

## ***Innovating Play: Case Study of ‘The EleFant’ Brand in India’s Toy Rental Sector***

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### **Abstract**

The EleFant is a fast-growing start-up that operates as a subscription-based platform that transforms how children play and learn. It has redefined the concept of a book / toy library through their disruptive supply chain optimization. This has given an entirely new dimension to the rental toy market by integrating digitization and sustainability at the same time. The EleFant is able to provide an extensive selection of toys, games & books for ages ranging 0-12 years at a fraction of the cost while catering to a growing child's changing preferences. Parents can become members, order toys that are delivered to their doorstep within 24 hours, & exchange them for a new toy when their child is bored or seeks variety. It enables users to easily browse and order from a vast collection of over 600 + toys. Currently, the platform serves families in more than 18 cities and has garnered 3000+ active paid subscribers. With a network of 80+ dedicated librarians, the company is transforming the way kids play while helping parents manage toy clutter effectively. Impressively, the start-up has achieved a remarkable revenue MRR 80+ Lacs per month. Led by Mr. Sourabh Jain. The EleFant has been funded by investors like Malpani Ventures, Venture Catalyst, Manipal group, etc.

**Keywords:** digitization, sustainability, rental toys, The EleFant

### **THE ELEFANT- A UNIQUE DIGITAL TOY PLATFORM**

The EleFant is the country’s first mobile based toy library subscription platform which provides access to a wide variety of toys tailored to the needs of the children. The startup has the mission to curate affordable and sustainable play experiences for children. It has challenged the traditional approach of BUY-PLAY-CLUTTER the toys. The modern approach adopted by the EleFant embeds sustainability and digitalization by providing a subscription plan for the users to rent toys. The global toy market is growing at a very fast pace. Use of plastic is strongly seen in the toy industry, as it is estimated that for each 1 million US dollars in revenues consumed approximately 40 tons of plastic. Plastic toys are used widely for their lightweight nature, durability and vibrant colors, they pose latent risks to the environment as well as human health. The biggest drawback with plastic toys is unrecyclable in nature, so they end up for the landfills. Also, plastic toys comprise hazardous chemicals such as cadmium and lead, phthalates and bisphenol-A that leads to health risks for the children. Indian market is flooded with inferior Chinese plastic toys, which is harmful for children as well as the environment (Samadhiya, & Agrawal, 2022). This implants to add sustainability dimension to the toy industry. The Elephant uniquely contributes to the sustainability aspect by reducing toy waste by encouraging reuse and circulation of toys. Also, at the same time the platform allows the children learn and grow in sustainable and affordable way. (The Elephant AI., n.d.).

### **NEED FOR TOY RENTALS- THE INDIAN TOY STORY**

The first and the foremost factors that drives the need for toy rentals is huge customer base in the country. India has a large population of children aged 0-12 years, which account for approximately 22 percent of the total population. This indicates high demand for games and toys. Apart from this, Government of India initiatives which includes Toycathon, Aatmanirbhar Toys Innovation Challenge, <http://jier.org>

vocal for local toys campaign, etc. that aim to boost innovation, safety, quality and competitiveness of Indian toys in the global market. Smartphone penetration amongst the Indian households is another crucial factor that can be added to the functionality of the toy rental online business. In the line, change in the consumer behavior has also been observed. The shifting preference of the parents has been observed. Users are keener to invest in STEM-focused toys and games that foster child development rather than conventional toys. This redefines the way how children interact with play and toys. Over the period of time, significance of play has been recognized in enhancing the learning outcomes among children. Activity-based and play-based learning has been emphasized by the educational institutions which advocates for an integrated approach to formal education inclusive of play, discovery and interactive learning. One of the important aspects that the EleFant focuses is the toys are just to play but more important to learn. The startup uses the National Curriculum Framework (NCF) and invests in child psychology research to curate toys that support motor, cognitive and emotional development.

### **THE ELEFANT – BUSINESS MODEL**

In early 2022, Sourabh Jain, a chartered accountant from Mumbai, shared a personal story about her daughter. He struggled to find the right and appropriate toys for his daughter. He looked at toys that not only provided her fun time but would help challenge her mind, grow and make her use of imagination. This inspired him to move towards building a unique platform with nominal subscription plans. (ANI, 2024). At the same time, Sourabh thought for women empowerment by making it librarian-based toy rental subscription business model. This innovative exceptional business model encourages financial independence among the EleFant librarians. They manage the toy inventory for the organization and earn a stable income. It accounts for a huge opportunity for women to earn from home. It is to be noted that the company operates through a robust hyperlocal supply chain that ensures smooth functioning of the business. Women librarians play a pivotal role in processing of the orders by managing toy inventories at various geographical locations, sanitizing toys and coordinating with the delivery partners.

