

THE APPROACH

the magazine for the home entertainment, home appliance and furniture rental industry

FURNITURE ON THE RENTAL-PURCHASE PLAN

Adding Furniture to Your Rental Inventory

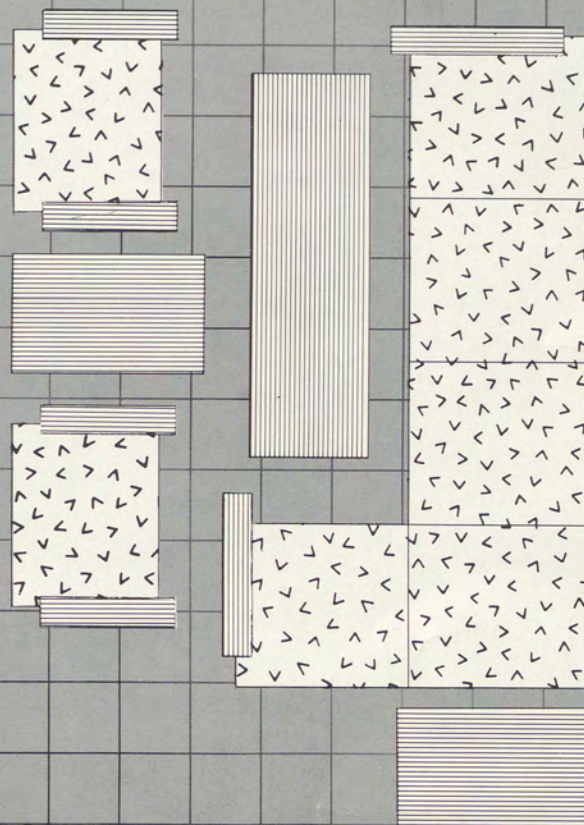
Furniture Rental Tips From the Manufacturers

Bedding Rentals: Problems or Profits?

Who Is the Average Rental Customer?

Spotting the Stagnant Customer Base

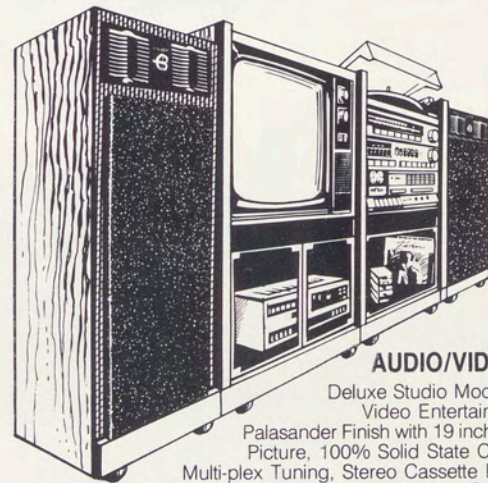
APRO Computer Conference Sellout Success



PILOT AUDIO SYSTEMS TOP RATED BY DEALERS NATIONWIDE FOR... CARE-FREE RENTALS

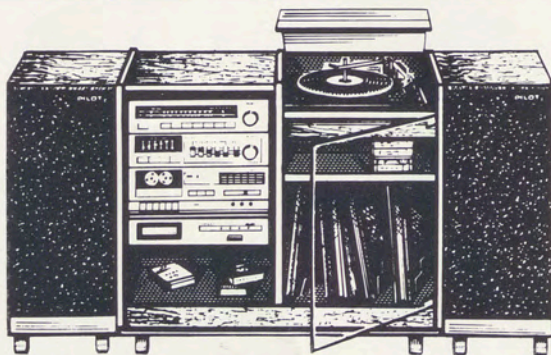
....and Pilot Audio Systems
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- Consumer Appeal
- Hassle-Free Construction



**PILOT
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Deluxe Studio Module Pilot Audio/
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Picture, 100% Solid State Circuitry, AM/FM
Multi-plex Tuning, Stereo Cassette Player/Recorder
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Record Level Meter, Matching Pair of 33" Concert Speakers, with Large
Roll Around Casters.



PILOT 3 PIECE STUDIO MODULE

in Palasander Finish with AM/FM Stereo Tuner, Cassette Tape
Recorder/Player with Metal Tape Capability, 5 Band Graphic Equalizer,
LED Audio Power Meter, LED Record Level Meter, Automatic Record
Changer, Matching Pair of 29" Concert Speakers
with Black Opaque Grill Cloth and Large Roll
Around Casters.

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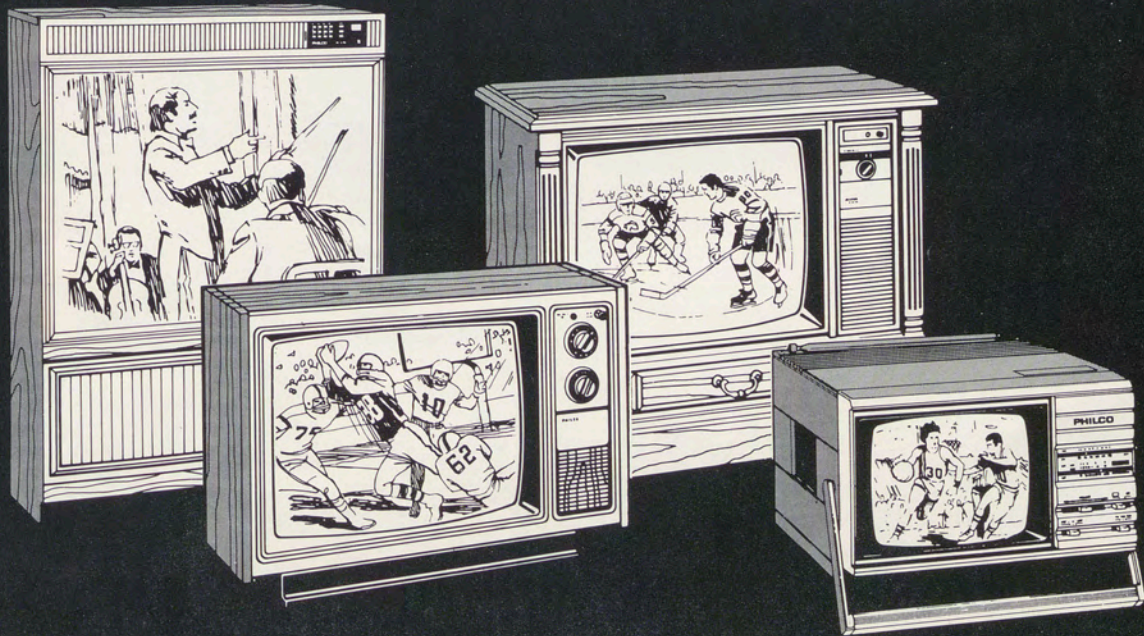
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MESSAGE

THE CONVENIENCE AGE TAKES ROOT

Double-digit inflation, tight credit, increased mobility and shifting demographics have made the home entertainment, appliance, and furniture rental-purchase business an exciting alternative marketing concept with retailers, manufacturers and finance companies standing up and taking note.

With the advent of rental-purchase much of the American public has altered its shopping attitudes to "using" rather than "owning." Consequently, the rental-purchase business has turned into big business seemingly overnight.

For dealers, the convenience of immediate delivery, no security deposit, no credit check, no installation fee and free service or replacement has provided a winning combination for success in marketing home entertainment systems, appliances, and furniture—all high dollar items and tough acquisitions for today's average consumer.

The very nature of the rental business with its exceptional service and shopping convenience gives the industry a competitive edge that industries much older than the rental industry never realize.

Dealers across the country should recognize the importance of nurturing and protecting that edge. Too often are thriving businesses strangled by poor business philosophies. Apathy toward the customer. Stagnant management. Lack of communication.

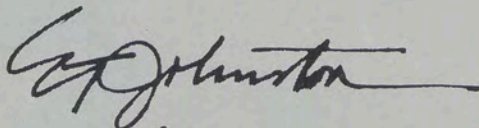
Probably the most obvious of the deteriorations in our business society today has been that of good service. Remember the days when the customer was always right? Unfortunately, it seems that disinterest in properly serving the customer is fast becoming the rule. It has meant lost business to many service-oriented industries including the rental industry.

Other businesses must constantly fight to keep up with competitors and hope to make a profit in the midst of battle. The convenience age has put the rental business on the winning side. Rental dealers across the country need do little more than what they've been doing—offering good products backed by good service—to remain successful and prospering in the marketplace.

This month THE APPROACH takes a look at an increasingly successful segment of the rental industry—furniture rentals. More and more dealers are jumping on the bandwagon and including furniture in their rental inventories. This issue covers the how and why of furniture on the rental-purchase plan along with advice from the manufacturer on how to make the transition a smooth one. The level of expressed interest in furniture rentals has prompted APRO to offer two furniture rental seminars this fall in Boston and New Orleans.

In closing, the recent APRO Computer Conference in Denver deserves a special mention. Owners of rental operations large and small, are keeping in step with the times as they look to automate their businesses. Seven suppliers of hardware and software designed specifically for the rental-purchase business greeted an unexpected number of dealers with demonstrations and valuable information. A second APRO Computer Conference has been scheduled for May 1-2 in Atlanta with an expected seven exhibits of tailored rental store management packages.

It looks as though another year of growth and increased confidence is in the making for the rental industry with dealers and consumers alike recognizing their needs for product accessibility and increased efficiency as they enter the convenience age.



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March/THE APPROACH

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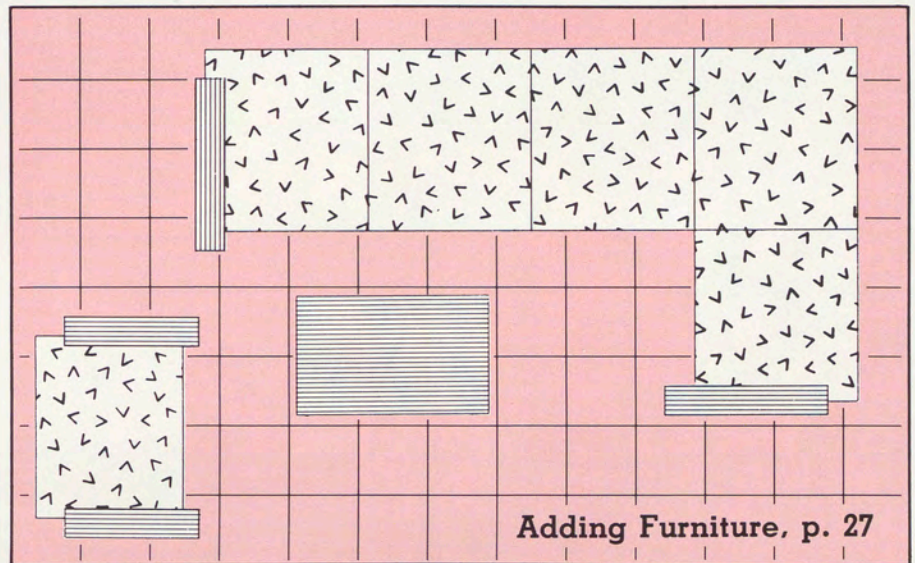
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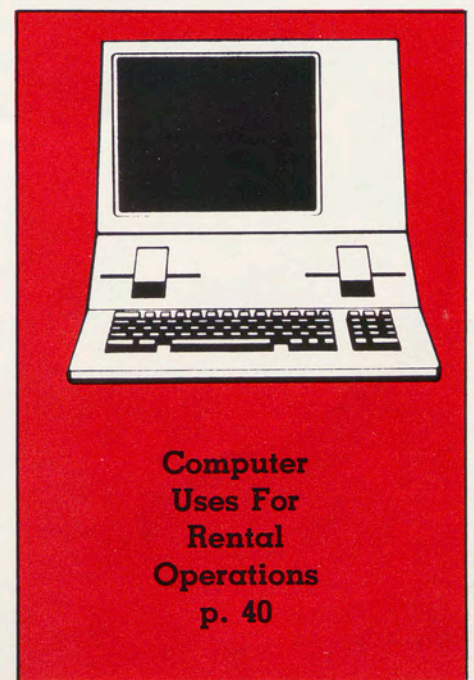
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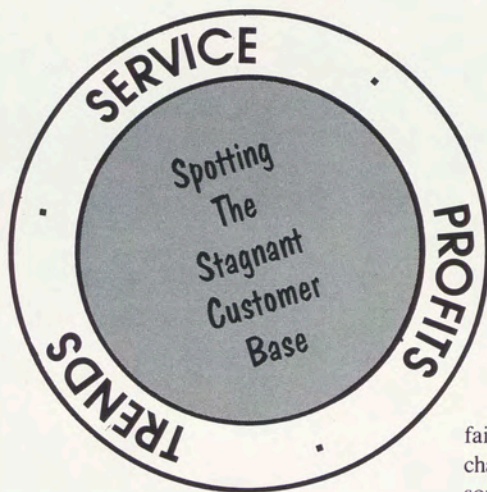
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SALES



What is a customer base? Quite simply, it is that mass of people who make up most of your business. By checking early delivery sheets, dealers may find that they pick up and deliver the same accounts much of the time. This group could make up as much as eighty percent of a store's total business.

As the rental store ages, these longtime customers will likely come to own almost every product the dealer offers. How many people rent a new washer after the color TV is paid out? How many customers take a new stereo when the refrigerator is paid in full? Quite a few. If your store does not have a program to update your product line, you must build a new customer base. After all, when all your "good" customers already own nearly everything you rent, what else can you give them? The extended life of today's major appliances and electronics makes early replacement unlikely.

Two things to consider when examining the customer base include the cost of developing new customers who have few or none of the products you're renting and the risk of introducing a new product to the old customers. The most costly process is to introduce new products to new customers. The chances of

failure are greater. Check local merchants' advertising and promotions to get some idea of the most popular new consumer goods. It may be home computers or dishwashers, but knowing the customer base is essential in making right buying decisions. Simply adding one product that a few employees says "we can really rent" is not smart. They are likely reacting to that one good customer who asked for it yesterday.

A dealer can determine whether he has a stagnant customer base by pulling invoices and checking the number of customers who have "paid-in-full" three or more products from one store over a thirty-six to forty-two month period. If the number is somewhere around half the total paidouts, the dealer probably does have an aging store with a stagnant customer base. Further proof is in the number of customers who rent the same product for only two to three weeks and return it. They are either renting it for someone else to use, or their own pro-

duct is in disrepair and they know the dealer won't repair it now that they own it. Or, they simply may be "shopping" across product lines to find something else they want to add to their homes.

Few of the potential rental customers can walk into a major department store and charge a new range, dishwasher, or living room set when they feel the urge to upgrade their lifestyle and possessions. If a rental store has the new products they are ready for, rather than simply trying to rent them the same thing they rented last year, you'll get their business more quickly.

If a dealer finds he is still picking up about as many as he delivers (or only breaking even after the paid-in-fulls), he should begin thinking about developing either new customers or new products. New product development can be less expensive, but dealers must know what they are doing. Today's fad can be very costly if it's sitting on the shelf in the back room fifteen months from now.

“ . . . when all your “good” customers already own nearly everything you rent, what else can you give them? ”

by Bud Holladay

MAKE THE MOST OF YOUR RENTAL STORE EMPLOYEES!

■ A continuing problem with every rental dealer in the country is that of personnel. How can we attract good people to our industry? How do we keep them? How do we motivate them to do the painful parts of the business? How can you as owner or manager get the monkey off of your back and get your people to get the job done?

■ The format for the Personnel Seminars is a familiar one to APRO members. The first day of the two-day seminar will be run by Chuck Sims, founder and former CEO of Remco Enterprises, Inc., and is aimed at store owners. Chuck likes to get the group involved when he speaks and dealers should look forward to plenty of questions from him and from the floor. There is not a rental dealer in the country who would not benefit from Chuck sharing his long experience and obvious expertise in the areas of managing store managers.

■ Day Two is devoted to store managers but owners are welcome to attend. Barry Gambini, of RTO Corporation, and Bud Holladay, of ABC Rentals, Inc., have become a dynamic duo for APRO. Last year they shared the podium to discuss the operational aspects of the rental business. Their sessions provoked lively discussions and candid comments about the business. This year they will talk to store managers about maximizing the use of employees in the store. Both Holladay and Gambini have managed stores and now both manage complex home offices with remote sites. Their session should prove instructional and motivational to managers and owners alike.

PROGRAM OUTLINE

DAY ONE

8 a.m.

Coffee, snacks, and refreshments

9 a.m.-4 p.m.

ORGANIZING FOR RESULTS Chuck Sims, Speaker

ORGANIZING THE COMPANY

Climate

Philosophy-Values-Structure-Culture

The Organizational Chart

FINDING THE RIGHT PEOPLE

The Job Specifications

Skill Requirements

The Recruiting Program

Employment Agencies vs. Do It Yourself

The Screening Program

The Interview

Getting the Right Information

Pre-Hire Testing and Profiling

The Job Offer

Make It Pretty

The Employment Contract

12-1 p.m.

Lunch Provided

DEVELOPING HUMAN RESOURCES

Job Introduction

The Position Description

Standards of Performance

The First Day

The Pygmalion Effect

Training

How To Do the Job Today

Preparing For the Future

THE FINAL TOUCH

Progress Reviews

Appraisals

Human Resource Utilization

Skills Inventory

Acknowledgment-A Managers Most Powerful Tool

LOCATIONS & DATES

March 7 & 8
Wed & Thurs

ST. LOUIS
Clarion Hotel
200 South 4th Street
St. Louis, MO 63102
(314) 241-9500
(800) 321-6888

April 7 & 8
Tues & Wed

SAN DIEGO
Hotel Del Coronado
1500 Orange Avenue
San Diego, CA 92118
(Coronado Island)
(619) 435-6611

May 23 & 24
Wed & Thurs

HILTON HEAD ISLAND
Sea Pines Plantation
Hilton Head I., SC 29928
(803) 785-3333

DAY TWO

8 a.m.

Coffee, snacks, and refreshments

9:11:45 a.m.

LEGAL ISSUES FOR STORE MANAGERS

Ed Winn, Speaker

- *Discrimination laws and hiring store employees*
- *Workman's Compensation laws-an overview*
- *How to handle employee complaints about discrimination, sexual harassment, employee benefits, salary*
- *Letting employees go legally*
- *Payroll problems: wage and hour laws*
- *Handling customer complaints*
- *Telephone calls or letters from Legal Aid lawyers-What do I do next?*
- *Recovering property legally. Collection do's and don't's*

12-1

Lunch Provided

1-5 p.m.

