

The 20/20 aftermath: Lessons learned ▶ New battles in Washington ▶ Telephone sales

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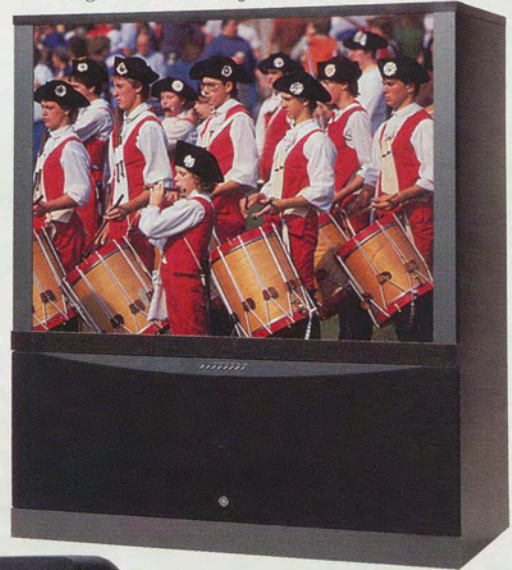
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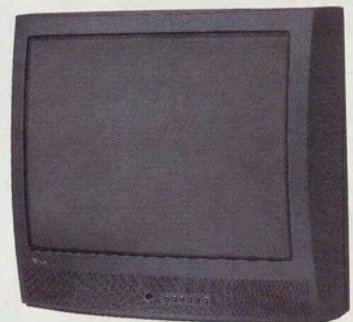


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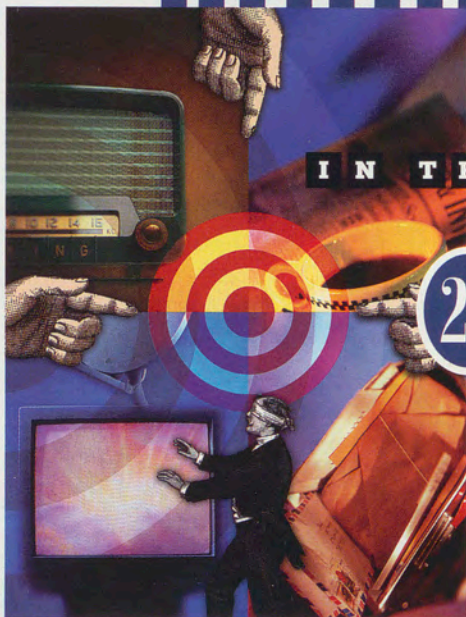


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January February



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JACK DAWSON

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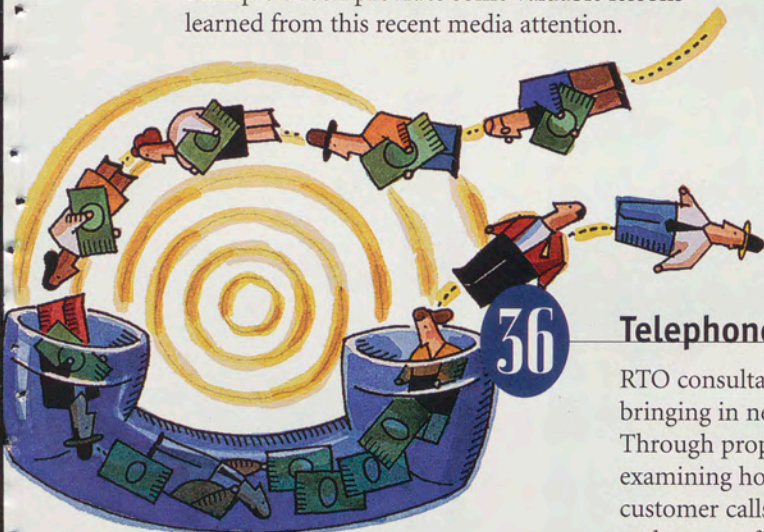
Media planning decisions

To some, the “art of advertising” is in the words and images. Yet, the true “art” lies in the decisions made prior to even one word of copy being written. Media expert Monica Davis discusses the basics of media planning, including the marketing decisions, budget considerations and media vehicles that must work in tandem to make your advertising messages work.

