

Are We There Yet? A Progress Report: Improving the Industry's Image

By Richard May

It's been nearly eight years since members of the Association of Progressive Rental Organizations first mentioned the words "public relations." Where does rent-to-own stand today in its search for greater public acceptance?

On March 31, 1993, Congressman Joe Kennedy Jr. turned to APRO executive director Bill Keese and told him, "you boys have an image problem." It was then that APRO's public relations program was born. After an excruciating hearing where U.S. Representatives tossed out accusations and recounted horror stories of rent-to-own, APRO hired its first public relations firm. The firm was charged with trying to stop rent-to-own bashing and teach the Association the fundamentals and importance of proactive public relations. Now, eight years later, can we measure our public relations progress? Does the industry relate better to the public? Is there a greater public acceptance? How do we know?

The Media and RTO

Let's begin with the area that has had the most impact on the industry's public image: the media. From 1993 to 1996, the industry averaged 1,200 negative news stories per year. The Association knows that figure because we track stories through various clipping and wire services. Beginning in 1996, negative news stories began to taper off considerably with fewer each year. In 2000, APRO received less than 100 negative news stories.

Many factors have contributed to the industry's much-improved media status. One reason is that the industry has grown substantially. The introduction of rent-to-own on Wall Street and the investment community has given much needed credibility to the industry. The rent-to-own industry continually appears in the business section of newspapers instead of the consumer sections these days and in relatively significant numbers. APRO receives an average of 10 business articles a month regarding rent-to-own. Even the media has wisened up a little. Every time reporters think they've received a hot consumer tip, they begin to do their research and quickly learn the pros and cons of rent-to-own and their fervor dissipates. The most recent arrow in our quiver has been the FTC report on rent-to-own consumer satisfaction. This report, from a government agency that tends to be very pro-consumer, declares "rent-to-own customers are satisfied with their experience with rent-to-own and the industry provides a service that meets and satisfies the demands of most of its customers."

One of the biggest factors in getting across a more positive image through the press, though, is Association members embracing media relations as a fundamental component of running their rent-to-own businesses. APRO has spent years reshaping the rent-to-own story and developing its messages, and it has worked. Members generally present themselves well and are knowledgeable about their industry. They know what to say when the press comes calling. They pay attention to business practices that keep the industry out of the news.

One of the primary objectives of public relations was to defend the industry to the media and turn the story around. After eight years, it appears that the strategy has worked. The industry still averages 1,200 articles a year, but now the majority of them are positive or neutral largely due to APRO's media placement campaign through the North American Precise Syndicate (NAPS) — a paid media placement company. NAPS, the APRO Web site, a media-savvy membership and a concerted media relations campaign has educated reporters and America to understand better what rent to own is and why it exists. As a consequence, rent-

to-own has benefited with rent-to-own news reports that focus on store openings, stock values and participation with charities such as Habitat For Humanity International.

The Value of Research

Another significant component of the industry's public relations campaign has been the amount and level of research APRO members have asked their Association to spend on research on image, customer satisfaction and the transaction. In the early days of public relations, the board member with the strongest opinion and best argument defined PR strategies. Today, we guide our activities through research and from a statistical base.

The first survey commissioned by APRO in 1994 was to gauge customer satisfaction within the industry. Those survey results and a follow-up study done in 1999 helped answer questions such as why the industry is successful and, more importantly, where the industry needs to improve in regards to customer satisfaction. Secondly, the study results established the industry's first statistical analysis to measure future trends and research, thereby lending more credibility to the industry and the Association.

The second study was the 1997 public perception study gauging Americans who fit the rent-to-own demographics, but who did not rent to own. This invaluable study set the tone for a five-year public relations strategy with the lofty goal of improving the public's image of rent-to-own. The study verified some dealers' worst fears that, "negative images of rent-to-own outweigh positives 2-1." The study confirmed the assumptions of some, but surprised almost all to discover that the No. 1 source of the industry's negative perception is generated by its television advertisements. That conclusion led the industry to create a series of television and radio ads for members to either tag or customize at their own discretion. Today, APRO members can choose from 11 produced commercials and 30 minutes of footage to create their own quality television advertising spots.

Another study APRO is following is the empirical analysis of the RTO transaction measuring the worth of "no-obligation" in rental-purchase transactions. Two UMASS Finance Professors are currently pouring through an enormous database of information to draw an empirical conclusion.

A recent draft of the article by Drs. Ray Jackson and Michael Anderson states, "from a public policy standpoint, efforts to educate consumers about the 'pitfalls' of RTO are bound to be unsuccessful since these agreements provide a necessary alternative in the marketplace for those who cannot, or wisely feel they should not, secure traditional installment or credit card financing."

A series of customer satisfaction studies, a public perception study, the FTC report and an academic financial analysis of the transaction add up to enormous credibility the industry did not have eight years ago.

Redefining the Industry

The biggest lesson the industry learned through public relations is that if you do not define yourself, then others will. Unfortunately, however, when public relations became a priority for this industry, consumer groups, the media and industry advertising had already defined it. Therefore, the public relations campaign efforts centered on re-defining the rent-to-own industry, which is more difficult than creating an image from nothing.

To create more goodwill, the industry affiliated itself with Habitat For Humanity

International. Associating rent-to-own with a well-known charity is a standard public relations tactic but means nothing if the commitment is not real. Now, four years into this partnership, the industry has contributed nearly \$1 million in time, money and labor with 11 state rental-purchase dealer associations and countless rental companies participating. As the commitment continues through the years, the character of the rental-purchase industry begins to create substance.

Ultimately, the industry image must originate from those who represent the industry—employees and customers. The public relations campaign has concentrated on those areas as well. Seminars, training videos, break room posters, customer pamphlets, studies, articles and customer and employee of the year contests are all a part of a greater campaign to create rent-to-own ambassadors at the store level and, hopefully, to improve employee retention.

Media relations, advertising, research, Habitat For Humanity International and an employee and customer focus encompass the framework from which the industry's public relations campaign has unfolded during the past eight years. Every APRO member and RTO dealer must acknowledge and embrace these ideas as a function of their business.

So, are we there yet? Probably not, but sometimes power comes not from reaching a particular destination, but from the journey itself.

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