GETTING THE MOST OUT OF STORE EMPLOYEES

Barry Gambini, Bud Holladay, Speakers

- *Setting goals in the store to help employees know where they are going*
- *Tricks of the trade to increase employee motivation*
- *Doing it all yourself? How to make the move from doing to supervision*
- *How to make changes for the better, instead of for the worse*
- *Using action plans to get top results*
- *Supervisor attitudes that make or break employee morale*
- *The functions of management*
- *Guidelines for measuring performance*
- *Opening the channels of communication*
- *How rental stores develop and change over time; and how those changes affect store employees*
- *How to find out what employees expect from their work; how to meet those expectations*
- *How to discipline employees; analyzing common discipline problems*
- *Learning how to listen*
- *Using and understanding body language*

HERE'S WHAT THEY SAY ABOUT APRO SEMINARS...

"I have been to many such seminars in the past. Quite frankly, I thought this would be just another dull, unimaginative, uninformative experience-was I wrong."

"I enrolled as a nonmember, withholding my enrollment until after completing the seminar to determine whether joining APRO would be beneficial. I'm sending my application today."

"Very good... makes one want to regroup and get back to basics."

"Every rental dealer should know this...it scared the hell out of me."

Made me realize that tightening account collections in my company is necessary... woke me up."

REGISTRATION FORM

Use one registration form per attendee. Copies of this form will be accepted. Enrollment is limited. A waiting list will be available in the event of cancellations. Check must accompany registration form to be processed.

I will be attending the following seminar(s):

- March 7 (owners only) St. Louis
 March 8 (owners/managers) St. Louis
 April 17 (owners only) San Diego
 April 18 (owners/managers) San Diego
 May 23 (owners only) Hilton Head
 May 24 (owners/managers) Hilton Head

Name _____

Company Name _____

Address _____

City _____

State _____ Zip _____

Phone _____

FEE:	1 DAY	2 DAYS
APRO members	\$175	\$300
Non-Members	\$225	\$400

My check is enclosed
Make checks payable to APRO.

Charge my:

Visa _____ Exp. Date _____
MC _____ Exp. Date _____

Signature _____

Send to: APRO
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Austin, TX 78701
(512) 478-6521

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That means: your customer rents an entire room of furniture for one price. You have one serial number, one unit to inventory, fewer problems.

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Call Furniture Rental Systems today. You'll be surprised at how easy furniture rental can be. FRS is a tested and proved program that can increase your profits and show you how to improve your **return** on furniture . . . without increasing your **returned** furniture.

CALL (214) 788-0884

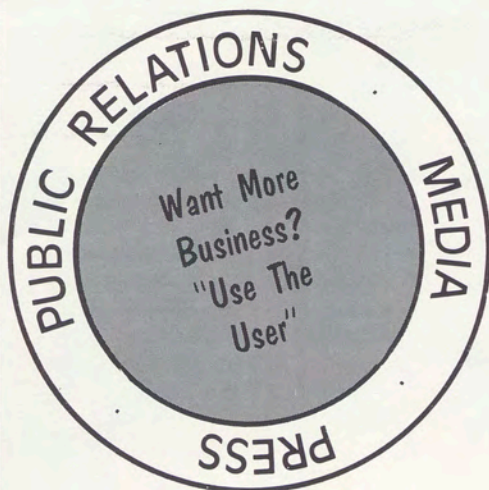


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Now available in the following states only: Texas, Oklahoma, Louisiana, Mississippi, Arkansas, Kansas, Missouri.

Principals Active in FRS: Bud Holladay, David Gradick and Curtis Beavers.

ADVERTISING



by Bud Holladay

ADVERTISING

Spending thousands of dollars on expensive radio or TV advertising to drive new customers through the door may not be the most effective or efficient way to add new business to the rental store. Take a tip from the country's giant mail-order and credit card companies and "use the user." That customer who already knows your program and has experience paying his bill at your store should be constantly encouraged to add other rental products and to refer new customers to the store.

Here are some ways you can begin to "use the user" in your store:

1. Add a coupon to every delivery—attached to the rental agreement—offering money-off or free rent on another product after a specified period of time;
2. Make sure every customer paying at the counter receives a "referral coupon" that allows him free rent for sending in a new customer (make the offer substantial but affordable);
3. Compile a mailing list of all accounts and periodically send a flyer on a color TV special to all stereo accounts and send a stereo flyer to the color TV accounts, etc.;
4. As pickups are processed daily, add each customer's name to a mailing list for re-renting and get the mailer out the same week so that it arrives on what would have been the customer's payday;
5. Be sure those who mail in payments receive something in their receipt envelopes—they are good customers a dealer never sees;
6. Place a new microwave oven or small-screen color portable on the payment counter and encourage "good accounts" to take the product home with them for a week on a special trial rate;
7. Make photocopies of newspaper ads or handbill flyers and mail them to good

customers who have only one rental contract on file and include a note asking, "Did you see this? You qualify NOW!"

Of course, one of the most effective means of developing more rental contracts from present customers is simply to make the rental store an attractive and well-merchandised place to shop. The store can be a dealer's single-most important advertising medium because the people who come there to rent will come back to pay. And that saves everyone money.

Bud Holladay currently serves as immediate past president of APRO.

“Make sure every customer paying at the counter receives a “referral coupon” that allows him free rent for sending in a new customer . . .”

EDITORIAL PREVIEW

The **JULY** issue of **THE APPROACH** is offering a star-studded line up of exhibitors and Convention '84 events . . . product previews, great new seminars and a pull-out directory of convention exhibitors, Caesars Palace and the fabulous city of **LAS VEGAS!**

Advertiser's won't want to miss the **BIGGEST** issue of the year. In addition to regular magazine ad space, a limited number of spaces are available in the pull-out **Convention Show Guide '84**.

So . . . get **YOUR** act on stage in the **JULY** issue of **THE APPROACH**.

After all, its **SHOWTIME!!**

**MATERIAL
DEADLINE
June 8, 1984**

**ISSUE DATE
July 6, 1984**

Contact:
Elizabeth T. Johnston
Advertising Director

THE APPROACH

1866 InterFirst Tower, Austin, Texas 78701 (512) 478-6521

**Get
in on
the act in
Las
Vegas!**



1984 COMPUTER CONFERENCE

with exhibits

May 1-2, 1984

Atlanta Airport Marriott — Atlanta, Georgia

1-800-228-9290

Purpose

The impact of the computer in the business world and in all of American society is potentially staggering. The impact on the operation of small business has already been far reaching. TV and appliance rental dealers who ignore this phenomenon will fall behind in the marketplace. Ultimately, rental dealers without computer know-how and workable functioning computer availability will fail.

APRO wants to help rental dealers make the right computer decisions. When and if to buy a computer. What to look for. What a computer can and cannot do for a rental company. How much to pay.

APRO recognizes that every dealer's situation is unique. Nonetheless, the computer conference has been designed to give dealers a solid foundation in computer technology to help them ask the right questions and ultimately to make the right decisions.

Approach

This computer conference will provide dealers with the fundamentals necessary to approach the often misunderstood array of goods in the computer marketplace. The approach is not theoretical. Rather, conference attendees will have a real world problem concerning a rental company and computers to aid in solving the problem. Explanations will be given in plain English, not "computerese", and there will be ample opportunity for hands-on experience with the equipment furnished by exhibitors.

Several exhibitors have equipment designed especially for TV and appliance rental store accounting. These packages will be on display and can save dealers time and money.

Special Feature

APRO and its computer consultants will present a hypothetical problem concerning a rental company and computer systems to all attendees upon arrival. Attendees will be divided into small discussion groups for the two-day conference. Each group will eat lunch together as well as visit suppliers together. Group members are encouraged to question suppliers as well as the computer consultants for information and approaches concerning a "solution" to the "problem". At the luncheon on the 2nd day, each group will have 10 minutes to offer its suggestions.

Rental dealers are reminded that in such an exercise there are no "correct" or "incorrect" answers since the problem is hypothetical. The exercise is useful for getting dealers to think through different aspects of the problem of computerizing a rental store in a structured way.

Fees

APRO Members\$100
Non-Members\$160
Fee includes handout materials, refreshment breaks and lunch on both days. *All fees must be paid in advance and must accompany the registration form.*

Hotel

Enrollees are responsible for making their own hotel reservations. Please make sure to designate affiliation with the APRO program. A special room rate and block of rooms has been arranged for APRO program participants. Please make room reservations as soon as possible. The APRO staff wants attendees to be happy with their accommodations. For reservations, call 1-800-228-9290.

Single room rates\$79
Double room rates\$94

Program Outline

Tuesday, May 1

- 8:00-8:30 Welcome Coffee and Donuts
8:30-9:00 Distribution and Explanation of the Computer Problem
9:00-12:00 General Session
—Computer Fundamentals
—Types of Computers
—The Jargon
—Computer Needs: Defining What a Computer Can Do For a Rental Dealer
—Computer Purchases and Alternatives
—Selecting a System
—Analyzing Total Cost
—Converting a Manual System To a Computer System
—Hiring, Training and Managing Data Processing Staff
—Security and Legal Issues
—Computer Problem Issues
—Review the System
—Question and Answer Session
12:00-1:00 Luncheon
1:00-6:00 Group Sessions with Vendors
(list of room assignments will be distributed during General Session)

Wednesday, May 2

- 8:00-8:30 Coffee and Donuts, General Q & A Break-Out for Group Sessions with Vendors
8:30-12:30 Group Sessions with Vendors—locations to be announced
12:30-2:00 Luncheon
2:00-5:00 Open Visits with Vendors

Thursday, May 3

Several vendors will keep their exhibits set up all day for those attendees who wish additional time to work with the computers. Dealers should schedule appointments ahead of time with vendors to discuss specific needs as they pertain to their own operation.

Registration

Enrollment in the APRO Computer Conference is **LIMITED**. Enrollment is offered on a first-come first-serve basis and guaranteed only upon receipt of registration form and payment. For additional information and registration materials contact:

APRO, 1866 InterFirst Tower, Austin TX 78701 512-478-6521

Join These Exhibitors: AmRent, Comp-Unique, CompuRent, Computer Logistics, Data Design & Development, First National Computer Corp., High Touch

SMALL BUSINESS



NATIONAL WHOLESALE FURNITURE ASSOCIATION

Organized under the auspices of the National Association of Furniture Manufacturers, The National Wholesale Furniture Association has represented wholesale furniture distributors since 1925. The association currently has about 60 member distributors and 35 associate member manufacturers. Distributor members must adhere to a written code of ethics and must be in the practice of buying from the manufacturer to sell to retailers and/or interior designers.

Associate members (manufacturers) join by special invitation. Membership dues are based on the applicant's annual sales volume.

Among other benefits, the association offers a freight auditing service, educational and promotional materials concerning furniture distribution, one annual educational seminar, two marketing banquets per year, and one general business meeting for members. NWFA publishes an annual membership directory, an in-house newsletter for members

and The Furniture Wholesale Distributor Newspaper (affiliated with NAW, the National Association of Wholesaler/Distributors).

For more information concerning membership with NWFA, write to them at: Box 1792, High Point, NC 27261 (919) 889-6411.

“
...MEMBERS MUST BE IN THE
PRACTICE OF BUYING
FROM THE MANUFACTURER
TO SELL TO RETAILERS
AND/OR INTERIOR
DESIGNERS.
”

ASSOCIATION OF BEDDING & FURNITURE LAW OFFICIALS

The Association of Bedding and Furniture Law Officials is a consortium of officers from various state departments and representing each state in an effort to organize and secure the adoption of uniform bedding and upholstery laws. On the Federal level, they operate out of the Department of Consumer Protection. However, a particular state's representative may come from a different department. For example, in Texas the officer's affiliation is with the State Department of Health.

The Association is located at 165 Capitol Avenue, Hartford, CT 06115, (203) 566-7457. Members of the association supply bedding dealers with information pinpointing specific state laws governing the sale and renting of bedding and will put dealers in contact with your respective state official.

Dealers are invited to furnish the association with input about their feelings, concerns, and desires about and for bedding laws.

“
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TOGETHER TO ORGANIZE
AND SECURE THE
ADOPTION OF UNIFORM
BEDDING LAWS.
”



Association of
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GOVERNMENT RELATIONS

WISCONSIN

by J. Samuel Choate, Jr.

APRO representatives continue making progress with the Wisconsin Ad Hoc Negotiating Committee drafting rental-purchase modifications to the Wisconsin Consumer Act. In the meantime, a circuit court in Milwaukee ruled in favor of the local dealer denying a request for a temporary injunction and holding that it was unlikely that the customer would prevail in his effort to have the rental contract recharacterized as a credit sale.

The lower court holding was significant. Within this last year, another division of the Milwaukee Circuit Court had held that a rental-purchase contract was a credit sale requiring compliance with the credit sale provisions of the Wisconsin Consumer Act. With a split in authority at the trial level, the issue is positioned in a much more balanced posture for the appeal that is being pursued by the dealer who lost at the trial level. Lawyers representing the rental dealers feel that the second holding is the better-reasoned conclusion and is consistent with the pro-industry opinions handed down by the Supreme Judicial Court of Maine in the *Hawkes* case and in the Court of Appeals of Maryland last November in *State of Maryland vs. Action TV*. Both of these courts point out that definitional language in these statutes clearly require a debt to exist before credit is extended. As most of the statutes in the country regulating credit sales were patterned after the Federal Truth-in-Lending model, these two opinions have great precedential value to the rental industry in all states. Although one should never speculate upon the outcome of an appeal before the opinion is announced, rental industry lawyers in Wisconsin feel encouraged by the Maine and Maryland rulings. They point out, however, that a quirk in the Wisconsin statutory language makes the continuing legislative effort by APRO a necessary back-up to their appeal.

The Legislative Committee is currently negotiating the issues of default, the right to cure, and limitations on customer contact after failure to renew. Industry representatives responded to consumer demands that there be no personal contact after default by pointing out the advantage to many renting consumers of in-home collection which requires customer contact during this period. It was pointed out that this customer service should not be eliminated in an overreaction to fear of customer abuse and harassment. Unfortunately, there is enough truth to substantiate their

fears that a compromise position is needed. The current proposal to be discussed at the next meeting involves allowing the rental company one personal contact with the customer after default with a limitation on the actions that can take place. Specifically, the industry has suggested that the company representative be allowed to inform the customer that, although they are under no obligation, they may renew their rental agreement by paying then. If they do not wish to renew, they may surrender the rental property and thereby terminate all obligations. They are further informed that they have a certain period of time, (15 days is one suggestion), within which to decide before legal action may be pursued by the company to recover the property.

Allowing rental companies to contact consumers during this period and suggest a voluntary surrender of the rental property would be a privilege not allowed credit sellers in Wisconsin. However, the consumer representatives, including a representative of the Attorney General's office, recognize that sufficient differences exist between the two transactions to justify different treatment. But this privilege will not be extended without the limitation discussed.

Industry representatives have worked closely with Wisconsin dealers to insure that any compromise will not restrict them from carrying on their businesses. During the negotiating sessions the practical needs and problems of the rental dealer are uppermost in the minds of the industry representatives who understand that their primary objective is to keep the rental dealer in business. For this reason, any reaction, pro or con, to any of the suggestions mentioned in these reports is solicited by APRO for the help and guidance of our spokesmen.

While the industry is advancing on all fronts in Wisconsin, we must not relax our efforts, for only by diligence, work, and sacrifice on the part of the Wisconsin rental dealers have we been able to feel like we are beginning to turn around the situation that existed a year ago—a situation which threatened the very existence of the industry in that state.

"The current proposal to be discussed at the next meeting involves allowing the rental company one personal contact with the customer after default with a limitation on the actions that can take place."

"... the problem in Tennessee was compounded by the innocent yet misinformed actions of a local attorney who sought, on behalf of the rental company to sue defaulting consumers for 'balances due'."

TENNESSEE

by J. Samuel Choate, Jr.

After the memorandum opinions from the Chancery Court in Nashville holding, at least preliminarily, that the rental-purchase contract at issue violated that state's Retail Installment Sale Act, an order was issued modifying, in part, the import of this preliminary finding. In the Order the Chancellor limited his holding to the rental contract used, one that provided no consumer disclosures or similar information, now given as standard practice in many rental-purchase contracts. Though not an outright approval of the contract, his exemption certainly provides a safe harbour for rental dealers in Tennessee that has been at last informally approved by the Attorney General's office. (For information concerning this contract contact the APRO office.)

After the entering of this Order the attorneys representing the rental companies petitioned the Chancery court to grant them the right to take an immediate appeal. This petition was granted and unless a settlement is reached an appeal will be pursued in the Tennessee Court of Appeals.

Negotiations are currently under way between the Attorney General's office and the attorneys for the rental companies to settle this matter but, as of this date, no agreement has been reported.

As reported earlier, the problem in Tennessee was compounded by the innocent yet misinformed actions of a local attorney who sought, on behalf of the rental company, to sue defaulting consumers for "balances due" as if he were dealing with retail credit sales. In this regard, all dealers are urged to review collection practices and procedures utilized by their local lawyers to assure that they understand the nature of the rental business and the limited remedies available upon default. If you or your attorney are in doubt call APRO for guidance.

SOUTH CAROLINA

by Ed Winn, III

With the help of APRO, South Carolina rental dealers have recently organized with an eye toward getting a rental-purchase bill through the state legislature there. It was learned in early February that the South Carolina Department of Consumer Affairs had been working on a bill to regulate the industry. Steve Hamm, director of the South Carolina Department of Consumer Affairs, reported that he had been getting pressure from consumer groups "to do something about the industry."

As soon as it was learned that Consumer Affairs had actually written a bill, APRO attorney, Ed Winn III, met with Hamm and several staff attorneys in Columbia who had worked on the draft.

South Carolina has its own version of the Uniform Consumer Credit Code. While not as onerous as some, the South Carolina statute regulates all types of consumer credit transactions. The Department of Consumer Affairs' bill, as originally drafted, included rental-purchase agreements in the definition of credit sale under the Act. In addition, the bill also required the contract and advertising disclosures contained in the federal bill S.1152. In other words, if the Consumer Affairs bill had passed, rental dealers would have had to make two sets of disclosures in South Carolina—credit sale disclosures, just like retailers, and rental-purchase disclosures. Such dual disclosures would have caused much confusion among consumers and added substantially to the cost of doing business there.

Fortunately, during a day of meetings with Consumer Affairs representatives, Winn and several rental dealers were able to explain the many differences between the retail business and the rental business. Much of the meeting was spent discussing how rental dealers actually do business. They also pointed out all of the problems they had with the Consumer Affairs bill. At the conclusion of the meeting, Hamm agreed to withhold his bill from the legislature pending a draft of a bill from the industry.