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Lessons learned: The 20/20 aftermath

Although the fallout from last fall’s 20/20 exposé appears to be minimal, the industry should consider the broadcast to be an opportunity to make some adjustments for the future. TateAustin’s Phillip Hudson provides some valuable lessons learned from this recent media attention.



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Telephone savvy

RTO consultant Blair Bundt offers tips for bringing in new customers over the phone. Through proper staff training and by examining how your staff responds to customer calls, you can make sure you and your staff make the most of your advertising dollars.

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The D.C. dilemma

The rental-purchase industry faces new challenges in Washington with the introduction of the “Rent-to-Own Reform Act of 1997,” by Rep. Joe Kennedy. APRO General Counsel Ed Winn highlights the components of HR 3060 — also known as the “Kennedy Bill” — and how it will redefine the industry if it passes.



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“How do you involve your store in the community?”

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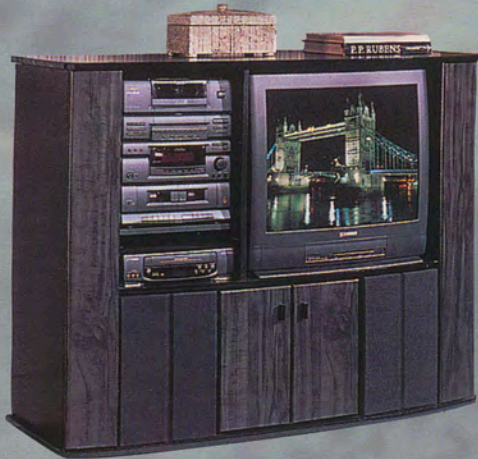
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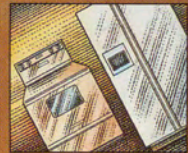


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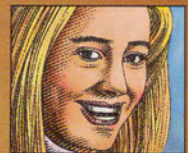
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news

BREAK

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AND RICHARD MAY

Rent-Way closes Champion deal

On February 5, Rent-Way Inc. completed the acquisition of privately held Champion Rentals Inc. Champion has

annualized revenues of approximately \$80 million. The purchase price was approximately \$88 million and included the assumption of \$19 million in liabilities. "Rent-Way will now be

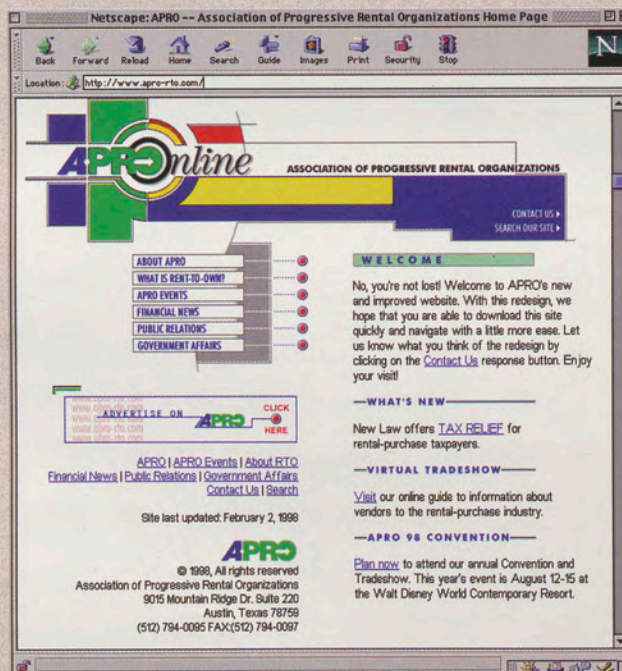
operating with a monthly revenue run-rate of approximately \$16.6 million or about \$200 million annually," says William E. Morgenstern, president and CEO of Rent-Way Inc.

Champion Rentals' stores are located primarily in the Southeast. Twenty-five new stores opened in 1997. Upon the closing of a recent 50-store acquisition of Ace T.V. Rentals and the completion of the acquisition of Champion Rentals, Rent-Way's total store count has jumped to 382.

