

October 17, 2005


**PAGE ONE**

## In a Dizzying World, One Way to Keep Up: Renting Possessions

DVDs, Music and Handbags  
Lose Thrill of Ownership;  
'Buy It, Love It, Sell It'

By **NICK WINGFIELD**  
Staff Reporter of THE WALL STREET JOURNAL  
October 17, 2005

**DOW JONES REPRINTS**

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit: [www.djreprints.com](http://www.djreprints.com).

- [See a sample reprint in PDF format.](#)
- [Order a reprint of this article now.](#)

Karl Marx thought private property needed to be abolished before society could perfect itself. Then again, he never saw Mark Rosa flip golf clubs.

The 45-year-old high-school teacher from Antlers, Okla., used to buy new clubs every 10 years or so. Thanks to a program set up by **Callaway Golf Co.**, he now upgrades virtually every year. Mr. Rosa buys his new gear online, which Callaway ships by mail. He sends back the old clubs in the same box, typically getting a trade-in price of about \$300 for a set that originally cost \$500.

"I play with a guy at a local club -- he's 70 years old, and he's still playing on a 1950s set" of golf clubs, says Mr. Rosa. "There are people like me, the newer generation, who trade up technology, looking for an edge."

All over the consumer marketplace, people who used to buy things for keeps are renting, flipping, or instantly upgrading. These shoppers care less about whether things are truly theirs and more about whether they can get the latest and best. Whereas once they could only shop this way in niche areas such as car leases, now they can also try handbags, consumer electronics, movies and music.

The best-known model is **Netflix Inc.** Since it started in 1999, the Los Gatos, Calif., company has signed up more than 3.5 million subscribers who typically pay \$18 a month to rent DVD movies that are sent to them in the mail. Users send them back in pre-paid envelopes.

In recent years, companies like Jiggerbug and GameFly have taken the Netflix approach to audio books and videogames. **RealNetworks Inc.** rents access to music online. Encyclopaedia Britannica Inc.'s fastest-growing business isn't books or CD-ROMs, but selling access to its encyclopedia online, for a fee. Customers "don't think about owning that kind of product in perpetuity anymore," says Patti Ginnis, a Britannica marketing executive.

Technology both creates and satisfies this desire. Hot products are now rendered obsolete or unfashionable at a dizzying rate. At the same time, the Internet has created a huge and efficient

market for ordering new goods and selling them fast on sites such as **eBay**.



**Paul Archambault**

Paul Archambault, a Waterford, N.Y., computer programmer, buys and sells on eBay the way some people check out books from the library. At 3 a.m. one recent morning, on his way to the Albany airport, Mr. Archambault popped into a Wal-Mart and paid nearly \$200 for a Nintendo DS videogame console and two games to keep him busy on a trip to Des Moines, Iowa.

While waiting to board his flight, Mr. Archambault photographed the device, which was still in its box, and sent the images to an eBay auction from his laptop through the terminal's wireless connection. His ad mentioned that he planned to use the game for just the weekend. The auction closed the day after Mr. Archambault returned and fetched slightly more than the \$200 he paid.

"I love to have the latest and greatest," he explains.

Several years ago, eBay Inc. of San Jose, Calif., began sending emails to users suggesting a price at which the item they just acquired might be resold. The response was strong from people wanting to flip cellphones, iPods, PCs and sporting equipment, says Michael Dearing, senior vice president and general merchandise manager at eBay. "The duration for which [those items are] considered good or leading or appealing is getting shorter and shorter over time," he says. To encourage these new virtual renters, eBay has begun using the slogan: "Buy It, Love It, Sell It."

David Wasmund, an office manager in Sterling Heights, Mich., recently sold one type of iPod on eBay so he could buy another, newer model. He's used the same tactic to flip cellphones. He says the resale price is typically 25% to 30% below what he paid if he unloads the product within a year. "I know even if I buy something and I don't like it, I can turn around and put it on" eBay, he says.

Matt Morgan has stopped buying music altogether. A 29-year-old recruiter in San Francisco, he rents music through RealNetwork's Rhapsody service for \$10 a month, which gives him unlimited access to more than a million music tracks. The catch: If he stops paying, he won't be able to listen to the music. Mr. Morgan says he "can't remember the last time I went into a store and bought a CD."

Nicole Mazzola Ferrer, a 30-year-old project manager for a Kirkland, Wash., technology company, pays \$50 a month to rent handbags from a Web service called Bag Borrow or Steal. One at a time, she checks out bags that sell for up to \$500 in retail stores. Ms. Mazzola Ferrer uses a bag anywhere from a few days to a month, before mailing it back in exchange for a fresh one if the novelty fades or a special occasion arises.

One hitch: Some women might be reluctant to borrow used bags. Adam Dell, a venture capitalist in New York, who invested in Bag Borrow or Steal, says all the company's bags are delivered in excellent condition, after being inspected and cleaned. Mr. Dell compares the process to certified pre-owned vehicle programs.

Carrying a used bag doesn't bother Ms. Mazzola Ferrer, who figures she used to spend more than \$100 a month buying handbags she would "get sick" of quickly. By renting, she can carry around nicer bags than she could afford at retail. And, she says, "my husband appreciates that half the

closet isn't consumed by handbags."

**Write to** Nick Wingfield at [nick.wingfield@wsj.com](mailto:nick.wingfield@wsj.com)<sup>1</sup>

**URL for this article:**

<http://online.wsj.com/article/SB112951224613470342.html>

**Hyperlinks in this Article:**

(1) <mailto:nick.wingfield@wsj.com>

**Copyright 2005 Dow Jones & Company, Inc. All Rights Reserved**

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com).