As with all versions of the UCCC, the South Carolina version is full of substantive controls on creditors—limits on the timing and amounts of late charges, notice of default requirements, consumer rights to cure and the like. Since the South Carolina Act was written with credit sales in mind, many of the substantive rules contained in the Act either do not apply to the rental industry at all or would cause considerable hardship.

The UCCC was drafted with the assumption that the consumer would assume debt and make payments on that debt every month. Many of the provisions of the UCCC were designed to protect a consumer's equity in the



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SINCE THE SOUTH CAROLINA ACT WAS WRITTEN WITH CREDIT SALES IN MIND, MANY OF THE SUBSTANTIVE RULES CONTAINED IN THE ACT EITHER DO NOT APPLY TO THE RENTAL INDUSTRY AT ALL, OR WOULD CAUSE CONSIDERABLE HARDSHIP.

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products being purchased. An example is the right to cure. In many states, before a retailer can repossess merchandise after default on a payment due, he must give the consumer notice that there has been a default and then give the consumer an additional period of time to make up any past due payments. This "cure period" was designed to make certain that there had been no error, either on the retailer's part or the consumer's part which resulted in the default. In South Carolina, the total amount of waiting time before a retailer can seek legal action to recover merchandise is 30 days after a missed payment. (In Wisconsin, the waiting period can be as long as 70 days.) Obviously, if a rental dealer had to wait 30 days to pick up an item rented by a weekly customer, the cost of doing business would soar.

The South Carolina Consumer Affairs attorneys seemed to understand these and other problems and agreed to allow rental-purchase agreements to be treated differently under the Act. They did insist, however, that if a bill passed in South Carolina, it would have to deal with all aspects of the transaction, and not just with disclosure, as in the case with the federal bill. They also insisted that rental-purchase transactions be made a part of the South Carolina Consumer Protection Code (UCCC), rather than be covered under a separate statute altogether.

Accordingly, APRO attorney Winn, with the assistance of attorney Sam Choate, drafted a bill including rental-purchase transactions in the South Carolina Act, while making numerous special provisions to protect the unique features of rental-purchase transactions.

In the APRO bill for South Carolina, for example, rental dealers remain free to contact customers the day after a customer fails to renew a rental agreement. There are no limits on the number of contacts or what a dealer

can say other than the limits already in existence under the Fair Debt Collection Practices Act. Under this bill, however, before a dealer can charge a customer a delinquency charge (late fee) for not renewing on time, he must wait two business days. If the customer pays within those two days, no delinquency charge may be assessed. In addition, there is a cap of \$7 for any one payment not made on time.

Also under this bill, rental dealers must give notice of right to cure, as retailers must do. They need only give it once during the life of the rental agreement, presumably the first time a customer fails to renew on time. After the first failure to renew, however, a rental dealer must inform the customer in writing that the rental agreement has expired. He must then wait four days for weekly customers and eight days for monthly customers before he has the right to file a lawsuit to recover the property. None of these waiting periods prevent a customer from voluntarily returning the merchandise or the dealer from requesting that the customer return it. The waiting period only applies to taking legal action.

As of this writing, it is unknown how South Carolina Consumer Affairs attorneys will respond to the industry proposal, although the initial reaction was positive. It is expected that neither industry nor consumer groups could get a bill passed in South Carolina this year without the approval of the other. Negotiations between industry representatives and consumer affairs attorneys are expected to continue into the spring.

If there are dealers interested in a copy of the industry's proposal in South Carolina, please contact the APRO office.

WEST VIRGINIA

by Ed Winn, III

A class action lawsuit was filed in December, 1983, against a rental dealer in West Virginia. Suit was filed on behalf of a rental customer and "on behalf of all others similarly situated" by an attorney for the Appalachian Regional Defense Foundation, a publicly funded lawyer group.

West Virginia has adopted its version of the Uniform Consumer Credit Code (UCCC) and the suit alleges several violations of the state code. No violations of federal law were claimed.

The complaint alleges that the plaintiff entered into a pair of bi-weekly rental-purchase agreements with the defendant company, one for a TV and one for a stereo. When the plaintiff quit making rental payments the company picked up both items.

The plaintiff's primary argument is that the rental-purchase agreement is a consumer lease under state law and that the company failed to make the proper lease disclosures. This is a departure from the "disguised credit sale"

argument that is usually made. The definition of "consumer lease" under West Virginia law is identical to the federal definition in the Consumer Leasing Act. A rental agreement only becomes a "consumer lease" if the minimum rental term is for longer than four months. The intent of the four month rule when it was originally written in 1976 was to exclude short-term rentals from the burdens of regulated disclosures.

Because of the clear language in the federal statute and several pronouncements from the Federal Reserve Board, no court has ever ruled that the definition of "consumer lease" applies to the week-to-week or month-to-month terminable rental agreements typically used by TV and appliance rental dealers.

The West Virginia Supreme Court is reported to lean heavily toward consumers. Some observers in West Virginia think the suit may have been filed with an eye toward getting to the Supreme Court and having it interpret the state law in favor of consumers.

Rental dealers should note that, occasionally, activist courts take it upon themselves to rewrite laws judicially despite the constitutional questions that such conduct raises.

The West Virginia lawsuit also alleges that the company employees intentionally insulted the plaintiff and caused her to suffer "extreme emotional and psychological distress." While these kinds of claims are unsettling, especially if proven, they have little bearing on the more dangerous class action aspects of the suit. A class action is only valid if all consumers in the class were treated in exactly the same manner. While rental customers might sign similar rental agreements, it is impossible that a company would abuse all of its customers when repossessing merchandise.

Defending lawsuits, especially class action lawsuits, is expensive and time-consuming. Rental dealers with stores in West Virginia will want to follow this lawsuit as it develops in order to measure the climate in that state for the rental-purchase business.

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MEET THE AVERAGE RENTAL CUSTOMER



Q. Who is the average renter?

A. A recent survey revealed that the typical TV and appliance renters were married couples between the ages of 23 and 38 with two or more children. Seventy percent were men, and 60 percent of all renters were blue-collar workers. Most owned or rented a home which was worth approximately 2.5 times their annual income, and had lived there for more than a year. Most had been in the same location for more than three years. They drove cars 7 to 10 years old. They had held their present jobs for over five years, and about 75 percent were paid weekly.

Q. Who will be the average renter in the future?

A. This same survey revealed a growing category of renters who were one-adult families or two adults living together to share expenses. The pollsters claim these groups will increase in numbers and affect the market accordingly.

Q. Why is the rental customer renting instead of buying?

A. Because of higher interest rates for installment loans, about half the recent applicants for installment credit have been turned down—some who would have been accepted immediately in past years. Thirty-five to 38 percent of Americans now have poor or no credit ratings. Aside from difficulty in getting credit to buy, renters don't want to commit themselves to long-term debts they may not be able to repay. Others who have had bad experiences with servicemen like the idea that service is the responsibility of the rental dealer.

Q. Is the "typical renter" the segment to whom I should direct my marketing programs?

A. Not necessarily. You must make a market study of your own trade area to determine who your renters are likely to be. Generally, they will be similar to buying customers. Renters will tend to be at the lower to middle ends of the economic scale (with the exception of VCR renters who tend to have high incomes). Sometimes, however, your rental market will be entirely different from your buying market . . . a segment of your area that would not ordinarily buy for one reason or another. For example, one dealer located in a university town and established a successful washer and dryer rental business catering to students.

Q. If a dealer identifies an average rental customer, is this customer market likely to change?

A. Sometimes a rental market can change, becoming less profitable. One dealer in a town dominated by one industry, had a thriving rental-purchase TV business for years. When economic recession hit, the town's primary industry suffered greatly and many renters were unemployed. However, the dealer continued his income by arranging for renters to pay what they could, with deferral of the rent until re-employment.

Q. How do I find out what kind of buying public is in my area?

A. The local Chamber of Commerce generally has area consumer profiles such as grocery store, department store and shopping center shopping statistics. These types of statistical reports can provide you with income and shopping frequency information about your market. It can also provide consumer traffic patterns and aid in the decision of where to locate your rental store. The local newspaper is another good resource for determining local consumer spending habits. Newspapers make it their business to zone areas of the city by population density, income level, age and race distributions, and housing values. These zoned area reports are also very useful in targeting advertising efforts once your store is established.

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Attitudes Toward Trade Associations

A recent Gallup survey on corporate views and attitudes toward trade associations indicated that some 24% of companies polled believe their company benefits greatly from its memberships in trade associations, while 52% feel the benefits are moderate, and 23% feel the benefits are very small or nonexistent.

Almost three quarters (73%) of the company executives feel that trade associations provide at least a fair amount of guidance and leadership for their industry.

Management performance of the staff executives of trade associations receives high marks: 30% rate management performance excellent; 46% rate it good; and only 19% rate it fair or poor. Moreover, 51% feel management performance has improved in the last ten years; only 4% feel it has deteriorated.

The majority (55%) of executives expect trade associations to become more important to their corporate operations in the next five years. In contrast, only one in six (17%) feels their importance will decline. Even among executives who feel their company receives little or no benefits from its present memberships, a larger proportion feels associations will become more important (36%) than feels their importance will decline (29%) over the next five years.

In the view of most corporate executives, the single most important trade association function is presenting the industry's position to government. This was selected as a highly important

function of trade associations by roughly 55% of Fortune and medium-sized company executives.

On the whole, businessmen appear pleased with association effectiveness in this key area. Nine out of ten executives rate the trade associations as being at least somewhat effective in presenting industry's position to government, including 41% of Fortune and 53% of medium-sized company executives who consider associations very effective in this area.

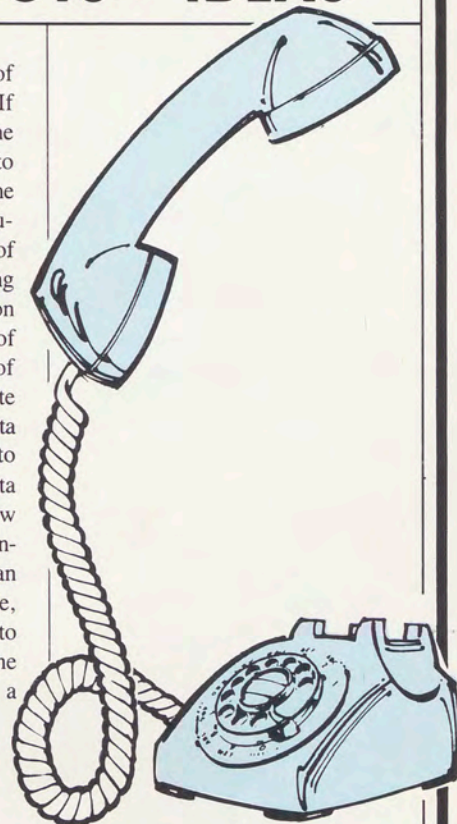
Providing a forum in which businessmen can meet vendors or competitors is the service executives mention next most often as an important trade association function. Roughly 70% feel associations are at least somewhat effective in this area.



Video Sales Figures

Remote control television sales will total up to 45% of sets sold, and color TV sales in 1984 expect a gain of 5% from 1983. Remote control on TV is no longer considered a luxury . . . The bulk of VCR Sales will remain with low-end models for 1984. Consumers need to be better educated about the benefits of the features that appear on high-end, more sophisticated

models. That will be the job of each store's sales force. If salespeople don't understand the product, they can't explain it to the customer and won't make the sale . . . RCA V.P., Jack Sauter, predicts factory sales of 500,000 videodisc units during 1984. That's roughly 1 million units in homes by the end of '84 . . . Beta boasts 25-30% of the VCR market and, despite Zenith's recent switch from Beta to VHS format, is expected to maintain its market share. Beta continues to focus on the low end, and estimates that most consumers want to pay less than \$500 for a machine. Meanwhile, VHS manufacturers continue to focus their attention on the \$500-\$800 range and offer a wider variety of features.



The Telephone Market:

Is There Room For Rental?

With the divestiture of AT&T a reality, telephone manufacturers and retailers will be scrambling for their share of the consumer telephone market. Consumers can still purchase low-end one-piece corded phones for under \$10. As publicity concerning options increases, it is expected that consumers will start shelling out more per unit. Estimates for 1984 range from 20 million to 40 million units sold, with an additional eight to 12 million units sold in cordless phones.

Rental dealers should remember that until recently everyone leased telephones, whether they were aware of it or not. The concept of telephone leasing will not be a difficult one to get across. Retail prices for corded phones are expected to run between \$50 and \$200 for two piece units. With those kinds of retail prices, rental dealers can rent out items for a shorter period than the traditional 18 to 24 month terms. Six to 12 months might work well for telephones with some gadgetry—a radio/alarm-clock combination, for example.

APRO has no information regarding dealers who are currently carrying telephones as a rental item. Dealers who are having success in the phone market are encouraged to contact the APRO office. Watch for updates in this new market in future issues of THE APROACH.

Advertising Readership Findings

In a recent CAHNER'S Advertising Research Report findings concluded that the readership of specialized business magazines is very high with the number one specialized business magazine in each industry being read on the average by 78% of industry decision makers. The readership of the number one general business magazine is only 38%.

The study goes on to report that the number one specialized business magazine in each industry group is read regularly on the average by 69% of industry decision makers. The number one general business magazine is read regularly by 26%.

Cost effectiveness was another consideration cited when choosing the proper magazine in which to advertise. The average cost of a full page black and white ad in 100 specialized business magazines, such as THE APPROACH, is \$3,148 while the average cost for the same ad in five general business magazines is \$22,461.



Retail Phone Stats

In the retail market, standard telephones accounted for 40% of market sales. Another 30% went to cordless phones with the rest going to specialty items, decorator and multi-feature phones.

Efficient Management A Must

Clearly, a well-run rental operation can make money. However, the key to success or failure—dealers agree—is that it be run with all the know-how and expert management needed in a sales operation, plus additional knowledge of rental market peculiarities.

The successful rental dealer:

- knows his market and gears advertising and sales appeals to that market
- keeps his rental inventory attractively displayed in an area separate from his retail merchandise
- trains rental salespeople well so they are knowledgeable, dedicated and successful
- keeps a careful watch on inventory and costs
- screens rental customers carefully to minimize loss of equipment and rental income
- makes sure rents are collected promptly
- provides good service, quick delivery, and immediate attention to customer complaints.

CONSUMER CHECK: ✓

WHERE COMPUTERS WERE PURCHASED

Retail Outlet	Total	Men Buyers	Women Buyers
Dept. Store	17%	67%	33%
Discount	8%	43%	57%
Computer Store	25%	55%	45%
Electronics	18%	50%	50%

Source: *The Stinson Report*, 1,250 households, Nov., 1983. "Where did you buy your personal computer?"



CONSUMER CHECK: ✓

PLANNED SOFTWARE USES FOR RETAILERS

Inventory Control	61.5%
Accounts Receivable	36.5%
Accounts Payable	33.7%
General Ledger	17.3%
Billing & Invoicing	14.4%
Payroll Processing	12.2%

Source: *Focus Research Systems*.

Q: As an employer, am I liable for drunk employees?

A: Traditionally, an employer was not held liable for an employee's conduct when it was "beyond the course and scope of employment." That is, when an employee committed wrongs on his or her own time as opposed to the company's time, the company was not held responsible. An entirely appropriate rule. The Texas Supreme Court has recently handed down an opinion that seriously erodes that rule. In *Otis Engineering Corp. v. Clark*, an employee went into the parking lot during a break and got very drunk with a blood alcohol level of .268%. When he was unable to perform his work upon returning, his supervisor suggested that he go home and escorted him to the parking lot. On his way home the employee caused an auto accident.

In ruling that the company had to pay for the victims' damages, the Texas Court admitted that it was breaking new legal ground. The Court said it was necessary to do so because of "changing social standards." The new rule in Texas, and perhaps elsewhere, states that:

"When, because of an employee's incapacity, an employer exercises control over the employee, the employer has a duty to take such actions as a reasonably prudent employer under the same or similar circumstance would take to prevent the employee from causing an unreasonable risk of harm to others."

The plaintiffs argued successfully that the defendant company failed to perform its duty, since the supervisor could have taken the employee to the nurse's station, driven the worker home, called a taxi, the police, or the employee's wife.

In a related case in West Virginia, a company was held liable when an employee caused an accident on the way home after working 27 hours straight.

Rental owners and managers should take note of these new cases. They may mean employees will have to be more closely supervised than before. Note that the employees were in their own cars going home when the accidents occurred. The companies paid because someone in the company knew or should have known

of each employee's diminished capacity when he left the job. If an employee is on the job and gets drunk, takes drugs, or otherwise becomes incapacitated, the manager is going to have to make sure that the employee does not do harm to himself or to others. The Texas Court did not say how it would have ruled if the supervisor had fired the drunk employee on the spot. Presumably, the company might still be liable if the supervisor did not follow up the firing with reasonable and prudent behavior, for example, calling a taxi.

The Texas Court has changed the law relating to employer liability for employee misconduct. Employers should take note of the new law and supervise accordingly.

Editor's note: LEGAL is a regularly featured question-answer column written by APRO Executive Director and General Counsel Edward L. Winn, III for rental dealers with legal questions. Please address questions to Edward L. Winn, III, APRO, 1866 InterFirst Tower, Austin, Tx 78701.



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A Rookie Looks at the Rental Business

Editor's note: The following editorial was written by ABC new employee, Mike Ellsberry. THE APPROACH welcomes the viewpoint of industry participants.

While most semi-scholarly, expository articles take an impersonal or objective tone, the lack of pretentiousness here enables this article to be biased and conversational.

Two weeks ago today marked the commencement of my employment with ABC Rentals of Wichita, Kansas. As this is my first exposure to the rental business, it occurred to me that there might be some early impressions which could be shared with people more experienced in the business. These views are untainted by long exposure and, like the rest of my opinions, unrestrained by facts.

The retail business is somewhat similar in that we offer both products and services. Not only does rental have multiple brands of 19" color portable televisions (and other products), we also offer same day delivery even if the customer walks into the store at five o'clock. Further, as you all know, we service that TV and deliver a loaner if necessary. Now, the fact that we offer both products and services presents both opportunities and problems. There are a lot of firms that market products but good service is a scarce commodity these days. As my Dad, a retailer, once said, "If you can sell service you can make it in this world."

Good service seems to me to be the mainstay of the rental business. If there are rental companies that can ignore superior service, I suspect their days in business are numbered. Of course, even if we can assemble that necessary service organization and orientation, we still have to make the right product decisions by putting that correct TV set on the shelf for the customer to come in and choose it.