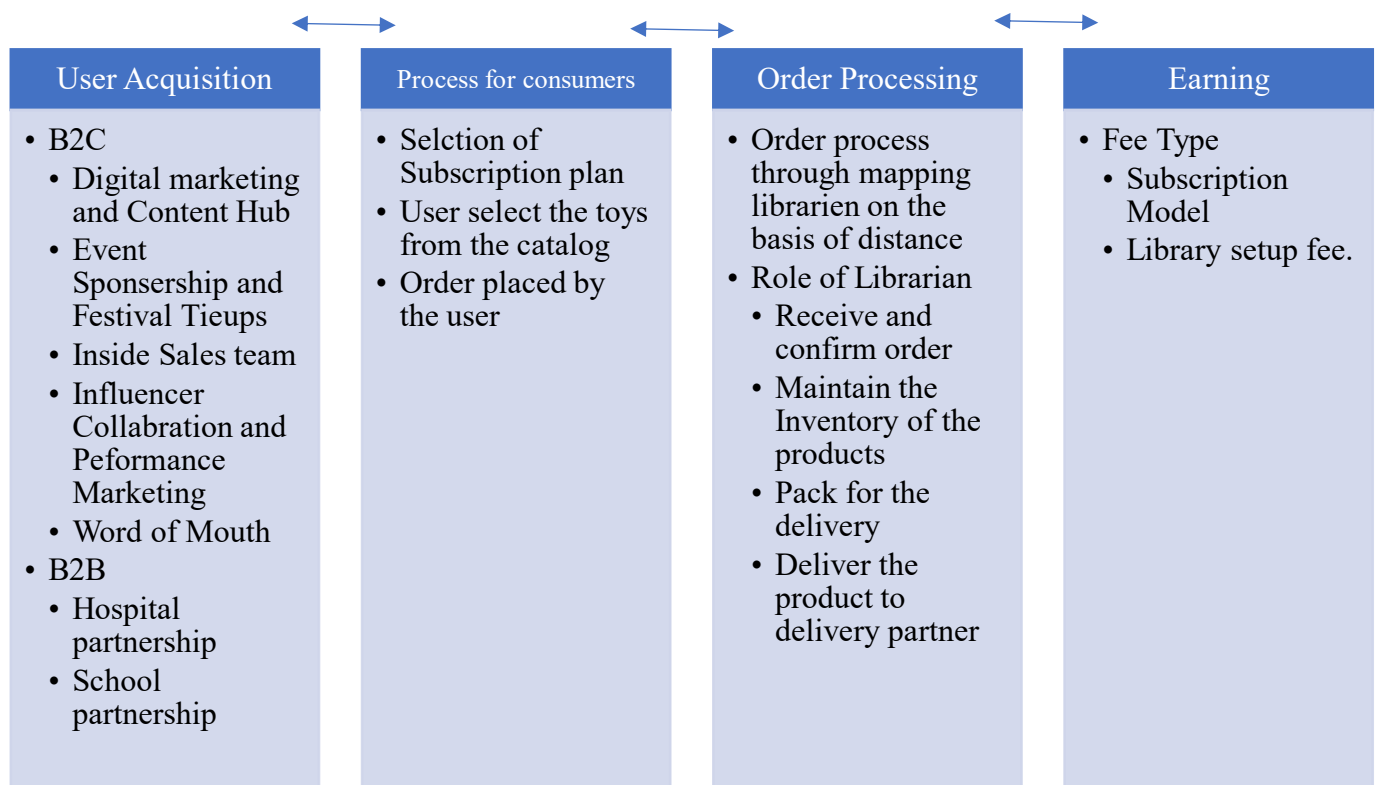
The subscription management involves simple steps of subscribing, selecting the desired toys and placing the order. It is innovatively designed to smoothen the toy-subscription process for the users. It offers a curated catalogue which support various stages of child development. Also, it offers real time tracking of order processing and delivery, personalized recommendations based on child's age, interests and developmental needs and push notifications for special discounts and events.

Further, adding to the innovation dimension to business model, the brand has two diversified streams of revenue. First, the subscription model which offers flexible subscription plans to the prospects based on the number of toys and order frequency. Later, library set-up fees by the librarians. It provides end-to-end support to librarians in setting up a library at their premises in different cities across the country. (Refer Exhibit 1 and 2)

The platform has been able to get attention from the community of parents, children and home-based women around the country. After the early users started posting their experience stories about their hassle-free experience with toy subscription, smooth door step delivery, the platform has gained a lot of popularity. The sustainable business model embarks to make a social impact by redefining the norms of the toy industry. It offers sustainable play and promote environmentally friendly solution to the community. Another reason for the growth of the company is the way the damages and missing pieces of rental toys are handled at the EleFant. Primarily, they offer well curated toys from more than 70 top brands which includes Hamelys, Hasbro, Nesta, Skillmatics and many more. These brands have toys that are manufactured with high quality materials that withhold test of time. In this context, the EleFant has also signed part replacement agreement with the brands. It claims piece to piece replacements for approximately 80 percent of the toys, which makes it affordable, especially in the case of unintentional damages. It is to be noted that the other toy rental platforms and libraries charge the customer in case of any product damages. It is an exceptional service offered by the EleFant. It

