ 400** [View Details](#) [Continue >](#)

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[How does this work?](#)

Items to Relocate

 **ROCKRIDER**  
Mountain Bike Rockrider ST30...

**HOW DOES ASSET RELOCATION REPLACEMENT WORKS?**

1. Once the new address is entered, we will locate the nearest Decathlon store.
2. In case a Decathlon store exists with your rented product, you'll be eligible for the free asset replacement option.
3. We will offer a free pickup, check the condition of the product and once checked, collect it from home.
4. Once you relocate, we will drop the new asset at your new address from the nearest Decathlon store.
5. In case of damage to current asset, recovery amount will be charged and then only the new asset will be dropped at new address.

[FAQs](#)



## DECATHLON GYMS

Decathlon rented gyms can be called 'Decathlon Gyms' and this is a new market they can explore with renting.

## ENTERPRISE RENTING FOR BUSINESS OWNERS

### #1: MORE RENTING CATEGORIES

Decathlon being largest sports retailer provides more renting options at cheaper rates.

### #2: PARTNER INCENTIVES

Decathlon offers enough incentives to lure owners to rent with Decathlon.

### #3: FLEXIBLE TENURES AND QUANTITY

Based on flexible inputs, rents will be computed. Minimum Quantity is 10.

### #4: PARTNER DASHBOARD

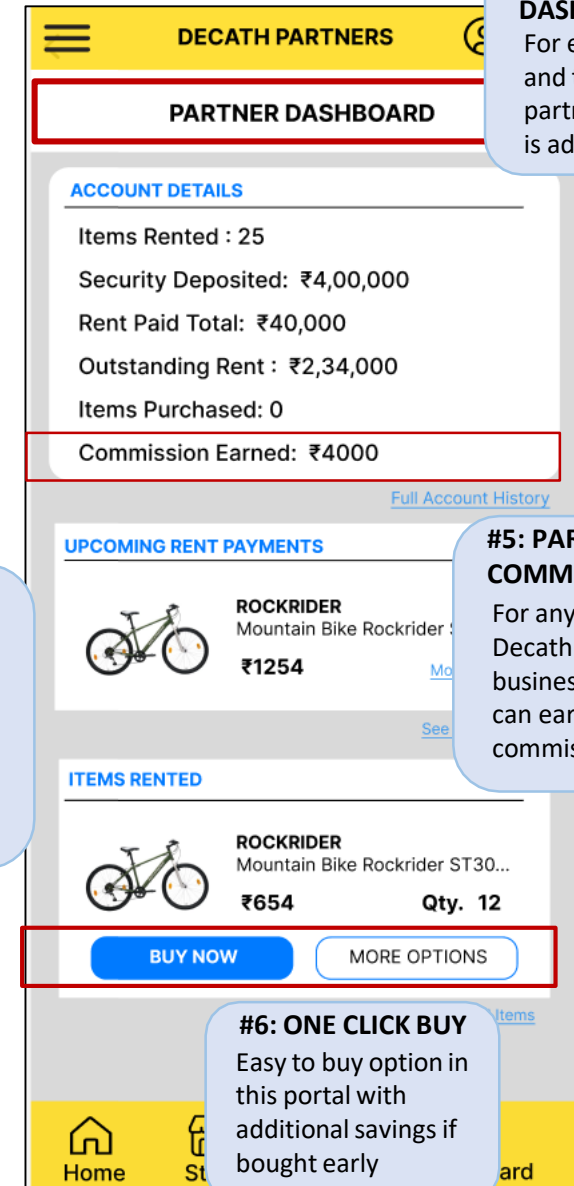
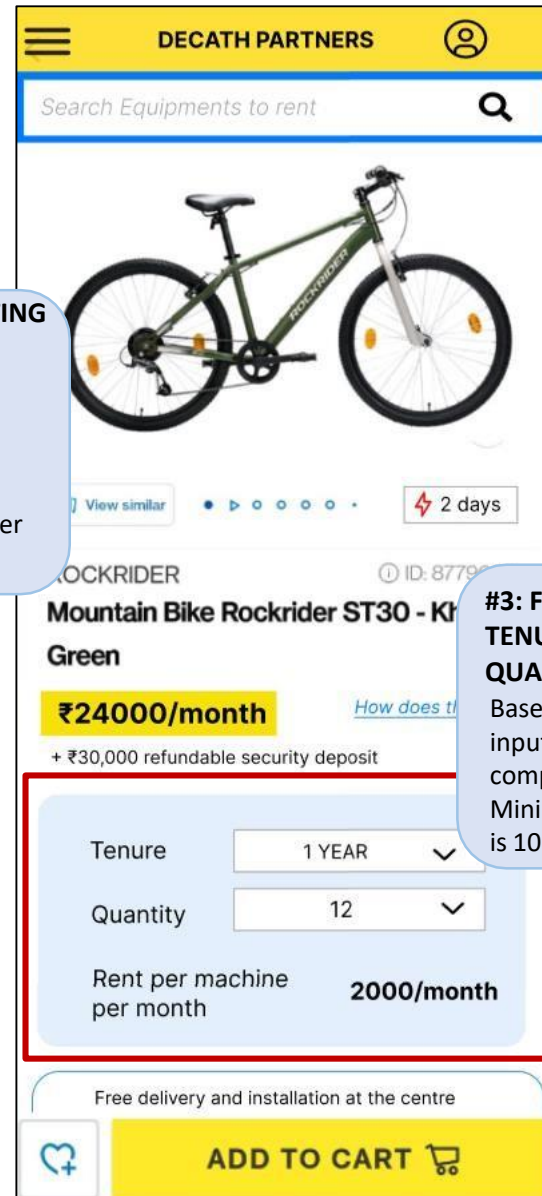
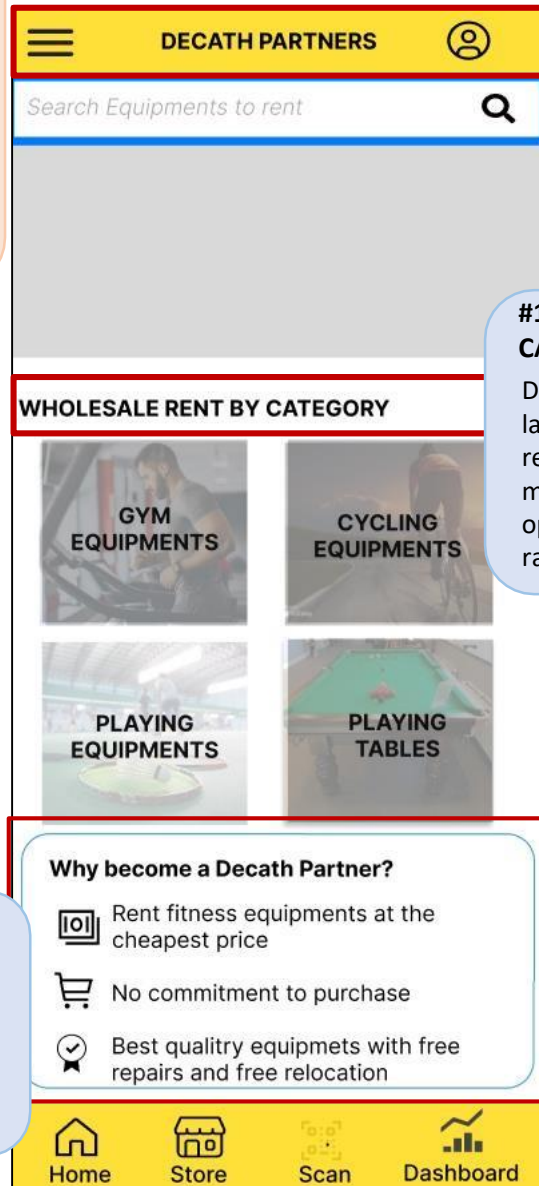
For easy tracking and transparency, a partner dashboard is added.