How does our industry succeed in supplying good service and products that customers

want to rent? I suppose if I knew all these answers I wouldn't be a manager trainee, but let me ramble on.

I think something has changed the way we do business in America in recent years. No longer do we have long established trading relationships with local merchants we know from the community. Chain or franchise operations have made considerable inroads into the economy. They have many advantages but service and personality are not their strengths.

If you've experienced anything like my recent trip to the hardware store to buy the right paint for a cedar fence you will know what I mean.

1. In the paint department, 27 different products are neatly stacked with prices displayed prominently. There is, however, no sales clerk to be found.
2. I go to the checkout stands (the only area populated by humans) and ask for sales assistance in the paint department.
3. The checker pages a sales clerk.
4. After returning to the paint department and waiting fifteen minutes, a clerk shows up.
5. Not only does the clerk not know what kind of paint I need, he has never painted, started at the company last week, and is being paged to go to the garden department.
6. Do I decide for myself or leave?

Some American businesses believe they can succeed without selling. More specifically, many companies have tried to de-skill selling. These companies think they can succeed with ill-trained, underskilled, cheap, non-professional labor.

I think the retail business succeeds with good retailing. Good retailing means that you

sell what the customer wants, when the customer wants it, for a fair price, with service before and after the sale. Information flows throughout the organization. The employees are sales and service oriented and know what the company policies are.

Now consider the rental business. With the tremendous growth of the industry, it's apparent that the market as a whole is supplying a needed product at a fair price. In one of our markets, South Dallas, at least ten different rental firms share a half mile strip of Jefferson Street with us.

In the rental stores I have seen I've noticed the following signs of good retailing—good retailing that means sure success.

Everyone knows how to tell the customer what products rent for and how to fill out the rental application. Everyone in the store, including the serviceman, shows a willingness to step behind the counter and take a rental payment without exhibiting the attitude that it's not his responsibility. And our area managers are really super. These guys deliver the goods, explain the contracts, come back to collect payments, and pick up the goods when necessary. Of course, there are occasions, when doors are slammed and voices raised. Nonetheless, I have never seen another business wherein there is such intimacy with the customer and where such a great percentage of the employees know all the company procedures.

My overall impression of the rental business is that it is a dynamic industry. The combination of good customer relations with good product service tells me that good retailing still exists in the 80's. Which is, I think, the reason our customers enjoy doing business with us.

Berry solves freight problems.

Berry mixes styles and stops to eliminate high freight costs.

Saves money!

1-800-633-3362/Anne B. or Debra

MANUFACTURERS' NEWS

ABCC Names VP of Operations

The Board of Directors of Appliance Buyers Credit Corporation, (ABCC), announced the election of Paul J. Dixon as Vice President of Operations. ABCC is a wholly-owned, finance subsidiary of Whirlpool Corporation and provides inventory and retail services to Whirlpool, RCA, Toro, Toshiba America, and Kimball International distributors and dealers. Dixon will be responsible for development, implementation, and operational management of the company's numerous inventory and retail financing service programs. He brings an extensive background in credit sales representation and was promoted from a position as director of inventory services.

Orbon Appliance Corp.

Orbon Industries, Inc. has made a corporate name change to Orbon Appliance Corp. An 82-year-old company with 1,500 dealers, Orbon offers a complete line of appliances. Backed by their own trucking fleet, Orbon serves the independent dealer. The company offers delivery in mixed quantities, with as few as six pieces, directly to dealers as far as 1,000 miles away.

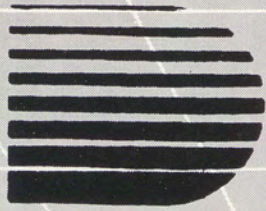
Whirlpool Plans New Product Designs

Whirlpool Corporation plans to invest about \$390 million on new product designs and capital improvements over a three-year period. The spending plan emphasizes integration of highly sophisticated, state-of-the-art factory processes at refrigeration and laundry plants. Re-engineering automatic clothes washer and refrigeration equipment is a major component of the investment plan. The improvements are part of Whirlpool's effort to remain the leading producer of major home appliances in the U.S. marketplace. The industry's retail sales projections for 1987 total \$17 billion. Whirlpool posted record net sales of \$2,667,682,000, and net earnings of \$167,038,000 (\$4.58 per share) for 1983. Among the new product designs offered by Whirlpool are new appliance colors of platinum and toast. The toast color is a warm earthtone developed to harmonize with the trend toward lighter kitchen wood tones. The platinum color is a light grey developed to satisfy the need for a sophisticated appliance color which can be used with stronger and cooler color accents.

CFI Builds New Furniture Plant

Chesterfield Furniture Industries, (CFI), has built a new plant in Huntingburg, Indiana dedicated to manufacturing products for and servicing the special needs of the rental industry. CFI recognized the requirement of the furniture rental industry for specialized furniture products. Because of the tremendous growth of furniture rental, CFI determined the plant was sorely needed. CFI offers a complete line of quality family room, bedroom, dinette, and upholstered living room furniture and deliver a complete package of products in company-owned trucks. Shipment from CFI eliminates the need for large idle inventory at the rental stores.

NEWS BRIEFS. . . Hitachi switch—Hitachi announced it will switch from representatives to factory branches for sales in 1984. . . . **New Zenith TV**—Zenith will debut a 27" square-cornered color tube in 1984. The remainder of the industry will offer a 26" version. . . . **New Technics Equalizer**—Technics has developed a graphic equalizer with its own spectrum analyzer to eliminate the guesswork of equalization. They have also introduced three digital components: a compact disc player for the new compact discs, a digital audio cassette recorder, and a digital audio processor that makes any video cassette recorder a digital cassette recorder.

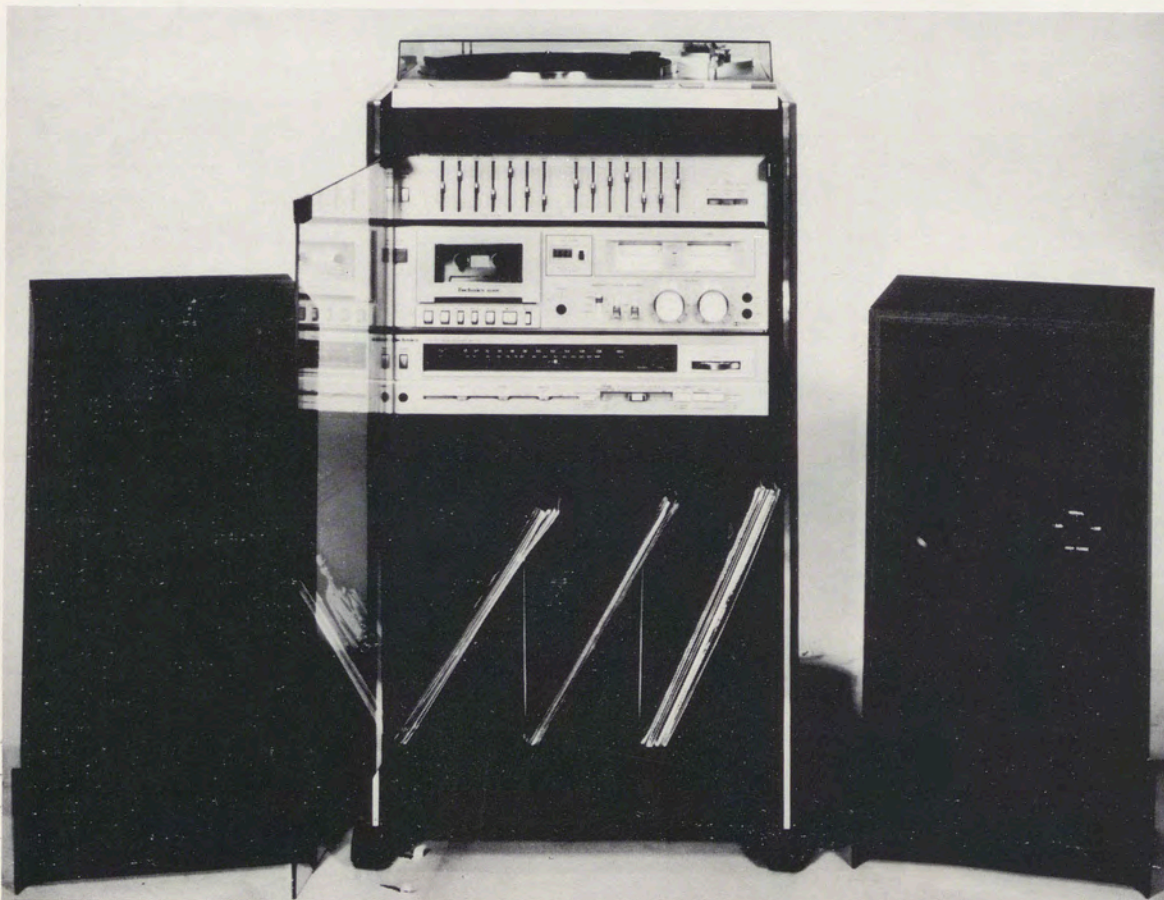


DYNAMIC

*Exclusively Dedicated To The
Complete Needs Of The Rental Dealer*

Shown below

Model #SA110 Technics System specially priced at \$375.
Includes 8R Speaker with Optional Equalizer.



Shown below

Model #19H74 S
specially priced



Prices shown good through April 15, 1984.


APRO

cordially
invites you
to

RENT-TO-OWN...
WINNING IN THE 80's



CONVENTION '84

Caesars Palace

Las Vegas

July 19-23, 1984

CONVENTION '84 PROGRAM

THURSDAY, July 19

9 am-7 pm	Registration
12 noon-8 pm	Exhibitor Set-up
5:30 pm	APRO Board Meeting
7 pm-10 pm	Newcomer's Night—drinks and dancing to a live band with special welcome to first-time APRO conventioners

FRIDAY, July 20

9 am-5 pm	Registration
10 am-12 noon	Keynote Address
12 noon-6 pm	Exhibits Open
1 pm-3 pm	Color-Me-Beautiful (complimentary spouse program)
4 pm-6 pm	Color-Me Beautiful (repeat session)
1 pm-5 pm	APRO Seminars: Computerizing Rental Stores Insuring Rental Property Legal Developments Furniture Rentals The Rent-To-Rent Market Buying or Selling a Rental Store Inventory Financing Alternatives Elements of Personnel Training
7 pm-9 pm	Grand Opening Cocktail Party

SATURDAY, July 21

9 am-6 pm	Exhibits open
9 am-12 noon	Neiman-Marcus Brunch & Fashion Show (complimentary spouse program)
Afternoon	Keg Party & Ice Cream Bar in Exhibit Hall (complimentary)
6 pm	APRO Dinner Show at MGM Grand (ticket purchase; limited space available)

SUNDAY, July 22

9 am-6 pm	Exhibits Open
10 am-12 noon	APRO Business Meeting and Elections
10 am-2 pm	Hoover Dam Tour (ticket purchase)
10 am-4 pm	Grand Canyon Tour (ticket purchase)
10 am-1 pm	Back Stage Tour of the Follies (ticket purchase) (bus transportation from hotel provided for all tours)
All Day	Golf, Tennis and Racquetball Tournaments. (court and green fees not included in registration)
2 pm-5 pm	Microwave Cooking & Marketing Seminar
8 pm-9:30 pm	APRO Gala Dinner
9:30 pm-10 pm	APRO Awards and New APRO Board Presentation
10 pm-1 am	Black-Tie Formal Dance with Orchestra (tuxedo fittings available at hotel)

MONDAY, July 23

8 am-12 noon	Exhibit Break-Down
8 am-12 noon	Seminars—Repeat sessions Insuring Rental Property Legal Developments Furniture Rental Buying or Selling a Rental Store
10 am-12 noon	New APRO Board Meeting
12 noon-2 pm	Sponsor/Exhibitor Wind-Down Thank You Party and 1985 Sign-Up

APRO wants to invite rental dealers back to Caesar's Palace in Las Vegas for its 4th Annual Convention, July 19-23. Last year, rental dealers from all over the country, some 900 strong, spent 4 days attending seminars, visiting with exhibitors, and enjoying the sights and activities of Las Vegas. This year's show promises to be even bigger and better.

This is going to be a landmark year for the rental industry. This year's convention is going to showcase the progress that has been made and focus on what the industry is already doing... "Winning in the 80s."

There will be two days of APRO programs and seminars, which have historically been professionally run and well-attended. Programs this year will focus on computerizing rental operations and reports from dealers and others who have had successes with state legislators. We are hoping for good news from Washington, and, in any case, APRO attorneys will be on hand to give the latest update. Dealers can also learn about financing alternatives, valuing a rental store for sale or purchase, leased property insurance, and other timely topics. All in all, dealers can get in up to eight solid hours of information-packed programs designed specifically for the rental-purchase industry.

It's not all school, however. There is, of course, the exhibition. This year with over 150 booth spaces showcasing suppliers to our growing industry. The number of suppliers looking carefully at our industry is growing weekly. Many suppliers who have made a substantial commitment to getting a piece of the rental market will be there for the first time. Long-time friends of APRO and the industry will be showing new models and product lines.

It would not be an APRO convention without a number of memorable social events. This year's highlight is a gala dinner and *formal* dance with full orchestra. You won't be kicked out if you don't have a tuxedo, but for those of you who like to dress up, here's your chance. (Incidentally, you will be able to rent formal wear at the hotel.) We also have a newcomer's party for new APRO members, first-time conventioners, and anyone else who wants to drop by and say hello. We also have golf, tennis, and racquetball tournaments for the sports enthusiasts.

We want dealers to bring their families if they are able as we have set up a host of activities to keep them entertained while they are there. Ladies' highlights include an APRO Brunch and Fashion Show at Neiman-Marcus. We also have backstage tours of a major Las Vegas Follies Revue, side trips to the Grand Canyon, and Hoover Dam, and a repeat of the "Color-Me-Beautiful" seminar, which was so successful last year.

We are expecting a crowd, so you will want to make reservations early. We want you all to make plans to meet in Las Vegas in July. Find out what's happening in your industry and enjoy a fun-filled four days at the same time. Please come and join us for our best convention ever.

SPORTING FUN

CONVENTION '84 RENT-TO-OWN... WINNING IN THE 80's TOURNAMENT INFORMATION

GOLF

The Golf Tournament for the 4th Annual APRO Convention will be held on Sunday, July 22, at the Dunes Country Club. The entry fee is \$48 per person and includes green fees, cart rental, trophies, towels and refreshments. Bus transportation will be provided Sunday morning and will depart from Caesar's Palace.

TENNIS

The Tennis Tournament for the 4th Annual APRO Convention will be held on Sunday, July 22 at Caesar's Palace Tennis Center. The entry fee is \$10 per person and there will be two brackets of doubles competition for attendees. Partners will be selected on a round-robin basis. Entry fee covers cost of court use, balls, trophies, towels and refreshments.

RACQUETBALL

A Racquetball tournament will be held for APRO members on Sunday, July 22 at the Caesar's Palace. Entry fee is \$10 and will cover court use, balls, trophies, towels and refreshments. Partners will be selected on a round-robin basis.

You must register for the convention to participate in sports events.
Please attach this form to the Convention Registration Form.

SPORTS REGISTRATION FORM FOR GOLF, TENNIS & RACQUETBALL

(Please print)

Name _____

Company Name _____

Address _____

Phone Number _____

City _____ State _____ Zip _____

Age _____ Sex _____

Please check the event or events you wish to enter.

- Tennis
 - Doubles A Doubles B
 - Partners selected by round-robin method of play.
- Golf Tournament Handicap _____
Preferred Starting Time _____
 - 1st Flight 2nd Flight
- Racquetball Tournament
(Open to all convention registrants)

Complete and return with Convention Registration & Housing Form to:
GEI
BOX 1907
Austin, TX 78767
Attn: Sherri Glosson

RENT-TO-OWN... WINNING IN THE 80's

SPOUSE PROGRAM & OPTIONAL TOUR INFORMATION

SPOUSE PROGRAM SCHEDULE

Headquarters—Caesar's Palace Hotel, Spouse and Tour Information Center, Vespesian Room.

All tours depart from Caesar's Palace. Departure location information available in the Spouse and Tour Information Center located in the Vespesian Room. Spouse and Optional Tours must be reserved in advance by returning the attached reservation form and by claiming tour tickets in the Spouse and Optional Tours Center by 3 pm on Friday, July 19.

FRIDAY, July 20

Time	Function	Price	Location
1pm-3pm	Color-Me-Beautiful	Complimentary	Bachanal
4pm-6pm	Color-Me-Beautiful	Complimentary	Bachanal

Personal appointments available on an individual basis

SATURDAY, July 21

Time	Function	Price	Location
9am-12n	Neiman-Marcus & Fashion Show	Complimentary	Neiman-Marcus

SUNDAY, July 22

Time	Function	Price	Location
10am	Hoover Dam Tour	\$35	(all tours will depart from
10am	Grand Canyon Tour	\$185	Caesar's
10am	Back Stage Tour of the Follies	\$20	Palace)
2pm-4pm	Microwave Cooking & Marketing Seminar	Complimentary	Majestium

REGISTRATION FORM FOR SPOUSE PROGRAMS AND OPTIONAL TOURS

Forms must be received at the APRO office no later than Monday, July 2 to have tour space confirmed. Space not confirmed on tours by July 2 is not guaranteed by APRO. You must register for the convention to participate in complimentary programs. Please attach this form to the Convention Registration Form.

(Name)

(Company)

Please check programs for which you wish space reserved:

Friday, July 20

1:00-3:00 pm	Color-Me-Beautiful	Program A	_____
4:00-6:00 pm	Color-Me-Beautiful (repeat)		

Saturday, July 21

9:00 am-12 noon	Neiman-Marcus Brunch & Fashion Show	Program B	_____
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Sunday, July 22

10:00 am-2:00 pm	Hoover Dam Tour	Program C	_____
10:00 am-4:00 pm	Grand Canyon Tour	Program D	_____
10:00 am-1:00 pm	Back Stage Tour of the Follies	Program E	_____
2:00-4:00 pm	Microwave Cooking & Marketing	Program F	_____

Association of Progressive Rental OrganizationsTM
1984 Annual Convention
Las Vegas, Nevada . July 19-23, 1984

APRO CONVENTION REGISTRATION AND HOUSING FORM

Return this completed form with convention registration fees to: APRO c/o GLOBAL, Box 1907, Austin, TX 78767. Make check payable to APRO. Please print all information requested. Room confirmations will be forwarded by hotels directly. See reverse side for registration policies.

