



what can the internet do for your business?

log on, key in and  
find out

by  
john rogers

raveling to an Ohio Rental Dealers Association meeting a while back, I sat on the plane next to a fairly heavy-set man whose hands showed a life of physical labor. His name was Chuck. ♦

He noticed my laptop and began talking about his new computer. He proudly described the “cadgillion” megahertz processor, the 17-inch color monitor, the High-Density hard drive, DVD/CD drive, the high-speed color scanner, the portable satellite dish for downloading movies and a coaxial, “anywhere” connection to the Internet. ♦ Chuck’s a truck driver and a rent-to-own customer. All this high-tech gear travels with him on the road. ♦ I thought about Chuck after reading the list of requested seminars for next year’s APRO convention. There wasn’t one listing for anything having to do with the Internet, which is so odd given how technically savvy rent-to-own customers are becoming. I wondered if this lack of a topic was because our industry already knows all there is to know about e-commerce or because it’s still so much a puzzle that we don’t know where to begin.

The strength of the Internet is its ability to share large amounts of information efficiently and economically. This article attempts to show how the Internet can improve productivity and profitability between two key audiences: the customer and the store employee. Customer marketing, company communications, database management and hardware solutions are four key areas discussed below in which the Internet has a great effect. It's important to state that the Internet will not change the fundamentals of your business. You rent and you collect. However, the Internet can improve the way you rent and collect, allowing you to operate more efficiently and economically and take more revenue to the bottom line.

## CUSTOMER MARKETING

### e-mail promotions

More than 60 percent of the rent-to-own demographic today has e-mail access, according to statistics published by the Employment Policy Foundation in Washington, D.C. Also, the Employment Policy Foundation forecasts that by the end of next year, 95 percent of all U.S. households having a computer, regardless of income level, will have some type of Internet access.

The strength of e-mail marketing is the immediate ability it gives the customer to act. With more traditional forms of advertising, such as fliers or mailers, the customer is unable to act immediately on the demand you create. The customer must either call or visit the store. With an e-mail, it's possible to link to a convenient order form. And for existing customers, most of the rental agreement data is already complete.

In addition, an e-mail can link to your Web site, which allows the customer to browse your entire product catalog. Unlike a flier with a few products, an e-mail allows you to promote all of your products. If your e-mail doesn't include a product that the customer needs, they can quickly see all the other products you have for rent with just a click.

And with all the free e-mail services today (e.g., Yahoo, Hotmail, NetZero), more and more customers are going online each day. The advantage of free e-mail service is that customer e-mail addresses remain the same, regardless of how many times they move. This allows you to continue marketing to former customers for years to come, even if they move several times.

The low time and cost of e-mail communications is the key. A marketing e-mail can be formatted in just a few minutes and distributed to hundreds of customers at the touch of a button.

Marketing e-mails can be also targeted to specific customers—for example, an e-mail promoting an upcoming sale on DVD players to customers who are already renting a television.

What a great electronic salesperson! All the more so because it sells to the customer at his or her leisure, not just when he or she happens to be in the store. E-mails give you an in-home salesperson working 24 hours a day, seven days a week.

Direct mail and print media will always have their place—there's still something about having a piece of paper—but e-mails can increase the revenue from customer marketing because they are inexpensive to send, they allow your customers to act on impulse and include easy access to your entire product line.

Bringing supply to the point of demand—that's the emerging power of the Internet. Just ask eBay.

### payment reminders

Payment reminders are another good use of e-mail communications. Friendly reminders of upcoming payments provide an easy and fast communication not only for the payment reminder, but also as a vehicle for special offers, company updates and other items of interest.

### past due notices

Past due notices as well, where permitted by law, can be easily formatted and e-mailed out. Different e-mails and text messages can be sent based on the days past due from your store's integrated point-of-sale software system. And for dealers who accept credit/debit cards, what a great convenience to offer this option for paying the past due.

