

Online store Rentoza looks to revolutionise product ownership in SA

 By Imran Salie

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Rentoza was founded in 2017 by four friends that saw a need to change how South Africans access and utilise products. "Like many South African consumers, we wanted the best products but couldn't afford them, so we decided to create a platform that addresses that," says co-founder and chief marketing officer Mishaan Ratan.



Rentoza co-founder Mishaan Ratan | image supplied

Their vision resulted in an e-commerce website that allows customers to pay for physical products like electronics, appliances, and baby goods using a subscription model, like Netflix, Apple Music, and Microsoft.

"A subscription is not a credit agreement. It is a pay-as-you-use model, so effectively, you can select what you want to use and pay for it for the period you need and then let go of the item when you want a new model or something else. You will never have to go into debt again for the essential items in your life," Ratan says.

Rentoza has been acknowledged by one of the country's leading Black-owned investment firms, the Mineworkers Investment Company (MIC), which provided the startup with an R20m capital allocation through its MIC Khulisani Ventures fund.

We caught up with Ratan to find out more about Rentoza and what the future holds for the startup.

How and why did Rentoza get started?

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many South African consumers, we wanted the best products but couldn't afford them, so we decided to create a platform that addresses that.

Founded in 2017, Rentoza was born with one mission in mind – to give more South Africans access to the products they crave. Those electronics. Those appliances. And even those expensive baby products. Access is more than just a new form of credit, it's a whole new model of consumption.

▣ ***How does Rentoza work?***

Rentoza makes use of the same subscription model used by revolutionary products like Netflix, Apple Music, and Microsoft. Consumers pay a recurring fee to access their services. In Rentoza's case, the subscription is paying for physical products like electronics, appliances, and baby goods.

Subscriptions offer consumers numerous benefits that outmatch traditional credit offerings. A subscription is not a credit agreement. It is a pay-as-you-use model, so effectively, you can select what you want to use and pay for it for the period you need and then let go of the item when you want a new model or something else. You will never have to go into debt again for the essential items in your life.

▣ ***What challenges did you face in starting Rentoza?***

The biggest challenges we faced and continue to face are funding and human capital. The business continues to scale rapidly and being in a highly positive position to be in, we trail with capital and human resources to match the scale of the business.

Rentoza operates on a subscription-based model. What benefits does this have for consumers and for businesses?

The benefits are many.

For consumers:

- Non-ownership - so not having to incur the costs of managing and maintaining these items as well as not having to outlay a large capital amount to access these items.
- Insurance is covered by us and we repair or replace items that have gone through the insurance process.
- Flexibility - customers have the ability to upgrade, downgrade and return an item whenever they want. No penalties for return either.

For businesses:

It's similar benefits but for businesses, it allows you as a business to manage your cash flow a lot better by utilizing the funds that could have been spent from a capital perspective on assets, and direct them to growth initiatives.

■ ***In June 2022 Rentoza received a big funding boost. What's the story behind this and how has it affected the company?***

The MIC investment allowed us to broaden Rentoza's reach and unlock the opportunities inherent in its potential. We will endeavour to prove our worth and show our investors that their decision not only grew a successful business but shaped a country.

■ ***Where do you see Rentoza in the next five years?***

We want to be a brand that has scaled across the continent

■ ***What advice do you have for young aspiring entrepreneurs?***

I think the biggest thing we've learned is to back yourselves as founders and entrepreneurs, no one knows your business as intricately as you do. Everyone will have their view, let them have their view, and learn from their observations. But you need to ensure you are always in the detail and continue to evolve your business.

People say don't fix it if it isn't broken.

We always say that because it's working well, it doesn't mean it can't be better. Never be complacent.

ABOUT IMRAN SALIE

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