



renting. simplified.

Final Report

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Executive Summary

We will provide the ultimate convenience for both those who seek to rent out their items and those seeking to rent items. By having a physical location, we have made a drastic change to the Stuff Share model that will act as a pioneering step in the retail and rental world. Over time, transactions have steadily shifted to the digital world - Amazon, Ebay, Craigslist, etc - but this isn't the place for rental transactions. We believe that it is the right of all renters to physically see their items before any transaction takes place, and we know our store will provide this invaluable service.

Detailed Description

For every person who rents an item, Stuff Share will take a fixed percentage from the rental fee we charge. Our rental prices will be determined by an algorithm that can be applied to all the items, and our cut of the transaction - 40% - will help us sustain the business. We will also be looking to work with vendors who may want to use Stuff Share to appeal directly to renters and make a profit from the usage and promotion of their products that way. In addition, by charging low rental prices, we can incentivize students to use Stuff Share and steadily increase our revenue. And because we plan on operating through an account-based system, we can charge individuals should they violate terms of their rental. We also will have in-store managers who can oversee the daily operations of individual stores and the accounts associated with them, as well as an in-store credit system that will give people renting items the

option of having “credit to rent” in place of actual cash, thereby keeping the money flow within Stuff Share.

The Prototype

Our prototype for this service was simple. We selected two random days to “Pit Sit” in the Pit, a popular location for both students and Carolina Community members visiting Chapel Hill. We laid out a variety of items for passers-by to “rent.” These included cameras, hair care products and other plausible rental items like outdated electronics or Kindle E-Readers. We had about 70 people come up to our table, half of which were interested in renting something, the other half of which were interested in renting out something they owned. They said that it sounded like a great service that they thought should exist, and some of them even had money with them that they said they would use to rent something, would there have been something they actually wanted on the table. The prototype was an effective one to get feedback from our target audiences and gain knowledge about how transient people would be better served by our product. For example, a stationary, steadily employed person wouldn’t be interested in using our service. Rather, it would be the transient college student who would need it. We decided to execute this discovery by “placing” our stores in locations where housing rental rates are really high. This would ensure that we’re reaching a good market of people who need to rent things without ever having to buy them.

Detailed Marketing Plan

Our primary audience for this service would be college students. Being college students ourselves, we clearly saw the value in a service such as Stuff Share from the get go. We really wanted to see if other students were interested, so we polled this target audience and found a higher rate of people who were actually interested in the service over other age demographics, such as employed, post-graduates. We also found that if someone had moved in the past few months, they were far more likely to be interested in renting anything than anyone who was living in their own home for an extended period of time. Therefore, we found that this would provide the most beneficial target audience for the growth and launch of our company. Lots of other small businesses that have exploded over the past few years have started with college audiences, such as Facebook and Twitter. It is important to note that while they are digital services, there are still comparisons that can be drawn between that and our service, since our service would have such a positive impact on young peoples’ everyday lives. The market of college aged individuals is huge and many of them have money to spend. Just taking a quick glance at Google results on the size of the college aged market reveals that it is quite huge.

Our secondary target audience would likely be other transient populations. These could include the military or city centers in general. Urban populations tend to have a great influx and outflux of people as they move between different styles of living based on their career changes. Since career changes occur more often than ever for the 20s demographic, we feel that they would be the best possible secondary target audience. They will provide a good audience of wealthier and still transient individuals who will need stuff to rent. They will also be excited about

our services offerings since they tend to be trendier and more up to date on products like ours than older demographics.

Amazon.com gets around 80 million unique visits per month
(<https://www.quantcast.com/amazon.com>)

Existing competitor (nationally) would be shneeps, which has no reviews and few users

Best for transient populations. Other apps don't offer this yet, they're too general and not very well geographically targeted.

Free & For Sale - UNC-CH Facebook group (open) - 6,277 members as of 9/15/2014

If we were able to gather this many members per community/campus, we could expand into other regions and reach download numbers and unique visitors per week. We could achieve a market size around that 80 million mark if we do well.

Chapel Hill's enrollment is 29,127 as of 2013. The population size for Chapel Hill is 58,424.
Business Model

So, how would we make this profitable? Easy. After a \$45 account opening fee for each customer, Stuff Share would skim 40% off of the top of each rental transaction, and would also profit from a small fee charged to the person who would like to put their items on display in the store, as it is serving as "free" storage space for them. Stuff Share would also make profits from giving local businesses the ability to rent their items in our store, essentially serving as a form of low-cost advertising. And because we plan on operating through an account-based system, we can charge individuals should they violate terms of their rental. We also will have in-store managers who can oversee the daily operations of individual stores and the accounts associated with them, as well as an in-store credit system that will give people renting items the option of having "credit to rent" in place of actual cash, thereby keeping the money flow within Stuff Share. We estimate that Stuff Share will be self-sustainable after two years under this business model.

MONTHLY INCOME VARIABLES	
New Accounts Monthly	200
Price per New Account	\$45.00
Income from Account Openings	\$9,000.00
Monthly Transactions	2000
Average Transaction Cost	\$30

Percentage Skimmed off Top	40%
Income from Skimming	\$24,000.00
ANNUAL INCOME VARIABLES	
New Accounts Monthly	2400
Price per New Account	\$45.00
Income from Downloads	\$108,000.00
Yearly Transactions	24000
Average Transaction Cost	\$30
Percentage Skimmed off Top	40%
Income from Skimming	\$288,000.00

MONTHLY COSTS	
Commercial Space Rental (104 W Franklin Street)	\$5,600
Worker Salaries (3 - \$7.25/hr)	\$5,000
Management Salaries (1 - \$20.00/hr)	\$4,500.00
Programmer (1 - \$20.00/hr)	\$4,480
Marketing (15% of sales)	\$4,950.00
Total Monthly Costs	\$18,930.00
ANNUAL COSTS	
Commercial Space Rental (104 W Franklin Street)	\$67,200
Worker Salaries (3 - \$7.25/hr)	\$60,000
Management Salaries (1 - \$20.00/hr)	\$54,000.00
Programmer	\$53,760
Marketing	\$59,400.00
Total Yearly Costs	\$227,160

TOTAL MONTHLY PROFIT	
Total Income	\$33,000.00
Total Costs	\$18,930.00
Profit	\$14,070.00
TOTAL YEARLY PROFIT	
Total Income	\$396,000.00
Total Costs	\$227,160
Profit	\$168,840.00

Team Bios

Ryan Smith is a senior editing and graphic design major. Ryan is the serving secretary of UNC's Secular Student Alliance and has also worked with student magazine Synapse in the past as a designer and plans to continue working with the magazine. He is an aspiring crazy old cat lady and enjoys reading and writing fiction in his spare time.

Jennifer Tietnguyen is a senior reporting major, creative writing minor. She's involved with Carolina Cupboard, UNC's first food pantry, as the secretary. She loves sleeping and reading and writing and jalapeno kettle chips.

Anisah Jabar is a senior broadcast major. She is involved in Carolina Week and works at WRAL Channel 5 as a production assistant. She likes to eat and watch documentaries in her spare time.

Andrew Wood is a junior editing and graphic design major. He is involved with Crash Campaign and works for Amazon.com to promote the brand on campus. He is a corgi enthusiast and will pretty much jump on any opportunity to go to YoPo.