### price tags

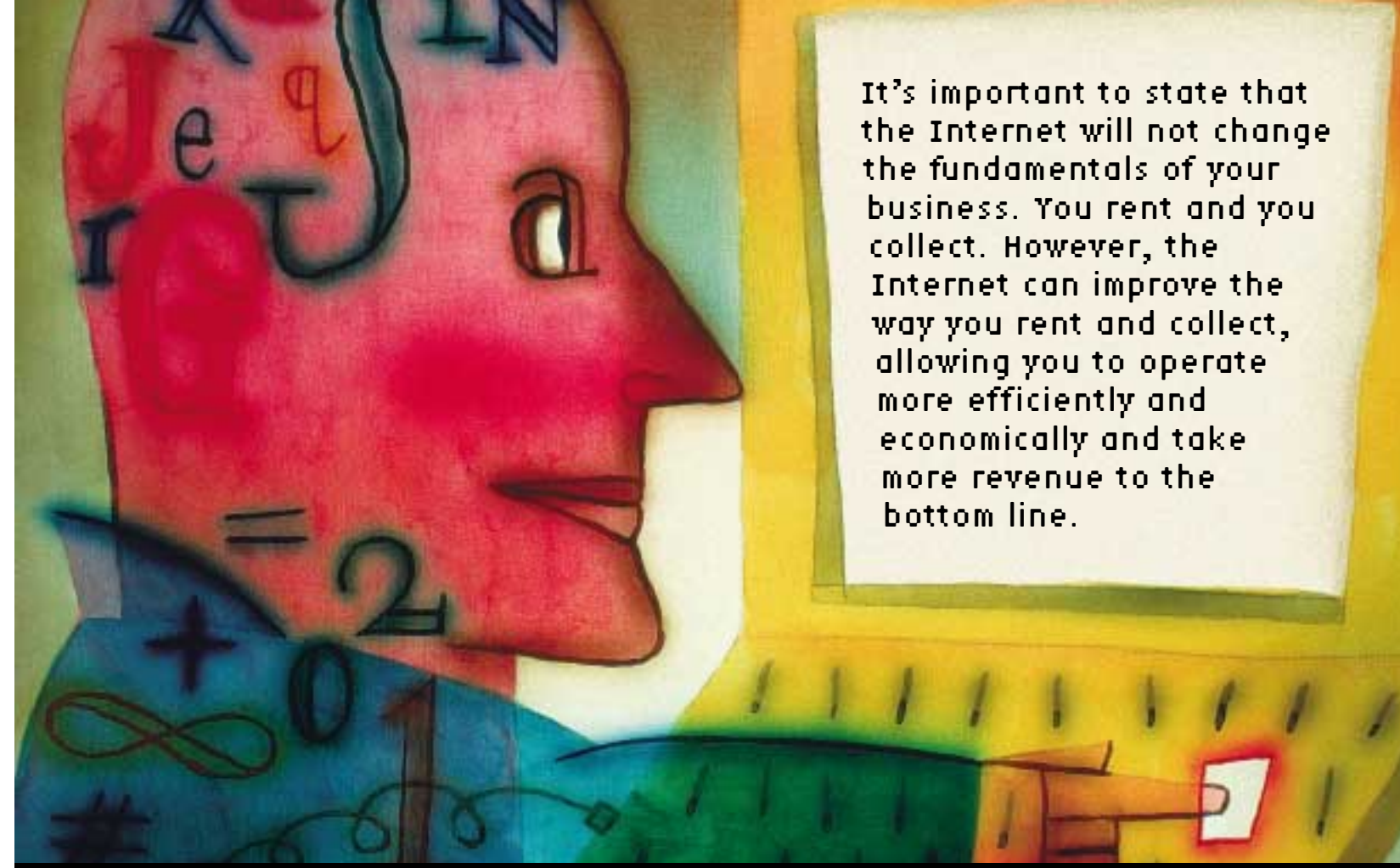
New price tags can be quickly and easily printed at the store from inventory data stored either at the store or the home office. Imagine no more illegible printing on the price tag or concerns about employees writing incorrect pricing information. An Internet-based price card system can reduce the time required to price your floor and create a professional and consistent appearance in your stores.