### #5: PARTNER COMMISSIONS

For any assisted Decathlon sales, business owners can earn commissions.

### #6: ONE CLICK BUY

Easy to buy option in this portal with additional savings if bought early



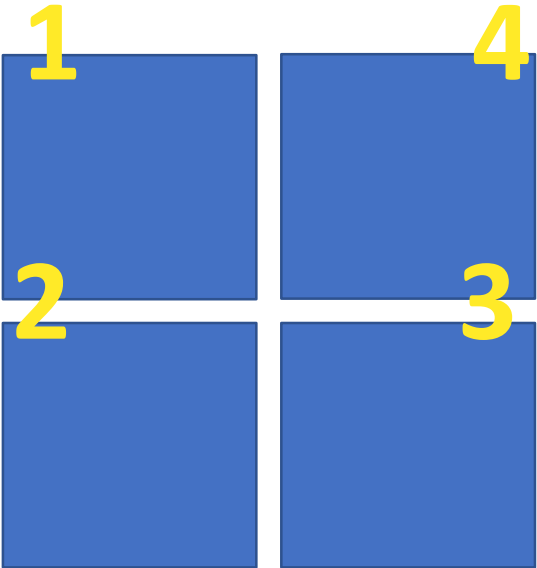
BONUS FEATURES

DECATHLON WALLET

To avoid late fees interests(which are as high as 10%), introduce a Decathlon wallet to automate recurring payments.

PRE-RENT GALLERY

As people complain that current rental companies deduct security accusing damage to the equipment, uploading pre rent images on common drive to compare before and after to avoid such charges.



STORE PICKUPS

Leveraging the strong distribution network on Decathlon, people can be given to pick the rented equipment from store at their convenience.

STUDENT DISCOUNTS

Students of today will be working professionals of tomorrow – if they will be exposed to Decathlon rentals in student life with no income, they are likely to rent again during jobs with better incomes.

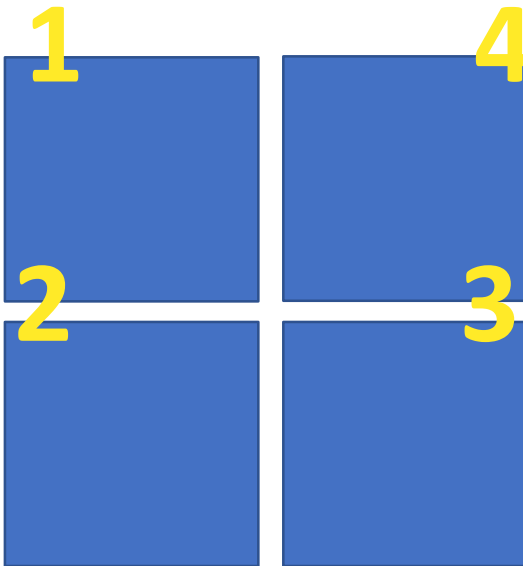
## SUCCESS METRICS

### WEBSITE/STORE CONVERSION RATE

The % of renting equipments against people visiting the website/app. A comparison between purchases and renting will be a good metric to track as well.

### BUY TO RENT RATIO/CHURN RATE

Tracking how many rented products convert to sale and in how much time period. Also track how many people discontinue the subscription before maturity and what % do not renew.



### BUSINESS OWNER REVENUE CONTRIBUTION

What % of revenue is coming via wholesale renting business and in long term how many business owners buy the equipments – how much sales does these partners generate in exchange if commissions.

### RENT REVENUE %

What % of total revenue is contributed by rent review year on year and what is the growth rate. Track if the rent business cannibalizes the purchase business and if the rent business is more via store or digital channels?

## PITFALLS



### CANNABILISATION OF PURCHASE VIA RENT BUSINESS

Given now people will have an option to rent, the purchases will fall off, hurting the company's revenue in a long term.