CONVENTION REGISTRATION & POLICY

Only individuals registered and badged may attend convention events. Children or spouse of registrant need not register to share hotel accommodations, but must if they wish access to any convention event. Replacement of lost badges is available at \$35.00 each.

Payment MUST accompany registration form to receive early registration discount.

Cancellations received before July 2 entitle registrant to full refund. Cancellations received after that date will be subject to discount. No refunds will be made unless request is received by August 10. All requests must be in writing.

Name _____

Title _____ Company _____

Business Address _____ Telephone _____

City _____ State _____ Zip _____

Nickname for badge _____

SPOUSE AND CHILD REGISTRATION.

Spouse's Name _____ Nickname for badge _____

Children's Names _____

FEES (check appropriate box)

	Before July 19	After July 19
<input type="checkbox"/> APRO Member Registration	\$150	\$175
<input type="checkbox"/> APRO Spouse Registration	100	125
<input type="checkbox"/> Non-Member Registration	225	250
<input type="checkbox"/> Children (age 6-16 only)	65	90

If unable to attend for the duration of the convention, there is daily registration available as an alternative.

Daily Convention Registration Fees

Thursday, July 19.....	\$65.00
Friday, July 20.....	65.00
Saturday, July 21.....	65.00
Sunday, July 22.....	65.00

Please check days attending

HOUSING AND REGISTRATION POLICY

Please read carefully: Caesar's Palace has set the deadline for room reservations at June 1. After this date, reservations will be taken on a space-available basis. Cancellations must be made by June 1. One night's deposit is required to confirm your room reservations. Rates listed are single and double. Please fill out completely. Be sure to include dates of arrival and departure.

Reserve space for (Name) _____

Confirm to (Your Company) _____

Street Address _____

City _____ State _____ Zip _____

CAESAR'S PALACE HOTEL RATES PER NIGHT

_____ Single Occupancy (1 person)	\$ 60.00
_____ Double Occupancy (2 persons)	60.00
_____ Petite Suite (2 persons)	105.00
_____ Deluxe 1 Bedroom Suite	220.00
_____ Royal 1 Bedroom Suite	275.00
_____ Deluxe 2 Bedroom Suite	365.00
_____ Children or 3rd Person Adult in Same Room	\$10.00

Arrival _____ Date _____ Hour _____

Departure _____ Date _____ Hour _____

Please check your method of deposit. Check Enclosed MC # _____ VISA # _____

DEADLINE FOR RESERVATIONS WILL BE JUNE 1, 1984

Global Enterprises, Inc.

POST OFFICE BOX 1907

AUSTIN, TEXAS 78767

(512) 327-8210

**Association of Progressive Rental Organizations
1984 Annual Convention
Las Vegas, Nevada • July 19-23, 1984**

#413—AIRLINE RESERVATION APPLICATION

Name: _____

Mailing Address: _____
Street or P.O. Box City State Zip

Business Phone: () _____ Home Phone: () _____

FLIGHT TO LAS VEGAS:

Departure City: _____ Date: _____

I prefer: Morning Flight _____ Afternoon _____ Evening _____ Smoking _____
Non-Smoking _____ Window Seat _____ Aisle Seat _____

RETURN FLIGHT:

Date: _____ Morning flight _____ Afternoon _____ Evening _____

If your spouse and/or children will accompany you, Global Enterprises will also issue these tickets.

Spouse's Name: _____ Names and ages of accompanying

Children: _____

I will pay for the tickets by: Check _____ or Credit Card _____.

If Credit Card, complete: Type of Card _____

Card Number Expiration Date Name as shown on card

AA Advantage Number or other Remarks: _____

Signed: _____ Date: _____

COMPLETE AND MAIL IMMEDIATELY TO: Global Enterprises, Inc.
POST OFFICE BOX 1907
AUSTIN, TEXAS 78767
(512) 327-8210

Changes in airline reservations may be directed to:
Global Enterprises, Inc.

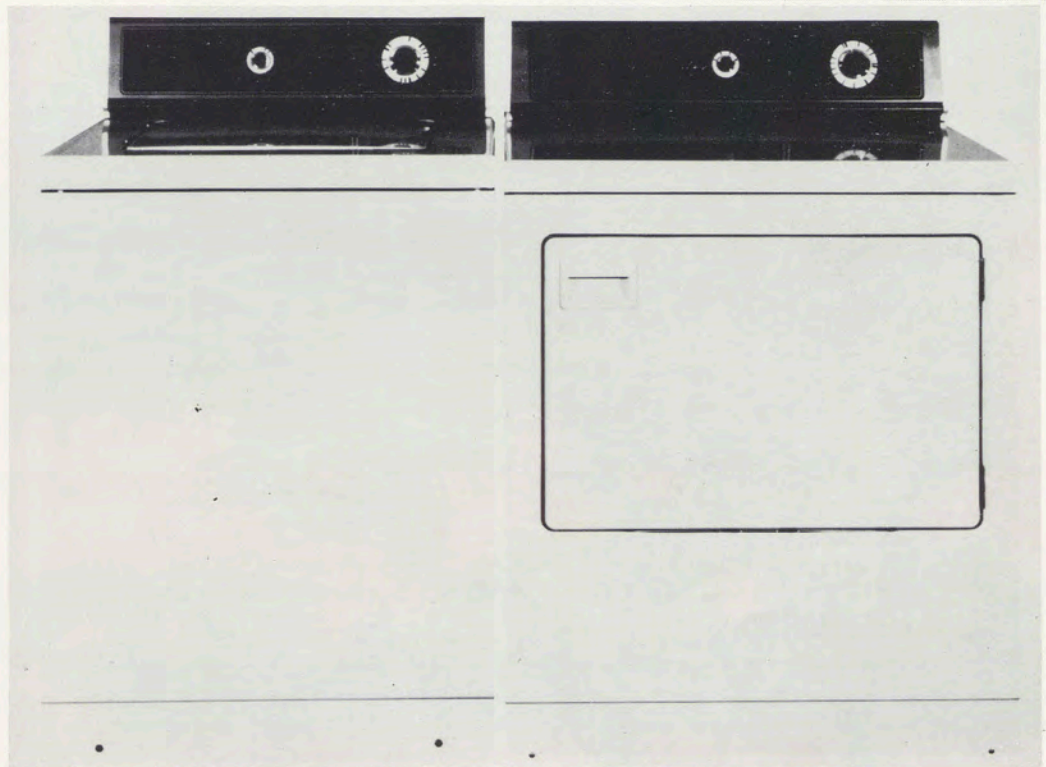


Association of Progressive Rental Organizations

Offices and Warehouses in California, Florida, Texas, Ohio

Toll Free Calling

1-800-543-0111 Ohio
(Collect) 1-513-742-4550 Ohio
1-800-527-1718 Texas
1-800-442-6226 Texas
1-800-327-4034 Parts & Service
Catalog Available Upon Request



Shown above

Model #GW 18B-2 Imperial 18 lb. Washer specially priced at \$289.
Model #GDE 18B-2 Imperial 18 lb. Dryer specially priced at \$209.

Dynamic is your full-line rental supplier. With a single call, Dynamic can meet all of your rental inventory needs.

How? Because we offer a combination of quality, price, top brand names and quick delivery that is hard to beat.

With guaranteed prices on products that are built to last—JVC, Technics, Sharp, Marantz, Grundig, Panasonic, Whirlpool and Imperial—and delivered quickly to your store, why depend on anyone else?

We're Dynamic. Try us.

19" Color Portable
\$229.



DCS

YOUR COMPLETE FURNITURE SUPPLIER

TEN REASONS WHY

1. We carry a complete line of quality furniture warehoused at all times.
2. Fast delivery with multi-stops per truck on our own fleet of trucks.
3. Delivery service available coast to coast.
4. Complete room groupings of bedroom, living room, and dining room for easy inventory control.
5. One invoice for easy processing, less paperwork.
6. Line-up catalogs available for every store location.
7. Sales and service staff has over 30 years experience in the furniture rental industry.
8. Sales seminars, in-store training, showroom set-up, and advertising material available.
9. Counseling advice on any or all aspects of furniture rental available (free of charge).
10. Toll free wats lines make it easy and economical to reach our sales and service departments.

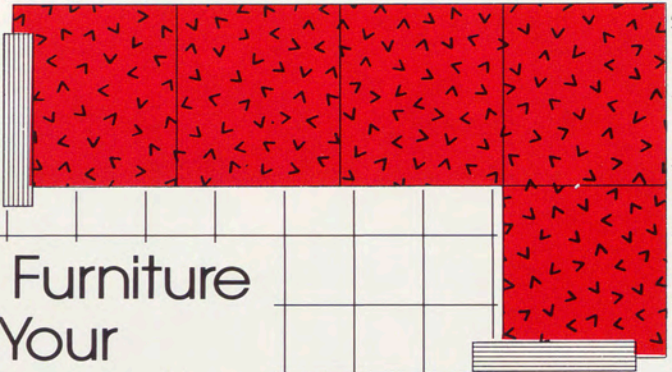
Call (800) 523-4661

DCS

Dixieland Consolidation Service

FURNITURE ON THE RENTAL-PURCHASE PLAN

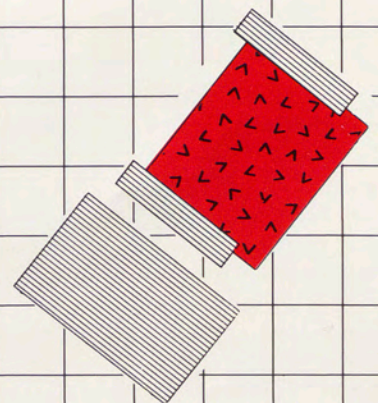
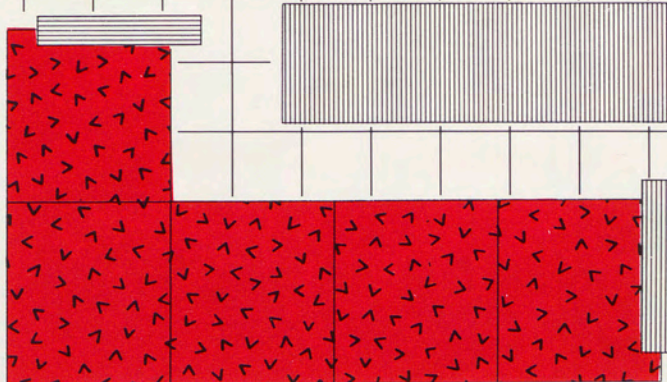
Adding Furniture
To Your
Rental Operation



Manufacturer's
Tips on
Furniture Rentals



Bedding Rentals:
Problems or
Profits?



Adding Furniture To Your Rental Operation

by Marlene Winsier

The "rent-to-rent" furniture rental business as a separate industry has been around for a long time. A Mississippi company, McGregor Enterprises, reports that it has been renting furniture for 64 years. Among the big names in the rent-to-rent business are Aaron Rents, GranTree Rentals, Cort Furniture Rental, Budget, Breuners, and Modern Furniture Rentals. Typically, these companies have large showrooms that rival furniture retailers.

RENT-TO-RENT VS. RENTAL-PURCHASE

A threshold marketing decision concerns whether to try to break into the more upscale "rent-to-rent" market or to rent furniture to TV & appliance rental customers. Based on a 1983 survey of leasing practices of 49 furniture "rent-to-rent" companies, results indicate that the average rental term for their customers is nine months. This compares with a 3 to 4 month average rental for TV and appliance customers. All the major furniture rental companies report that they offer purchase options in their rental agreements. The keep rate for furniture rental is about 10%. This compares with an estimated 22% keep rate for the TV and appliance rental industry. Despite the fact that furniture rental companies do not promote the purchase option as heavily as TV rental dealers (and because the fact that relatively few furniture rental customers "rent-to-term") contracts in the furniture rental business and the TV rental business are legally indistinguishable. That means that any legislation affecting the TV and appliance rental industry would most certainly impact the furniture rental industry.

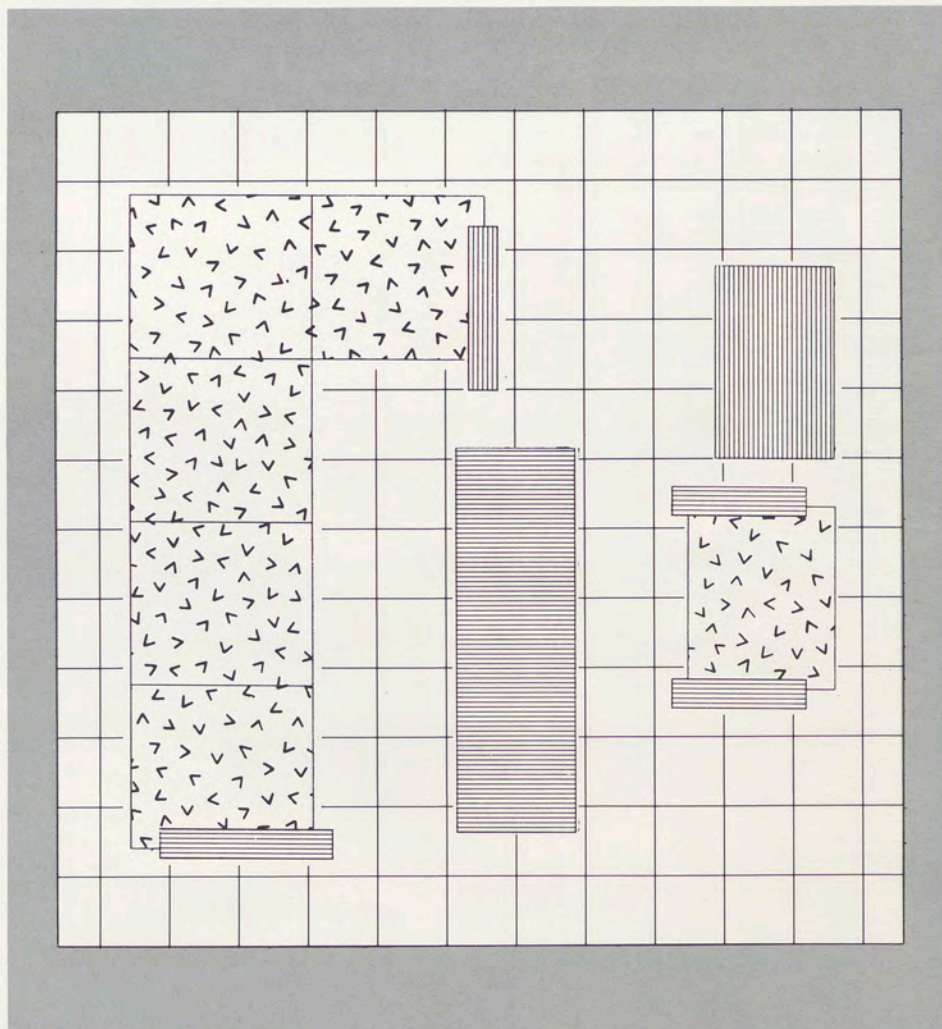
A problem common to all rental concerns is what to do with merchandise that can no longer be put out on rent. The average useful life for upholstered rental furniture is 2 to 3 years. Case goods—coffee tables, dining tables, wooden chairs, and the like—last 4 to 5 years. The furniture rental companies have solved their problem by opening rental return sales centers. These stores are typically in a

separate location from the furniture rental showroom, although they will carry the same company name. The merchandise is marketed as rental return and is sold at substantially discounted prices.

Rent-to-rent furniture rental companies are concentrated in large metropolitan areas and rent to an upscale market. This kind of furniture rental is most successful in areas with highly mobile populations. These companies market to newly single, newly married, and to people on temporary assignment in connec-

tion with employment. They rent to students and professional athletes, for example, and most renters, predictably, live in apartments or rent houses.

At subcommittee hearings last summer, rent-to-rent furniture rental companies reported that their typical customer is a professional with at least a college degree. They reported that the average income of furniture renters is over \$25,000, and one company reported an average customer income of \$50,000. Furniture customers reportedly rent



furniture because they like the flexibility rental affords, and not because they intend to use rental to obtain ownership. However, the appliance and TV rental dealers who currently rent furniture serve traditional rental-purchase customers such as young families short on cash and credit who want the use and ownership of nice things for the home. The two groups overlap but the distinction is important as it has a strong impact on the way the business is advertised and promoted.

Many rent-to-rent furniture rental companies offer TVs, stereos, and appliances, but most often these items are rented as part of an apartment package. Several dealers report that when they added furniture to a TV and appliance rental operation, rentals of brown and white goods rose noticeably. They attribute this to increased floor traffic.

MARKET AND INVENTORY SELECTION

If a business is considering furniture rental, it must be marketed properly. In order to do this, the dealer first needs to identify the targeted consumer. There may be a big difference in marketing techniques between "rent-to-rent" customers and "rental-purchase" customers. A dealer can go after both kinds of customers, but he will have to approach the markets differently. The same ad campaign is unlikely to attract all kinds of rental customers. Rental-purchase advertising can parallel TV and appliance advertising. "Rent-to-rent" advertising focuses on convenience, selection, and quality products. It will often ignore ownership options that exists in the agreement.

Regardless of market strategy, the furniture rental dealer purchasing objective should be effective and profitable inventory management. To do this, purchase a good, middle-grade, durable and cleanable upholstery, offering wide appeal in styling. Select high-pressure laminate (such as Formica) for tops on dinettes, tables, living and bedroom surfaces. Avoid elaborate ticking on bedding which only serves to drive up the price without adding real value.

Historically, rental-purchase furniture dealers have had more success with middle-of-the-road, non-faddish merchandise that offers customer appeal on a year-to-year basis. Avoiding trendy styles is generally advisable. Sticking with traditional styles, with variations in color and fabric, will generally lead to less idle inventory.

Durable construction and variety in style, fabric, and color are the essential ingredients



for having satisfied customers and re-rentable merchandise. Beware of furniture offering only eye surface appeal and low price. The low price is often coupled with a lack of structural integrity. This can create serious problems in the rental business where product life plays a major role in profitability.

Most manufacturers will offer fabric treatment to rental dealers but not to retailers. Check with the factory rep to insure this is a benefit you receive.

INVENTORY DISPLAYS

Perhaps the most influential factor in merchandising furniture rentals is the display. The rent-to-rent furniture companies typically rent a complete one or two bedroom apartment package to a single customer. They have pre-selected groupings containing twelve to twenty separate items offered in differing price ranges. All companies allow the customer to "mix and match" with individual items. These companies will allow customers to walk through a showroom and select items for as large a house as the customer desires. Selections can include pictures on the wall, lamps and rugs on the floor—everything but kitchen utensils. It is not unusual for well-heeled customers to select groupings renting for over \$500 a month.