only charges a minimum amount of damage waiver fees from the customer at the time of membership. Whereas, the other toy rentals and libraries charge the customer with the full price of the damaged toy that is mentioned in the initial agreement at the time of membership. (The Elefant AI., n.d.). One of the unique selling propositions for the brand can be end-to-end supply chain management, which includes smooth delivery and returns. Secondly, it is a Tech-enabled toy rental platform which offers convenient mobile-based user-friendly application for toy subscription. Thirdly, The PAN India presence of the brand which no other competitor in the market has been able to do so far. The brand's innovative toy subscription model aligns perfectly with the evolving needs of modern Indian families. It effectively tackles the challenges of toy clutter and constant child engagement while fostering a digitalized, educational, and sustainable ecosystem for child development. More than just a business, it is a transformative initiative promoting purposeful play and learning.

#### Exhibit 1: BUSINESS MODEL of THE EleFant



Source: Created by the case authors with the company documents

#### Exhibit 2: EleFant USER SUBSCRIPTION PLANS

Plan Benefits	I	II
Duration	12 Months/Yearly	03 Months/Quarterly
Fee	833/Monthly INR	1333/Monthly INR
Number of Toys	Upto 3 Toys	Upto 2 Toys
Free Excahanges	Unlimited	09
Cancellation Policy	Anytime	Anytime
Damage Waiver	Applicable	Applicable

Source: Created by the case authors with the company documents

## THE COMPANY GROWTH

Sourabh Jain founded the EleFant in 2023. It is an e-commerce company based in Mumbai, India. At the first place, the with regular stream of subscribers and growing librarian network the EleFant has generated a significant source of revenue. As the user base started growing, EleFant has expanded geographically across Pan India. Currently, the EleFant now has more than 32,000 registered users and around more than 2100 subscribers. Not only this, the EleFant has approximately more than 68 centers, librarians across the country. It has also entered into offline market by launching 2 physical stores in the country at 2 cities, the first store at Mumbai and second one at Noida. The EleFant has been funded by investors like Malpani Ventures, Venture Catalyst, Manipal group. The seed round is closed from marquee investors. Seed funding posed a huge impact in giving an accelerated growth to the firm (ANI, 2024). (Refer Exhibit 3)

### Exhibit 3: Elefant: SEED FUNDING IMPACT

	2023	2024	Growth
Registered users	5292	34174	Approx. five times
Active Paid Users	545	2006	Approx 4 times
Librarians	36	68	Approx 2 times
School Partnerships	0	80	
Cities Covered	15	18	
Revenue Run-Rate	21.2(INR)Lakhs	69.1(INR)Lakhs	Approx 3 times

Source: Created with the company documents

### The EleFant: GROWTH AND PROFITABILITY PATH

The brand poses great path to growth and profitability for the year 2025. Four dimensions have been analysed in this context which includes revenue growth, operational efficiency, sustainable scalability and user base expansion. It poses to focuses on Hub & Spoke supply chain model which helps in reducing the costs and overall management efforts by centralizing the services. This adds to the flexibility and adaptability to the existing business model. Also, financial growth can also be projected for the future (Refer Exhibit 4).

### Exhibit 4: Elefant: GROWTH & PROFITABILITY PATH

Revenue Growth	Operational Efficiency	Sustainable Scalability	User Base Expansion
<ul style="list-style-type: none"> <li>Expanding subscription models to grow B2B, B2B2C, and referral chain</li> <li>Reaching MRR of INR 2.65 CR by Dec'25</li> </ul>	<ul style="list-style-type: none"> <li>Improving EBITDA margins to +5% by Dec '25</li> <li>Reducing costs with streamlined operations.</li> </ul>	<ul style="list-style-type: none"> <li>Hub &amp; Spoke supply chain model to serve 20+ cities efficiently</li> <li>Increase asset utilization.</li> </ul>	<ul style="list-style-type: none"> <li>Growing to 25,000+ Paid users by Dec '25.</li> <li>Boosting Partnerships with schools, corporates for wider reach.</li> </ul>

Source: Created with the company documents

The market for toy rentals has huge potential. It has been observed that the subscription business models have established a foothold in Indian landscape. It is due to customer centric approach,

convenience, affordability and flexibility. But at the same time, there are several key challenges associated with it, which includes retention of the customers, price sensitivity especially with the Indian consumer (Anjaria, & Patel, 2025). Toy rentals with the power of digitalization is a big step towards sustainability and environmental concern. Looking at the current status quo of the EleFant, should Sourabh Jain consider exiting the business through a full acquisition or continue on the same lines? Should the founder re-think about the success of the subscription model in Indian context? Also, should the founder re-think on the librarian set up fee business model, as it is a major source of revenue earning?

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