### sales

Customers in your store who don't find what they're looking for on the showroom floor can be assisted via the Internet to view other available products. Instead of having customers look at outdated product catalogs filed under the front counter, customers can be taken online to see your entire product catalog. This system eliminates having to send product catalog updates to each store. Your product catalog is always accurate and complete.

### customer communications

Just having a Web site today is not enough to accomplish what's needed on the Internet. There's a new concept



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emerging known as "community of interest." This has to do with your Web site becoming a common gathering point for the folks who have something to do with your business. Every PC connected to the Internet has a default Web page. Why not have the PC's browser point to your Web site?

Why would your customers want to begin their day on your Web site or have your Web site pre-set on the PC's rented from your store? That's where the "community of interest" comes in. Your customers do so because they want to. The idea is that anything the customer could need or want to do is available at or through your Web site.

"Community of interest" is the foundation of many new or redesigned Web sites. APRO is currently creating a Web site that will serve as the "Internet home of rent-to-own" for dealers across the country. APROvision.org will feature links to industry news, dates, times and calendars of events, links to national news services, travel and discount airfare/car rentals, links to industry educational opportunities, business advisors, surplus merchandise availability, sports scores, search engines and many other useful resources.

The idea is that your customer may not know exactly what they want or what they're looking for, but whether for home furnishings or general things of life, your Web site can be the place to begin. Just having a Web site is not enough. It must become a gathering point for all those currently or potentially interested in being associated with you.

And, of course, a special "preferred customer" section on your Web site is another great way to communicate with your customer.

### employment opportunities

More and more potential employees are job hunting on the Internet. Whether on HotJobs.com or Monster.com, people are using the Internet to find their next job. Your Web site can become an efficient tool for posting, updating and archiving all aspects of the hiring process. An additional advantage is that you can post as much information as you want about the job, store location, company history and employment benefits. Unlike newspaper advertisements, you are not limited by space and, also, you can advertise the job until the job's filled for no additional cost.

Applications for open jobs are also more easily stored and managed electronically.



Every one of these Internet-based marketing tools is available today. They don't change the fact that you rent and collect, but they change for the better the way you conduct your business by making you and your employees more productive.

Think of the time that your employees spend performing current marketing activities. Targeted e-mail promotions, payment reminders, past due notices, price tags, sales, customer communications and job postings can today be done in a fraction of that time.

What would your stores do with 2-3 extra hours per day? Would the stores look better? Would your employees sell more? Would they be better trained?

## COMPANY COMMUNICATIONS

### training

Speaking of training, it's easy today for you and for your employees to take advantage of training products such as APRO's on-line training program. Do you also have your own training programs? Are they on pieces of paper or myriad notebooks scattered throughout your stores?

What if you could have one, concise, well organized, easily accessible, training program? What if that program's materials were easily kept up-to-date? What if employees accessing this training material always accessed the latest version available?

Consistency of training, consistency of training materials, consistency of scoring and grading, consistency of archiving—all of these are benefits of on-line training.

And employee skills testing is right in line with these benefits. Tests can be easily administered on-line and scored, graded and/or posted on-line as well.

### personnel documents

Let's take a look at today's employee handbooks. They're not likely up-to-date and where's the master copy? Is having a poorly managed and accessible handbook advisable in today's culture?

How much employee time is spent maintaining and processing insurance enrollment forms? Do the stores have current copies?

Are the new employee enrollment forms in the same condition?

What about forms in general? Petty cash forms, vacation request forms, personal leave forms. Who maintains and processes these forms?

There are numerous advantages to posting documents online, but the primary advantage is that employees will always have access to the correct document or form. They will never be out of a document and will never use an outdated version.

From a maintenance standpoint, posting documents online also allows you never to have to print and distribute documents again. Simply post the document online and it's available to all employees. The use of login IDs and passwords allow you to control who has access to which documents, both by store and position.

### maintenance reminders

Maintenance of fixed assets is a problem area mentioned by so many owners. Oil changes in delivery trucks are continually forgotten. Computer system updates are continually overlooked.