A survey of several rent-to-own furniture dealers revealed that it was a "must" to show in room-type settings. Integrate the whole line, but make it easy for the customer to comparison shop. While group settings are important for renting by the roomful, be prepared to rent major pieces separately if needed. If

you are confined to a limited amount of settings by showroom floorspace and you are buying through a distributor, have a brochure of other available settings.

It is important to accessorize the display with paintings, plants, knick-knacks, etc. to make it look as much like home as possible. Accessory items need not be rented, however. One dealer displays settings two ways: furniture by itself in room groupings and then furniture by audio visual displays. This later

**Berry saves
you money.**

Berry eliminates
distributors, warehouse
charges, extra handling,
and excess paperwork.

**How? Because
they're
manufacturers!**

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display can greatly augment the merchandising of the dealer's other products.

Inventory should be divided into living room lines which usually require about 60 percent of the total furniture dollars invested, dining room lines about 15 percent, and bedroom lines about 25 percent. The model variation will depend on floor space and volume of business and on whether or not you are coordinating your efforts with a distributor.

MERCHANDISING

To effectively merchandise rental furniture dealers must emphasize the increased economy, convenience, flexibility, variety, and mobility over a retail purchase.

Rental furniture is economical because it allows the consumers to arrange the monthly fee to fit their budgets while simultaneously allowing them to live in style. It also carries no interest charges or maintenance expenses. Moreover, costly moving expenses are avoided. If the renter decides to purchase the furniture, he further economizes by turning the monthly rental fee into a sound investment.

Furniture rental is convenient since a home can be completely furnished in a matter of days. Most deliveries are made within 48 hours. Damaged items can be replaced easily. Pick-ups, substitutions, and additions should be handled promptly.

The flexibility of furniture rental becomes apparent in the design of the room. Settings can be changed inexpensively. A renter can experiment with mixing styles without a lot of financial commitment. A renter can select from a wide range of styles compared to those offered in retail stores. And finally, renting

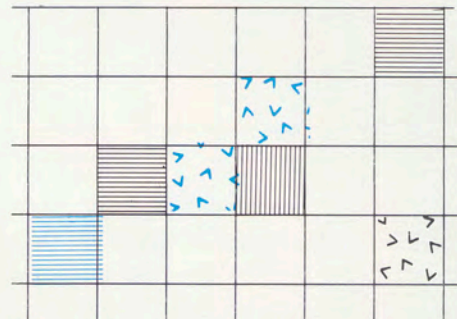
furniture is the logical choice for transient consumers. If a renter is relocating, he will experience the ease of the return policy.

The furniture rental dealer should stress immediate delivery, immediate replacement of furnishings that fail wearability standards, and immediate pick-up when furniture is no longer needed. These are services the retailer cannot possibly offer and thus makes your operation more attractive to the furniture consumer.

THE FURNITURE LEASE: LENGTH AND TERMS

Lease length enhances the marketability of rental furniture by virtue of its flexibility. The lease can be as short or as long as the dealer deems advantageous. However, dealers should remember that leases with minimum terms longer than four months must comply with the Consumer Leasing Act. Rent-to-rent furniture dealers report that two-thirds of their industry write contracts with terms longer than 4 months. The reason many furniture rental companies opt to write leases for four months or less is not so much the unwillingness to make disclosures as the severe civil liability for even the most technical violations of the Consumer Leasing Act. There are also regulatory requirements for continued notification and disclosures regarding extensions of month-to-month leases where the Act applies.

The terms of rental-purchase furniture agreements vary. All are written week-to-week or month-to-month, but some dealers rent with a one-year term, while others have as much as a 36-month payout. Dealers renting for eighteen months or longer are getting



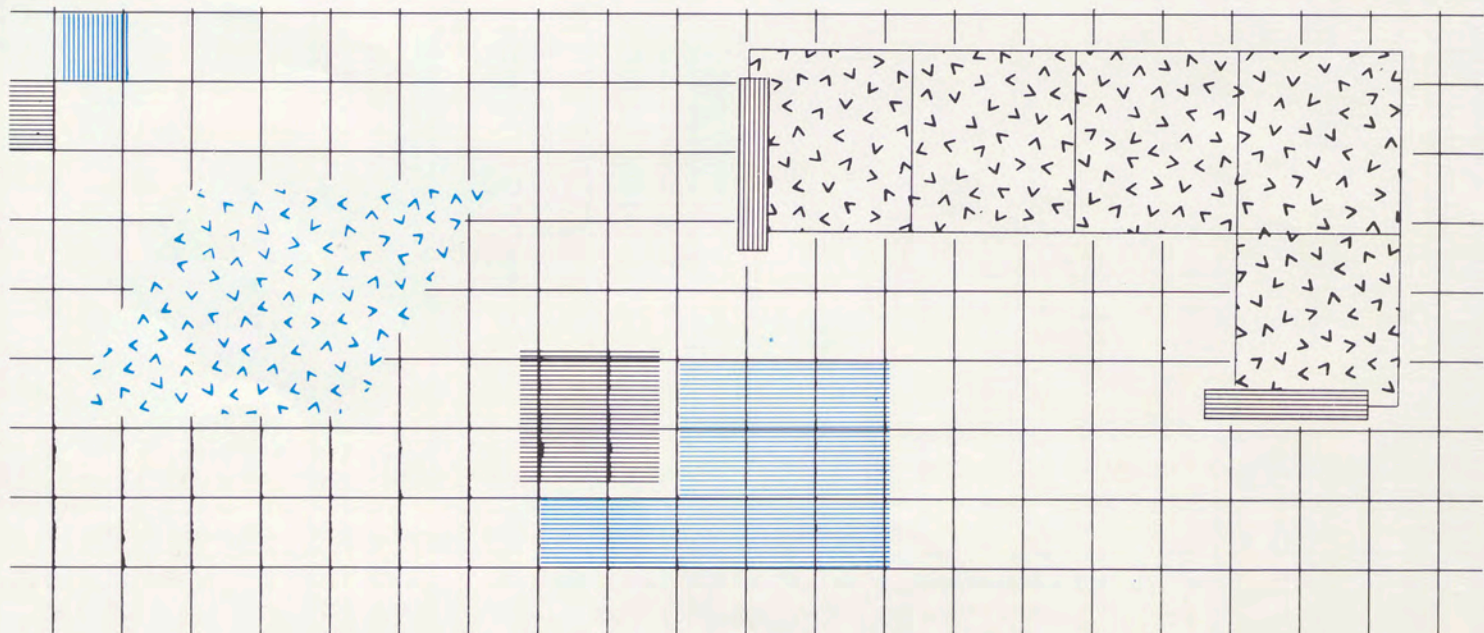
higher margins. Their choice has been to lower payments and make furniture affordable for a wider range of customers.

If you are considering adding furniture rentals you will need additional floor and warehouse space in order to market the items properly. However, keep showroom settings to a minimum and stock the warehouse with enough inventory to support your operation for about two weeks. Avoid large inventories. One dealer suggests starting out with a showroom inventory of at least two, or preferably three living room groups, two dining suites, and one bedroom suite.

ADVERTISING

Advertising is yet another consideration. Distribute brochures of room groupings to apartment complexes, domicile rental agencies, real estate offices, and personnel departments of companies in the area that are likely to have a high employee transfer level. Oftentimes a distributor will offer co-op advertising.

Another effective way to advertise furniture rentals is to run several 4 x 10 ads in the paper as opposed to a single, large ad. Repeated ex-





posure of smaller ads may be cheaper and more effective.

Dealers should constantly reassess advertising costs versus results while keeping the target market in mind. Some stores have found 50 percent print, 30 percent radio, 20 percent direct mail to be an effective media mix.

PERSONNEL

Yet another consideration is personnel. Dealers planning to add furniture to an existing TV and appliance rental operation will need to hire one delivery person and a helper. They should be trained in warehouse procedures and proper handling of furniture. This will add substantially to the rental life of a product as employees can cause as much damage to merchandise as customers. Employees should be designated furniture handlers and not TV installers. The temptation to mix on-staff appliance employees with furniture delivery people is great but the possible resulting negatives are greater.

SUPPLIERS

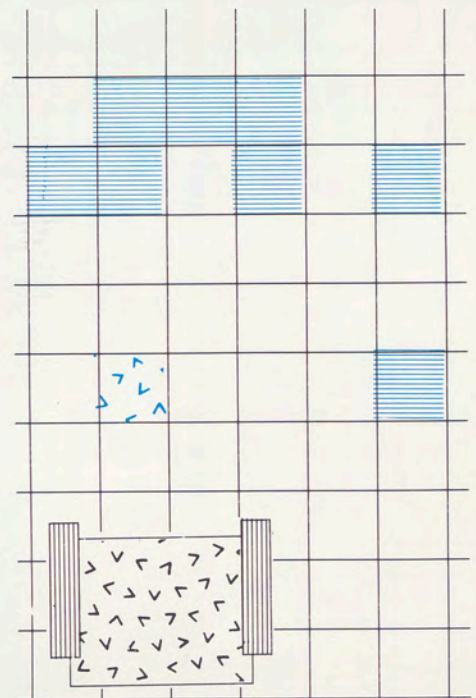
Remember, your time is money. Reducing the number of suppliers you work with will

aid to nourish your relationship with key suppliers to your company. Spreading your business dollars among many vendors will make you less important than the next dealer who routes a substantial amount of business through one. You will spend less time with representatives and cut handling costs in your office and warehouse.

The distributor typically offers consolidation of lines and items and better delivery time than the manufacturer. The price is usually higher dealing through a distributor, but the dealer will not have to choose between overloading a small store, adding a warehouse, or paying interest on large, idle inventories.

The rental-purchase dealers should consider furniture rental as it offers increased volume and improved margins. This is sufficient to offset any additional costs and problems inherent in start-up.

Pride of ownership and product utility are important to the furniture rental customer. The rental-purchase industry has been quietly revolutionizing the business of putting major household items such as TVs, stereos, and appliances into customers' homes. Rental ownership has given a large segment of the



American consumer population a viable way to own the things they want. There is developing today an increased new awareness of the industry and wide acceptance of rental-purchase as a strong alternative to retailing.

The industry has a tremendous future. In fact, it is the belief of some manufacturers that rental-purchase will eventually overtake retailing. There is an obvious profit in furniture rental and higher profits rely on effective merchandising methods.

Berry is the choice of rent-to-own in furniture.

Berry has been the furniture resource chosen by Texas Buyers, Inc., ColorTyme, Curtis Mathes, Crowley Leasing,

**Why? Because
Berry understands
rent-to-own!**

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Manufacturer's

Tips On

Furniture

The word 'Furniture' is written in a large, bold, outlined font. The letters are filled with a yellow color. Various small line-art illustrations are integrated into the letters: a person sitting on the 'F' reading a document, a person sitting on the 'u' with a bag, a lamp on the 'r', a person lying on the 'i', and a person pushing a cart on the 'e'.

Rentals

by Marlene Winsier



Most manufacturers recommend that potential furniture rental dealers decide whether rental purchase will offer the greatest opportunities within their market area. Once the marketing method is determined, the target customer is sought out accordingly. The rent-to-rent customer is generally mobile and does not anticipate remaining in any one location long enough to justify moving furniture. This type of renter is usually not as concerned with the price of ownership as is the rental-purchase customer.

After determining the method of rental, some manufacturers suggest renting by the roomful instead of by the piece. Dealers find that single rental pieces are more quickly picked up, whereas customers renting entire room settings keep the merchandise longer. Of course, picking up single items costs the company more in transportation and employee time. However, it may be necessary to piece-rent to accessorize room settings. If this is the case, it will usually be with an established customer, who might be adding barstools to a living room group rented earlier, for example.

Whether to buy from a manufacturer or a distributor is perhaps the single-most important decision a dealer will make. The benefits of a distributor include a variety of furniture lines, consolidated room settings (no waiting for the coffee tables to catch up with the sofa deliveries), and rapid delivery to point of purchase, thus minimizing warehouse needs. Avoiding headaches in shipping and delivery does have its price—buying direct from the manufacturer is almost always cheaper. The size and scope of the rental operation, as well as proximity to suppliers, largely determines the decision to work with a distributor or with the manufacturer.

One manufacturer recommends that the dealer first locate inexpensive warehouse space and then locate the rental outlet nearby. The warehouse space acquired must not only accommodate rental inventory but rental returns as well. Manufacturers further suggest dealers sell off all items in poor condition with the resale outlet operated as a separate location.

One of the largest expenses to the dealer are freight charges. Most single room settings constitute only about a third of a standard truckload. Less-than-truckload freight costs are very high for furniture and there is usually a considerable lag time. Rental dealers need to buy and receive merchandise according to customer demands without having to support huge, idle inventories. Consolidating freight from manufacturers in each product category, those which fit dealer needs and customer wants, reduces inventory load.

Dealers should consider cooperative purchasing with several stores to buy one truckload. Freight is a profit drain in many stores and dealers are generally willing to coordinate their shipments.

It is very important to be specific in deter-

mining those dates. All orders must specify routing and delivery dates. If a dealer specifies "best way," it could be the best way for the factory and cost the dealer extra money. Agree on a delivery date with the factory rep to coordinate with the cuttings. If the factory accepts this date and then is late, the dealer has the right to cancel. Finally, it is a good idea to have freight bills audited annually.

Securing financing through a manufacturer is advisable. Most of the big-name furniture manufacturers welcome the opportunity to assist the rental dealer.

In summation, the major areas of concern for the furniture rental dealer, from a manufacturer's point of view, include: assessment of operational needs, determination of showroom and warehouse space requirements, choosing between manufacturer direct or distributor shipping, and coordinating efficient shipments.

Furniture rental profits can be a reality for those dealers considering furniture rental as an expansion of existing operations or as a first venture into rental marketing. As in any business profits are enhanced by controlling

"Whether to buy from a manufacturer or a distributor is perhaps the single-most important decision a dealer will make."

incidental expenses. Taking a few tips from the manufacturers who make it their business to know how to effectively market their products at the customer level can further any dealers efforts at success in his business.

Berry makes sense for rent-to-own.

Berry has grown up with the rent-to-own market. We have solved the problems many new factories don't understand. You can't afford the learning process.

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(812) 476-5621 or (812) 476-1159

by Marlene Winsler

Bedding Rentals Profits or Problems?

A number of rental-purchase dealers consider going into furniture rentals but hesitate to include bedding in their inventory. They will opt to handle only living room and dining room items as they have a misconception that bedding rental is too difficult to manage.

This is due, in part, to health laws governing the re-renting and/or resale of bedding which vary from state to state. However, bedding rental is not all that difficult. Hotels have historically made bedding rentals a profitable venture.

The most common among state laws governing bedding state that the bedding must be cleaned and tagged before re-renting, and used bedding cannot be sold. In some states, cleaning is regulated by statute.

Compliance with state laws does not have to be a difficult undertaking. It might simply involve having a cleaning service see that returned bedding is properly sanitized or purchasing a cleaning machine for handling the process yourself. Even reticking can usually be done quickly and economically in many areas. The rate of return on investment (about 85% according to one industry analyst) easily justifies the costs of compliance with state laws.

While bedding cannot be resold, headboards, frames and bedroom accessories such as chests and nightstands can. These items should be routed to a furniture resale outlet.

The showroom floor should have at least one bedroom grouping. The warehouse should contain enough bedroom inventory to supply projected demands for a two-week period. Brochures exhibiting additional settings should be made available to the customer if the dealer offers more selections than he is able to showcase.

It is absolutely essential to buy sturdy, durable, and cleanable bedding. One distributor recommends looking for solid framework, 13½ guage mattresses, 252 coils for twin-size and double beds, and 312 coils for queen-size.

Renting bedding offers substantial profit-making opportunities for the dealer who knows and understands the special inventory management and maintenance bedding requires. All furniture types require some maintenance. That bedding requires a *different* type of care should not imply that it is necessarily more cumbersome or less profitable a venture.

FURNITURE RENTALS?

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This system was designed by CompuRent of California, for RTO Rents of California, to satisfy the unique needs of a rent-to-own business. This system will give you the control you need so that profits will increase, inventory won't disappear, and delinquencies won't go through the roof.

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compuRent



PERSONNEL

PERSONNEL



by Bud Holladay

Most rental customers value the service performed by the rental store and in many cases service can be the primary reason a customer chooses a rental store over a retail competitor—or over another rental company. While some companies do little to promote their service department as a marketing tool, others capitalize on its functions. Who is more satisfied than the rental customer who's just had his television or washer repaired fast and free?

There are many ways a service department can become an effective sales aid within the rental store:

1. Outside technicians should always leave the customer with a referral card or brochure to encourage additional business either as a second unit or as a referral for friends and neighbors;

2. The service vehicle should be emblazoned with the rental store name, phone number, and "In-Home Free Service".

3. Random checks of service call slips by management require a phone call to the customer and a short inquiry about the technician's performance, courtesy, and punctuality. High scoring technicians receive a bonus or special recognition—those leaving a wake of complaints can be weeded out and replaced or re-trained before further harm is done;

4. The technician should hold weekly classes with store employees to go over the controls, functions, and routine service problems of new products. Store personnel can't sell, rent, or keep on rent what they don't understand and can't demonstrate to the customer;

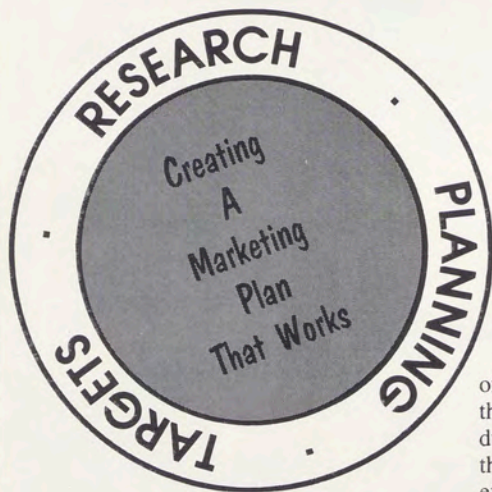
5. Encourage carry-in service on small items such as portables and VCR units. The service technician can handle the customer personally and perhaps solve the problem of future calls that may be due to lack of education about the product.

Probably the single most important tool of all is a team of qualified repair

people who understand the crucial time element in the rental business. Many techs who came from a retail store or a private shop don't have the same sense of urgency as rental store employees and may not understand the basic difference between retail and rental. The tech who has that understanding can cut parts costs by keeping closer watch on warranty goods, decrease pickups by turning around repair jobs faster, and get new customers by talking up the company's repair capabilities. At least, he certainly won't lose any customers by doing all this. And the best customer is the one you still have.