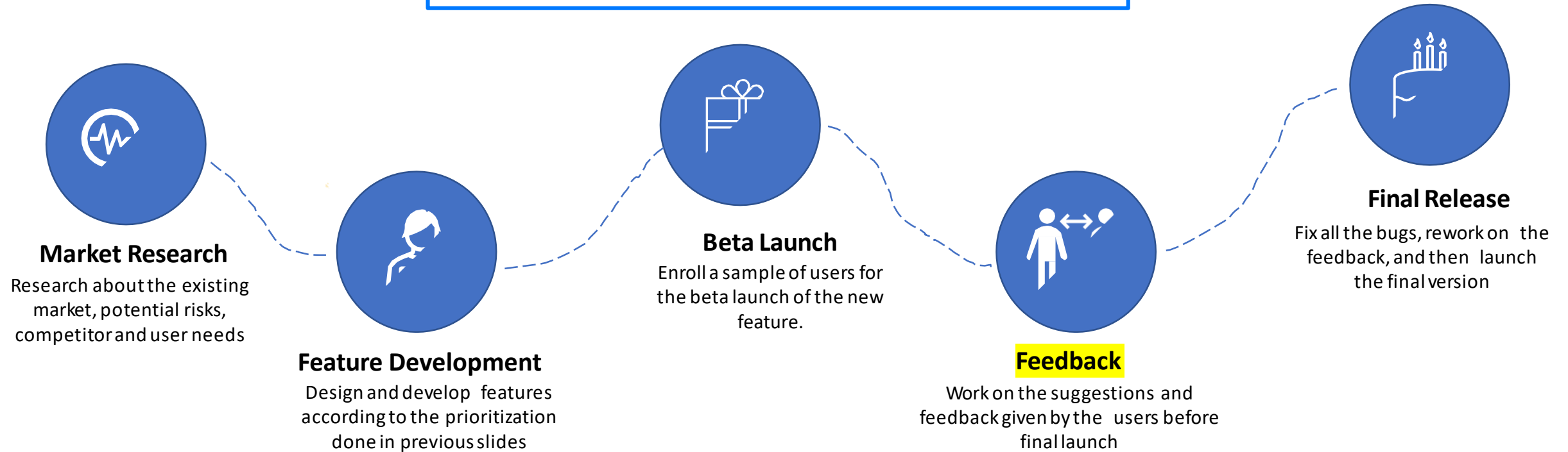
### FREE ASSET RELOCATION LOSSES

The free relocation replacement can be exploited by the users and if came in large volumes can be a loss-making deal for the company.

Company & Statistics		User Pain points	Main Features (1-3)		Success Metrics & Pitfalls	Go To Market Strategy
User Personas		Solutions User Seek	Bonus Features		Prioritization	
PRIORITISATION						
Feature	Impact (0-10)	Confidence (0-5)	Ease (0-10)	ICE Score	Priority	
Asset Relocation Replacement Option	8	3	7	168	P3	
Wholesale renting for business owners	7	4	6	168	P3	
In store and online renting option	9	4	6	216	P1	
Decathlon Wallet	7	3	4	84	P5	
Student Discounts	9	4	5	180	P2	
In Store pickup	7	3	7	147	P4	
Pre rent Gallery	8	3	9	216	P1	



# GO TO MARKET STRATEGY



## STRATEGIES

### ACTIVELY MARKETING BUSINESS OWNERS

Due to volumes and probability to convert, it is more profitable for business to sell to business owners who can also be active word of mouth marketers given commissions.

### OFFLINE MARKETING FOR NEW SETTLEMENT LOCATIONS

For upcoming locations like Gurgaon where youngsters live on rent, offline marketing like on billboards can be highly effective.

### DIGITAL MARKETING & PRESS COVERAGE

Use placements on home rental websites or social media or Facebook pages to find relevant audience. Market in fitness communities and press circles.

### REFER AND EARN

Everyone usually knows someone relocating which makes 'Refer and earn' an effective program in a category like this where Decathlon credits can be provided on successful referral.

# DECATHLON

THANK YOU FOR YOUR TIME.

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