With e-mail reminders, these important notices can be delivered automatically to the store manager, with return receipt e-mails to document the notice's opening. What is the cost of just one truck's diminished useful life due to poor maintenance? And how much time is currently expended ensuring the completion of fleet maintenance schedules?

### product orders

Do your employees still submit product orders to your home office by fax? An online ordering process will reduce the time required to order and eliminate unreadable faxes because the information is submitted via e-mail. You will never have to call a store to distinguish between an '8' or a 'B.' Online ordering is clean, quick, effective and cheap.

### daily business data

How much time do you spend currently on long distance phone calls gathering daily business data from your stores? Today this information can all be gathered via an Internet-based intranet.

Connection to the intranet at the store level can be via any of the emerging wireless technologies. Today, store employees can send/receive e-mails or check the company Web site via several models of handheld devices.

In time these devices will be used to document customer payments taken in the field, with receipts given at the point of payment.

### database management

There are several advantages in the gathering and storing of data in a company-wide database for rental dealers across the country. For example:

#### skip/stolen data

With a company-wide database, skip/stolen data is more readily accessible for inquiry by a dealer's stores. So many dealers have said that a competitor's skips/stolens are not so much a concern as the skips/stolens from their own stores. Customers know that turnover in the store is high and if they return to the same store 18 to 24 months later, they'll likely be waited on by someone having no idea of their account history.

Having skip/stolen data automatically posted to an internal company database can save thousands of dollars in rental risk and even alert to the recovery of stolen items.

Alerts can be returned to a dealer's inquiring store immediately after a "hit" on a particular Social Security number. Not only the notice, but the customer's name, last known address/phone number, item listed as skip/stolen and monetary value of the merchandise can all be immediately replied to the inquiring store employee.

Alerts can also be posted based on the number of inquiries on a particular Social Security number.

And along with skip/stolen data, customer pay histories can be immediately shared between stores during the creation of a rental agreement. Fast lookup can be made to see if this customer is or was a customer at any other dealer's store and, if so, whether he or she should be rented to again.

#### idle inventory lookup

Preventing the over-ordering of merchandise is a time-consuming process. The ability to quickly search the inventory availability in each of a dealer's stores from a sin-

gle on-line site increases not only the productivity of the store employee, but also prevents needless merchandise expense.

### customer payments anywhere

With a company-wide, online database, customer payments can be taken in any store and properly credited regardless of which store the customer's agreement is with.

### hardware solutions (intranets)

Good intranets can be installed today for about \$100 per month per store, including hardware, software, virus protection, content filtering and monthly service. Here are the key emerging benefits to these highly secure Internet-based connections:

### no-call lists

This new feature—resulting from several recent state legislative decisions—will present enormous tasks for store/home office employees. How will quarterly updates be received? How will existing databases be updated and maintained? Thousands of names will be on these lists. There will have to be an efficient method of incorporating the information into the store's daily tasks.

A central, online database hosting this information can be easily accessed from each store, without the store having to update/maintain this information on its own.

Twenty-four/seven access can be fast and convenient via the intranet, based as it should be on high-speed Internet circuits, e.g., DSL, from the phone company or via cable modem from the area cable TV provider.

### voice-over-ip

In the very near future, the capability to place voice calls over the Internet will be both easily installed and affordable. This will result in significant long-distance savings.

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The rent-to-own dealer enjoys a unique relationship with the customer, a relationship unlike a Sears or a Wal-Mart relationship. The rent-to-own dealer retains ownership of the products their customers take home and there is weekly or monthly contact between customer and dealer for as long as the rental agreement remains active.

The Internet gives store employees new ways to leverage increased productivity and higher frequency and lower cost customer contacts to add value and build customer loyalty. And that means increased profitability.

Renting and collecting—what a great business! And how much easier it can be today with the power of online tools over the Internet.

*John Rogers is director of sales for High Touch Inc., a developer of point-of-sale and accounting software for the rent-to-own industry.*