“Who is more satisfied than the rental customer who's just had his television or washer repaired fast and free?”

MARKETING



by Marlene Winsier

If you're a rental dealer who's not particularly concerned with competition, how do you give your operation an effective boost? Simple, design a marketing plan. Or, is it that simple?

Corporations and small businesses alike who collectively spend millions of dollars on advertising every year, often wind up wasting many of their dollars due to mistargeting, incorrect medium choice, inadequate market area research, etc. Why? Because advertising is so hard to measure.

As an advertiser you may never know whether you are in the wrong market with potentially effective advertising or in the right market with ineffective advertising. And unless you have a large budget, you may not be able to afford the advertising luxuries such as a marketing analysis which pinpoints the hot market segments and thus determines your ad campaign.

Creating and implementing a marketing plan must include a working philosophy that considers: the competition, internal resources, customer response, company position, and the targeted market. When approached in this order and translated into an advertising thrust, you will see the benefits of your efforts returned in profits.

Look at your competitors. What products and benefits do they offer the customer? Collect competitive ads and study the points that are stressed. Do they offer special coupons or discounts? How

often do they make these offers? Analyze the competition's position on each product and determine how the success of their products relate to their marketing efforts.

Next, look for strategy gaps. Although you may be contending with many competitors with nearly the same product line, there are usually a few unique marketing positions that remain to be claimed.

After sizing up the competition, give close scrutiny to your own business. Consider all facets of the operation, from the manufacturer to distributor to sales force and all points in between. Each level of your operation possesses a distinct value and perspective that plays an integral part in the overall marketing plan. Consider each "piece" of your business very carefully when constructing a marketing plan. It's actually very much like constructing a puzzle. Especially be aware of input from your sales team. They normally have front-line contact with the customers, so be sure to integrate their observations into your strategy.

Next, consult the customer. Who could be a better measuring gauge for you than the product consumer? Obtain the customer's response with inexpensive but effective surveys. And to be effective, you must ask the right questions. Find out what benefits buyers seek from your product or service. These could be prestige, economy, convenience, or special features. Ask the customer if these requirements are available elsewhere. You also need to determine purchasing patterns of the potential customer. Is there a time or place they are likely to make a purchase?

Lastly, ask if there is one manufacturer preferred to another or if they alternate among several. From the survey, you should be able to get a clear profile of the customer's needs, opinions, and purchasing habits.

Once the hard work is over, it's time to decide exactly where your product fits into the market. Define your company's position based on the analysis of your competitors, the data derived from internal observations, and customer research study. The position will be a statement of how your product or service should be perceived. It is important to keep the statement brief and concise so that customers will remember it.

Finally, target the market. Unless your company can devote unlimited resources to marketing, isolate the one or two customer categories with the best potential. You can do this by defining the pertinent variables of the group you are trying to reach. What are the age, geographic location, special interests, income, education, sex, and lifestyle of the typical rental customer? Knowing as much as possible about the target audiences increases your chances of reaching them.

Constructing your own marketing plan certainly can be less expensive than hiring an ad agency and it can be time consuming. But if approached carefully the rewards will justify the effort.

Marlene Winsier, is a production consultant and contributing editor to THE APPROACH.

1984 DENVER COMPUTER CONFERENCE

NOT ENOUGH TIME!" "WE COULD DO THIS FOR DAYS!" On February 15 and 16, APRO hosted 60 rental dealers and 7 computer hardware/software vendors in Denver, Colorado at the 1984 APRO Computer Conference for Rental Operations. Due to limited space availability and the overwhelming response of dealers and vendors alike, APRO has scheduled a *second* conference to be held in Atlanta on May 1 and 2.

The two-day program offers dealers a chance to become acquainted with computer hardware and software, purchase alternatives, conversions, staffing, and cost factors as they pertain to rental store operations.

Denver attendees were divided into groups and provided with a hypothetical problem which featured a rental store operation suffering from a number of problems. Dealers were then given the opportunity to spend time discussing the nature of the problems to determine whether a computer system would help, and if so, what kind. After orientation and discussion of the problem, groups of dealers were assigned to the vendors of hardware/software packages designed for rental-purchase companies.

Each vendor discussed the various applications of his system to the rental business in general as well as what size rental operation the system was geared for. One-on-one discussions with vendors and hands-on experience with the various systems proved a valuable learning experience for dealers shopping for computers. So much so that comments made by dealers in attendance centered around the lack of enough time with each vendor. Each group of dealers was given one hour with each vendor wherein the vendor explained the systems capabilities and dealers asked specific questions pertaining directly to their businesses. With so many questions to be answered, dealers kept vendors up until the wee hours of the morning requesting demonstrations and further explanations.

The Atlanta program promises to be an even greater success with more time allowed with vendors, a few new vendors and more personal appointment time available for one-on-one demonstrations.

Following are profiles of those vendors in attendance at the Denver Computer Conference along with those who, at press time, have planned to exhibit in Atlanta. For additional information on the upcoming Atlanta Computer Conference, contact Alice Bruton in the APRO office at 512-478-6521. Space is limited to 70 registrants. Therefore, it is advised that those interested register as soon as possible. Hope to see you in Atlanta.

Editor's note: For additional program information, see page 11 of this issue.

AMRENT

3333 North Trail Plaza,
Sarasota, FL 33580
Contact: Jerry Heber, (813) 351-4611

Hardware: Not selling hardware
Software: Single user or multi-user
Philosophy: Software package is a full rental operation management package offering inventory, revenue and customer control.
History of Company: Originally American TV and Appliance Rental beginning in 1981; in 1983 it split into AmRent.
Future Plans for Changes/Expansion: Constant upgrading.
System File Capacity: Determined by hardware selection, system will require a minimum of 10 megabytes.
Compatibilities: MDOS, IBM with CPM and other operating formats.
Staff Support Required: Menu driven, user friendly, self-prompting, operator-oriented system requiring minimal staff assistance at the dealer level. At the vendor level, staff assistance via hotline and on-site installation and tracking.
Salient System Features: A multi-file, on-line, highly interactive system providing for single entry of customer data, inventory data and rental agreement data (payments), immediate updating, with control features such as work/job orders, service ticket, payment commitment and other unique routines. It produces daily and monthly reports of revenue, inventory status, customer status, agreement status (aging on a daily basis) and other statistical analyses.
Method of Distribution/Acquisition: Vendor direct/purchase.
Training and Technology Updates: Upgrading of system's software made available to each purchaser at no charge.
Pricing Structure and Terms: To be announced.
What Do You Feel Is Your Competitive Edge? Control vs. data compilation with unique features such as: Payment commitment tracking; automatic customer-find feature and numerous other features requiring demonstration.

COMP-UNIQUE, INC.

512 E. Riverside Dr., Suite 204
Austin, Texas 78704
Contact: Dennis Palmquist, (512) 441-5516

Hardware: Store System—Ontel 1505 display terminal. Micro Winchester hard disk drive. Panasonic KXP-1160 two speed dot matrix printer with inserter. Home Office System—Ontel 1507 display terminal with dual mini diskette drive. Ninety-six meg Phoenix hard disk drive.
Software: Provides efficient control of customers and inventory, financial projections, performance analysis, loss due to delinquent accounts, transfers, and chargeoffs.
Philosophy: To offer a menu-driven system designed to make the rental business a profit center.
History of Company: Established in 1980 and based upon 17 years experience in the rental business and 10 years programming expertise.
Future Plans for Changes/Expansion: To offer CP/M on store level to perform expanded financial functions.
System File Capacity: 10,000 customers, 10,000 inventory units
Compatibilities: Our system is compatible with the full line of Ontel hard and software and by adding CP/M, any CP/M software can be utilized.
Staff Support Required: None. System is totally user oriented.
Salient System Features: 15" non-glare display screen for maximum visibility. Detached typewriter-like keyboard. Generates reports without performing sort functions. 64K bytes of RAM memory. 10 megabytes of disc space.
Method of Distribution/Acquisition: Leasing available through Borg-Warner or directly through Comp-Unique, Inc.
Training and Technology Updates: Hardware maintenance through Standard Register. Free software updates for first year, \$250 per year thereafter. Training done at dealer location at time of installation. Computerized Rental System manual provided.
Pricing Structure and Terms: Price is determined by size of BOR in store. Initial deposit required upon signing of contract—balance due upon installation.
What Do You Feel Is Your Competitive Edge? Comp-Unique will build your data base at our offices prior to installation. We will then bring the system to you, regardless of location, install it and train your employees. We will also help with store problems including furnishing our forms during installation, and we will be available to answer your questions after the installation is completed and your employees begin actual hands-on use of the system.

COMPURENT

11638 Fair Oaks Blvd.,
Fair Oaks, CA 95628
Contact: Dave Happe, (916) 962-1238

Hardware: Morrow and NCR—OK data printers

Software: CompuRent In-Store Rental System

Philosophy: Total rental store management

History of Company: Incorporated May 5, 1983.

Future Plans for Changes/Expansion: Internal receipt number generation so that daily transactions can be tracked in; lost revenue reports; work order generations for pick-up, service and delivery pending. Immediate generation of daily reports at the close of a business day and dates showing when the customer is going to term. Also, return check analysis and product service cost history.

System File Capacity: 11 megabyte hard disk drive system

Compatibilities: All CPM/80, CPM/86 hardware.

Staff Support Required: No data processing personnel required by the dealer to support system.

Salient System Features: In-store focus and emphasis.

Method of Distribution/Acquisition: Direct sales.

Training and Technology Updates: Available for one year at no charge.

Pricing Structure and Terms: From \$6,995.00

What Do You Feel Is Your Competitive Edge? Support for the rental dealer after purchase. "User Friendly." Price.

COMPUTER LOGISTICS

1000 Howard Avenue, Suite 101,
New Orleans, LA 70113
Contact: Ray Grantz, (316) 265-6266

Hardware: Alpha Micro 68000 Processor

Software: Multi-user operating system—rentals, general accounting.

Philosophy: Software package is a full rental operation management package offering inventory, revenue and customer control.

History of Company: Originally American TV and Appliance Rental beginning in 1981; in 1983 it split into AmRent.

Future Plans for Changes/Expansion: Demographics, manufacturer analysis.

System File Capacity: 10, 30, 70, 140 megabyte disk; 1-60 users.

Compatibilities: IBM Mainframe Communication, Alpha Networks.

Staff Support Required: Training included.

Salient System Features: Payments, commitments, security, cash flow, speed, and integrated accounting.

Method of Distribution/Acquisition: Complete testing, installation, training and support.

Training and Technology Updates: In New Orleans, updates by video.

Pricing Structure and Terms: Favorable terms—up to 5 year lease; financing.

What Do You Feel Is Your Competitive Edge? Developed program in conjunction with Ray Grantz, pioneer in rental business. Expandable, efficient, and "User Friendly."



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DATA DESIGN & DEVELOPMENT

Lakewood, CO 80227
Contact:

Beth Brubaker, (303) 296-3807

Hardware: NEC, ASTRA Business System with 200 CPS Printer

Software: P.E.A.R.

Philosophy: Dedication to providing the highest expertise in design programming and sales of both custom and packaged systems of all types and sizes. P.E.A.R. means increased profits and total control of your rental business.

History of Company: Established in 1972 as a service-oriented firm and has been marketing the ASTRA system for the past four years.

Future Plans for Changes/Expansion: Continued enhancement of the P.E.A.R. system as the industry requires offers the rental industry the finest computerized system available.

System File Capacity: Minimum configuration of 19 megabytes fixed Winchester disk. Ability to maintain up to 4,000 BORS.

Compatibilities: Supports IBM Protocol 3780/3740

Staff Support Required: Existing store personnel.

Salient System Features: True multi-tasking system (can run more than one job simultaneously); daily report, transaction listing, custom report, payment history report, BOR by-product report and inventory report.

Method of Distribution/Acquisition: Direct sales/direct support

Training and Technology Updates: Five days on site by Data Design personnel, as well as prior data conversion by Data Design; technological updates and software maintenance contracts available.

Pricing Structure and Terms: Leasing assistance program, deposit required, net 10 days after installation.

What Do You Feel Is Your Competitive Edge? Over 135 ASTRA systems installed in rental companies. It is a commercially built mini computer system with on-site hardware maintenance contracts available. Printer custom designed and manufactured for the P.E.A.R. system with single or dual front inserters. Reliability. Unsurpassed hardware.

FIRST NATIONAL COMPUTER CORPORATION

4843 Keller Springs Rd.,
Dallas, TX 75248

Contact:

Mike Sheriff, (214) 380-8700

Hardware: IBM PC-XT

Software: The Rental Industry Manager (TRIM)

Philosophy: State of the art hardware and software for rental industry management control.

History of Company: 15 years professional computer experience with 8 years rental industry experience.

Future Plans for Changes/Expansion: Local and wide area networks.

System File Capacity: 10-20 million characters per store

Compatibilities: IBM for IBM compatible

Staff Support Required: Turnkey

Salient System Features: Color, realtime "HELP" key, screen windows, basis, price, and rental management package.

Method of Distribution/Acquisition: Direct sales, purchase or lease.

Training and Technology Updates: Provided quarterly

Pricing Structure and Terms: 20% deposit, 70% on delivery, 10% net 30; Discount for multiple store, software only and source available.

What Do You Feel Is Your Competitive Edge? 1) experience; 2) IBM hardware and support; 3) flexibility of the software package (table driven); 4) nationwide access; 5) communications, batch, on-line, network; 6) color/graphics.

HIGH TOUCH

3000 W. Kellogg, Wichita, KS 67213

Contact: Ted Carey, (316) 945-5028

Hardware: Multi-Terminal Supermicro

Software: PROMS (Progressive Rent-To-Own Management System)

Philosophy: We do not want to change the way you do business, we want to change *what* you know about your business.

History of Company: 55 years combined experience in rent-to-own, rent-to-own accounting and all aspects of the computer system life cycle.

Future Plans for Changes/Expansion: Changes come from our users telling us how we can improve our systems to better meet their needs.

System File Capacity: 20 megabytes hard disk expandable to 80 megabytes.

Compatibilities: UNIX compatible

Staff Support Required: None from dealer, support is our business.

Salient System Features: Single source for a wide variety of required goods and services.

Method of Distribution/Acquisition: Several options—please call.

Training and Technology Updates: Initial and on-going training at all levels through a variety of options.

Pricing Structure and Terms: Various options—rent, rent-to-own, or ownership—for hardware. Monthly maintenance and support for software (no initial fees). Call for details.

What Do You Feel Is Your Competitive Edge? We offer a comprehensive solution to both store and home office. The strength of the system today is based on a long, distinguished history and solid practitioners.

COMP-UNIQUE

CONFUSED ABOUT COMPUTERIZING YOUR RENTAL STORES?

Let the professionals at **COMP-UNIQUE, INC.** demonstrate the fastest, most powerful control tool ever available to the rental industry.

Our computerized rental system was developed by and for Mr. Dennis Palmquist, a leader in the rental industry for over 17 years.



Please contact us at (512) 441-5516 for further information.

P.S. Hope to see you at the APRO Computer Seminar, May 1-3, in Atlanta!

512 E. Riverside Dr., Austin, TX 78704

RTO SURVEY

Who Are You?

If you could compare your own rental operation with that of any other "average rental store" across the country, wouldn't it be worth the price of a postage stamp? Now APRO's national rental dealer survey will allow you that opportunity and still protect your confidentiality. The following questionnaire requires no identification or signature. Just fill in the blanks, tear out the page, and return to APRO headquarters.

We are working hard to compile the statistics that have been sent in but need everyone's input for a complete and accurate profile of the rental industry.

Suppliers and vendors to the rental industry are vitally interested in the needs of the individual dealer and in ways they can help build your profits and enlarge your market. Without hard statistics on the industry, they can't do it. When your trade association works to streamline government regulations to your advantage, the information it works with must

be accurate and current. And when you begin comparing your own operation to others, you need real numbers drawn from a large cross-section of the industry or any conclusions you reach could backfire. This is why the APRO rental dealer survey is so very important to you and to the future of the industry.

Four basic areas are covered in the survey: size and scope of the rental organization; financial data; daily store operations, and product information. If you feel that a certain number might identify your operation anyway, you may write in, "...25 to 45..." for example. The computer will generate an average while still protecting your confidentiality.

Fill in your survey form today and mail it to APRO, 1866 InterFirst Tower, Austin, Texas 78701. When the results are tabulated and distributed to APRO membership you'll know more than ever about your industry and your business.

RENTAL INDUSTRY SURVEY

SIZE AND SCOPE OF OPERATION

- Number of rental stores operated _____ (Circle One): Owned Franchise Mixed
- Total number of units on rent today _____
- Average monthly revenues (last 3 months) from total locations \$ _____
- Projected total revenues (rental income, etc.) from all locations next 12 months \$ _____
- Number of employees OTHER THAN home office location personnel _____

FINANCIAL (please use averages for the last 3 months)

- Income per unit per month \$ _____ % Weekly Accounts _____ %
% Monthly Accounts _____ %
- Gross Profit (total income less inventory cost) _____ % as a percent of income
- Total payroll expense, including benefits & taxes, as a percent of income _____ %
- Advertising expenses (other than yellow page advertising) as a percent of income _____ %
- Expense of write-offs due to skips/stolens as a percent of income _____ %
- Total operating expenses, including administrative allocations, as a percent of income _____ %
- Net profit before taxes as a percent of income _____ %
- Average return on invested capital over last 12 months or last fiscal year _____

SALES & CIRCULATION ACTIVITY

- Monthly averages PER LOCATION: #Deliveries _____ #Pickups _____ #Paid Outs _____
- Units on rent as a percent of total on rent: Color _____ % Stereo _____ %
Appliances _____ % VCR _____ % Other (incl. furniture) _____ %
- Average number of delinquencies Saturday night as a percent of total on rent _____ %
- Average number of units listed "skip/stolen" as a percent of total on rent _____ %
- Average number of rental accounts managed PER route employee _____

PRODUCT INFORMATION

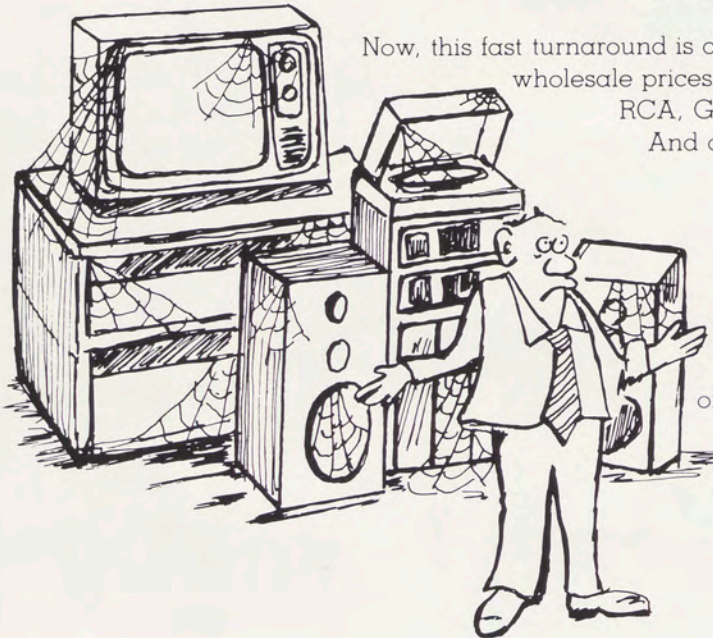
- Brand 25" Color TV most often purchased. _____ No. 2 _____
- Brand Color TV Portable most often purchased _____ No. 2 _____
- Brand Stereo most often purchased _____ No. 2 _____
- Brand Laundry most often purchased _____ No. 2 _____
- Average cost of 25" Color TV purchased during last 3 months \$ _____ Portable \$ _____
- Average cost Stereo purchased during last 3 months \$ _____ (Circle One) Rack-System Other _____
- Average cost Laundry purchased during last 3 months WASHER \$ _____ DRYER \$ _____
- Brand Color TV most often mentioned by rental customers _____
- Brand Stereo most often mentioned by rental customers _____
- Videorecorders are (Circle One): _____ DECREASING _____ INCREASING
HOLDING as a percentage of all products rented
- Most-requested product THAT YOU DON'T CARRY NOW _____
- Product most-often kept to full term (ownership) by renter _____
- Product LEAST-often kept to full term (ownership) by renter _____
- Do you usually buy Color TV with labor warranty? YES _____ NO _____
- What service or product not now offered by product suppliers would you most like to see affordable and available to you in the near future? _____
- Total dollar volume of product purchases you expect to make in the next 12 months \$ _____
- What percent of that figure is replacement inventory? _____ %
- Do you rent furniture? YES _____ NO _____

(OPTIONAL)

- Number of years in rental business _____
 Number of years as a principal owner _____
 Corporation Partnership Sole Proprietorship (Circle One)
 Number of new locations opened in the last 12 months _____
 Number of new locations planned for opening next 12 months _____
 About how much larger are you today than 3 years ago? 25% 50% 75% 100% 200%+

Good Service is never having to say "We're waiting on a part"

Remco's Parts & Accessories Distribution Center was designed to ship parts to Remco's 26 service facilities, located coast to coast, within 24 hours of the order. And it works. It can work for you, too.



Now, this fast turnaround is available to all APRO members. Remco offers you wholesale prices and quick response time on all common parts for RCA, GE, FISHER, HITACHI, SANSUI and SOUNDESIGN. And our inventory is extensive . . . we stock everything from knobs to VCR record heads.

Plus, the same next-day service and wholesale pricing is available on accessories like antennas, blank tape, stereo cartridges and head cleaners.

If you're tired of long downtime because of back-ordered parts call MIKE SMITH for prices and more information. Call (713) 530-4900 Ext. 212 or 219. Or write for a catalog: 10703 Stancliff, Houston, Texas 77099.

National Parts Center

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RENT FACTORY

800 E. Davis St., Vacaville, CA 95688
Contact: Richard Burke (707) 447-5464

Hardware: Northstar 8/16 Turbo DOS

Software: Com-Rent—Complete Rental Video and Retail Software.

Philosophy: Low Cost, High Quality, and Service.

History of Company: Merger of Rent Factory Rentals with established (4 year) computer vendor Fall 1983.

Future Plans for Changes/Expansion: Plan to offer packaged software as well as existing system.

System File Capacity: 15-60 megabyte capable of storing 15,000 to 45,000 contracts

Compatibilities: Multi-plex user—up to eight per system

Staff Support Required: Offered by over 700 North Star dealers.

Salient System Features: Multiple processor—each user has his own dedicated central processing unit—cash register with interface.

Method of Distribution/Acquisition: Direct from vendor.

Training and Technology Updates: Training with installation. Upgrades provided quarterly with a subscription fee.

Pricing Structure and Terms: Basic system with two users, printer and cash register—\$14,950.00.

What Do You Feel Is Your Competitive Edge? We offer a per user upgrade at under \$2,000 per additional terminal. This coupled with a basic 2-user price of \$14,950 is most cost effective. Our direct register computer tie-in gives the owner excellent information access at the sales counter—where it matters.

RMK MANAGEMENT SYSTEMS

P.O. Box 24127,
Phoenix, AZ 85034

Contact:
Ken King, (602) 245-6731

Hardware: IBM PC-XT

Software: Star Dealer

Philosophy: Star Dealer is a tool to enhance your personal operation and give a framework in order to better implement those techniques.

History of Company: The company is a spin-off from a television and appliance rental company, and is three years old.

Future Plans for Changes/Expansion: To make provisions for search of customer payment history by number, name or co-owner;

System File Capacity: 10,000 active accounts—beyond that, enough disk capacity to handle many more software packages.

Compatibilities: IBM

Staff Support Required: One

Salient System Features: Operations report showing office and productivity factors; customer profile analysis which denotes trend of customer types for customer population search; operating report summary and customer profile analysis.

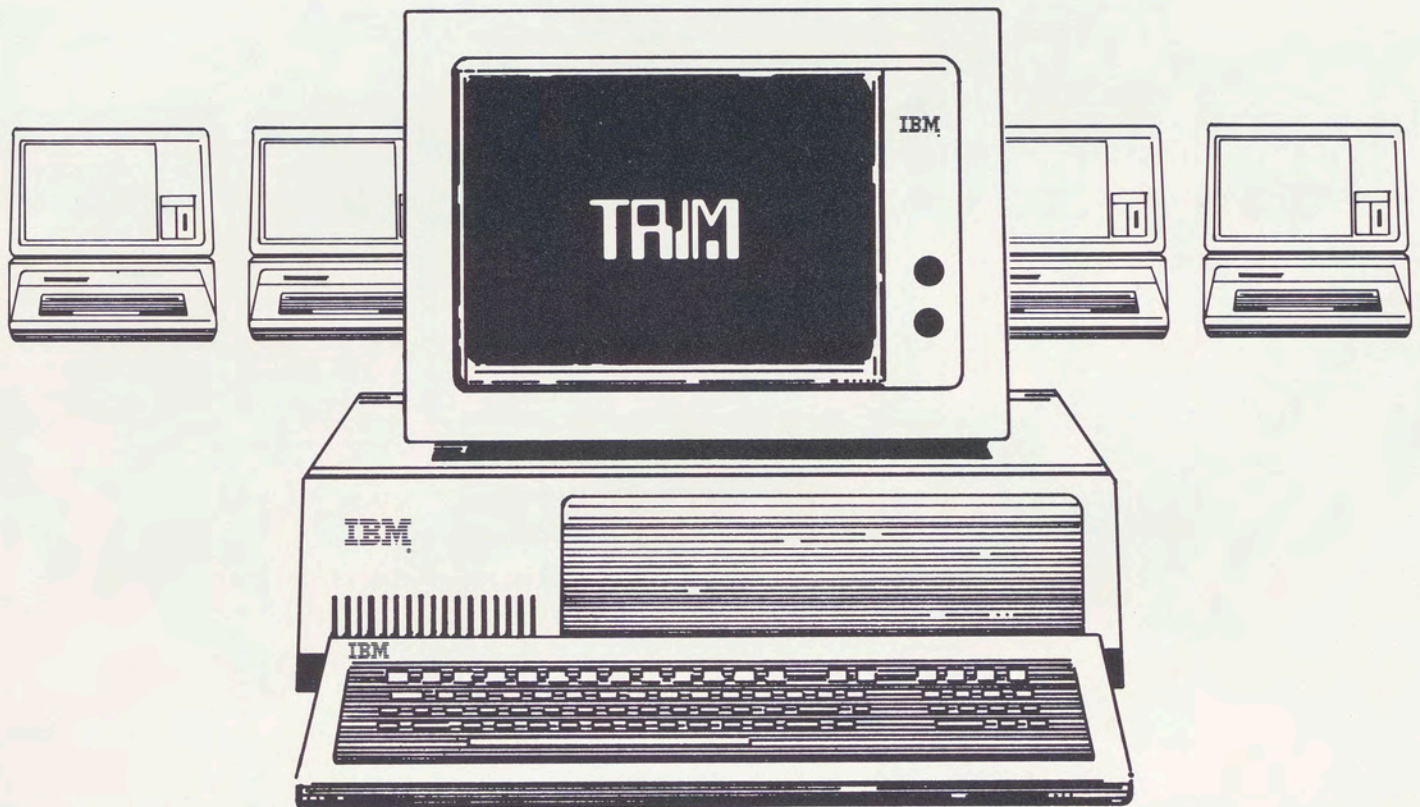
Method of Distribution/Acquisition: Contact vendor.

Training and Technology Updates: Purchasers become members of our maintenance group and receive all system enhancements as long as they own software.

Pricing Structure and Terms: \$13,100 for home-site and/or first store and \$12,500 for each additional store. Terms: 10% down at agreement. Balance on shipment of hardware and software.

What Do You Feel Is Your Competitive Edge? The system is devised and written by people who are already in the rental business.

Why settle for just any computer system when you can have TRIM?



TRIM, The Rental Industry Manager, is the most complete and hard-working computer system you can buy. Designed exclusively for the needs of the rental industry, TRIM can efficiently manage every aspect of your business from deliveries, agreements and customer files to inventory, expenses, receipts and accounting. Here are just a few of the TRIM advantages:

Easy to Use Menus, function keys and help key provide on-the-spot assistance. Exclusive color CRT and windowing display make it easy to read more data at once.

Fast and Accurate TRIM provides automatic daily reports, error-free agreements, inventory records and point-of-sale data collection as well as the convenience of one-entry updates for all related records.

Highly Flexible Customer-specified parameter tables allow the system to be tailored to your

requirements. Data may be searched by any number of variables. And TRIM adapts to single- or multiple-store operation.

Fully Integrated Effective communication between home office and individual stores means you have fast, accurate information for management decisions.

Advanced Technology TRIM is based on the highly reliable IBM PC-XT and uses fixed, hard disk storage. Its dual printer operation provides flexibility, control and backup.

TRIM is a product of First National Computer Centers, a computer company with the most extensive experience in the rent-to-own industry. In fact, we use the TRIM system in our own computer rental operations. To learn how we can put TRIM to work for you, quickly and economically, contact **Mike Sheriff** at the address and phone number below.



**First National
Computer Centers**

4843 Keller Springs Road Dallas, Texas 75248 (214) 380-8700

COMPUTER LOGISTICS, INC.

presents

R E N T S

Rental Equipment Network Tracking System

WHAT DOES R E N T S DO???

This revolutionary rental tracking system allows you to know your MERCHANDISE,
YOUR CUSTOMERS AND YOUR CASH

WHY WOULD I BUY R E N T S ???

DO I NEED TO KNOW

- * Where is my merchandise *
- * How to eliminate merchandise theft *
- * What percentage of my merchandise is idle *
- * How long does a unit remain on my active list *
- * Who are my customers and where do they live *
- * What merchandise does Mrs. Doe rent *
- * How much MONEY does Mrs. Doe pay each day, week or month *
- * What has Mrs. Doe rented from me in the last three years *
- * Has Mrs. Doe committed to pay \$50.00 next Tuesday *
- * Does Mrs. Doe know anyone needing my rental service *
- * How much MONEY did each of my stores make yesterday *
- * Do my employees always collect and report all my MONEY *
- * Do my managers track rents due and keep delinquencies down *
- * Can I operate more than one store using R E N T S *

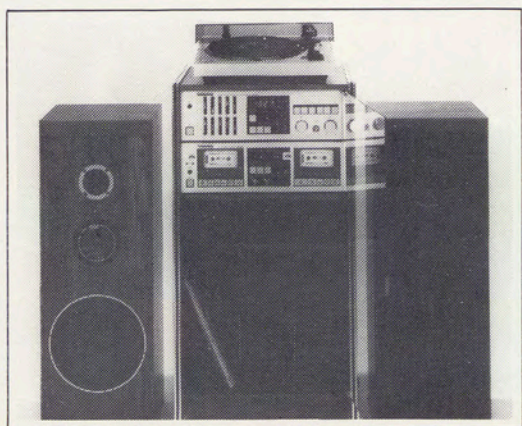
YES _____ YES _____ YES



1000 Howard Ave., Suite 101
New Orleans, Louisiana 70113
[504] 522-7266

WE'D LIKE TO HAVE A WORD WITH YOU.

To tell you about all the exciting ways Thomas Stereo can increase your profit dollars.



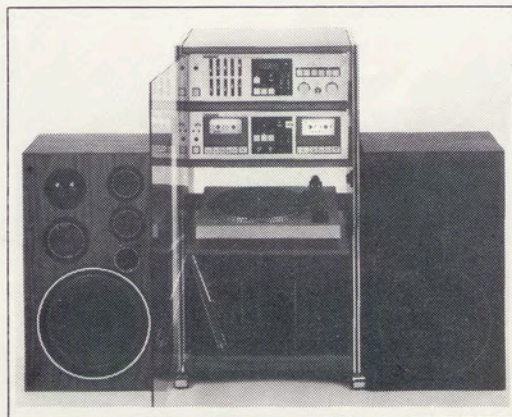
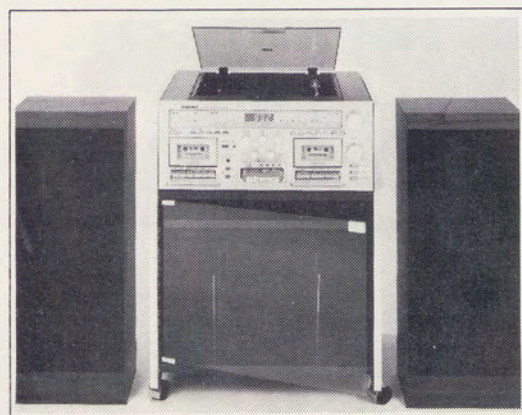
- Proven reliability
- Expeditious shipping
- Unmatched values
- Superior warranty service
- People who care for your success
- Superior styling & cosmetics



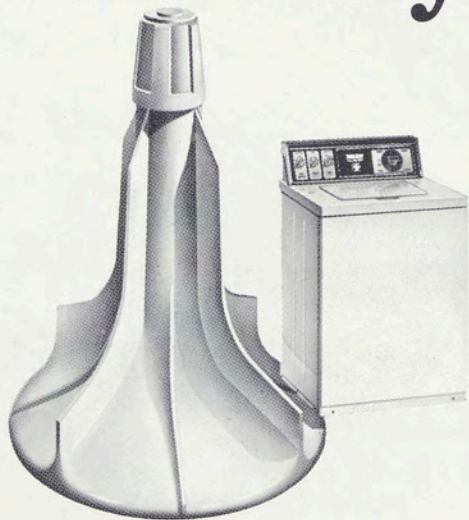
The Stereo • The Program • Nobody does it better

THOMAS
AMERICA'S SOUND OF MUSIC

5 Joanna Court, East Brunswick, N.J. 08816

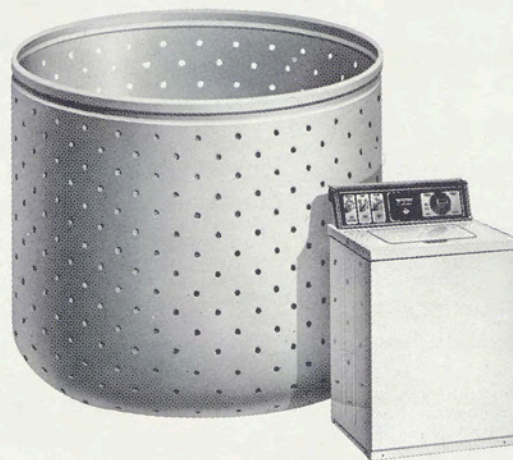


Just part of the story



This is the agitator
built with the 210 degree power stroke.
No other washer goes farther to get clothes clean.
Really clean.

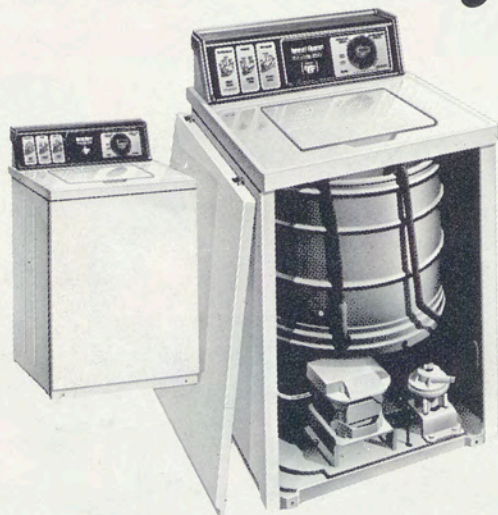
Another part of the story



A very important part.
Speed Queen is the only top loading washer with
a stainless steel tub backed by a lifetime warranty.
It will never chip, rust or corrode.

See your Speed Queen dealer for warranty details.

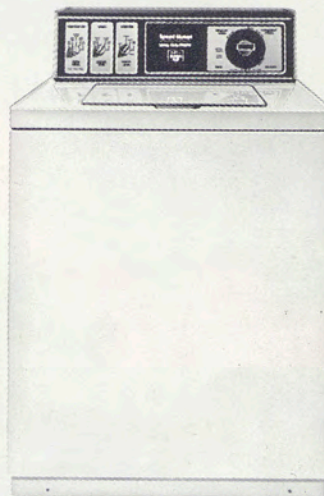
Another part of the story



A Speed Queen washer has one feature
that will probably take a long time to be appreciated.
But if you need it it's there.
100% front service from the installed position.

Call Rich Raczynski at (414) 748-3121 for
the name of your nearest Speed Queen
distributor.

The complete story



Here it is. The washing machine we've built for you.
Equipped with the finest features
and backed by the longest warranties around.
We admit it's expensive. But when a machine is
built as well as a Speed Queen, it's worth every penny.

Speed Queen®
Built for all it's worth

A Raytheon Company