Rent-Way currently operates a chain of 187 rental-purchase stores in Colorado, Delaware, Florida, Illinois, Indiana, Kentucky, Maryland, Michigan, New York, Ohio, Pennsylvania, Virginia, West Virginia and Washington, D.C.

APRO's new web site

The APRO web site has been redesigned, allowing for quicker, less-cluttered surfing. Check it out at <http://www.apro-rto.com/>.



Orphans get new beds for Thanksgiving

Posture Beauty Sleep Products of Dallas, TX, teamed with Carlsbad, NM, retailer Jenkins Furniture to donate mattresses to an orphanage in Mexico the week before Thanksgiving. Jenkins and Posture Beauty donated 33 mattresses to the Casa DeAmor Orphanage in the state of Chihuahua, Mexico, through the Beehive Foundation, a non-profit foundation headquartered in

Carlsbad. The Beehive Foundation concentrates on helping individuals in Mexico, Central and South America.

"The orphans of the Casa DeAmor were using the same bedding for more than 15 years," says Marion Jenkins of Jenkins Furniture.

Posture Beauty, an APRO associate member since 1996, is a 25-year-old company that operates six manufacturing facilities in the United States and Canada. Jenkins Furniture is the dominant furniture retailer in Carlsbad and has been in business since 1954.

Customers challenge Renters Choice

In yet another attempt to challenge the rental-purchase transaction in court, the *Bloomberg News* reported that a lawsuit has been filed in New Jersey alleging that Renters Choice stores failed to make disclosures required by state consumer laws to customers buying furniture or other items.

According to the attorney representing the consumers, "We contend there were no disclosures about the cash price a customer could pay to have the item now vs. what they'd be paying over time. The alleged violations have occurred since 1991."

Renters Choice officials said recently that they settled a similar class-action suit in Wisconsin for \$2.9 million. Earlier this year, a New Jersey judge ruled that Rent-A-Center, the nation's largest rent-to-own operation, violated the state's consumer laws by using practices similar to Renters Choice's. Rent-A-Center has appealed the ruling.

Furniture retailer Jack Madison dies

Jack V. Madison, former owner of Madison's Fine Furniture in Boise, ID, died in December. As reported in *Furniture Today*, Madison opened his first store in Nampa, ID, in 1948. He retired in 1984, turning the operation of his business to his sons Mike and Doug Madison.

In addition to Madison's Fine Furniture, there are five Madison's Rent-To-Own stores throughout the state and six Madison's Mattress Outlet Stores in southern Idaho.

Aaron Rents acquires Blackhawk Convention Services

Aaron Rents Inc. announced that it acquired the assets of

Blackhawk Convention Services Inc. in December 1997. Blackhawk is based in Chicago with other locations in the New York and Las Vegas markets. The combined revenues of the Aaron Rents and Blackhawk operations are expected to exceed \$7 million in 1998.

"This is an exciting development since the acquisition enables us to expand our convention services business nationwide and to grow our rental business at a faster rate," says R. Charles Loudermilk Sr., chairman and CEO of Aaron Rents. "We will open other convention locations as necessary to meet market demands."

The Aaron Rents Convention Furnishings division already has locations in Atlanta, Cincinnati, Orlando and Dallas.

Loudermilk also says the company's acquisition of Blackhawk will help penetrate the market to open additional Aaron Rents furniture rental stores in the Midwest.

In addition, Loudermilk announces that William Sammons, who has been the Aaron Rents Convention Furnishings division manager since 1980, has been promoted to president of the division. Michael Malone, the founder of Blackhawk Convention Services, will continue with the business as its vice president.

1998

APRIL

23-May 1
High Point Furniture Market,
910/888-3700;
APRO/Progressive Furniture
Hospitality, April 25

MAY

3-6
1998 APRO Mid-Year
Conference,
Puerto Vallarta, Mexico,
512/794-0095

27-31
TRIB, Opryland, Nashville,
770/451-4302

JUNE

7-8
Texas Association of Rental
Agencies 1998 Convention,
Irving, Texas, 972/513-1948

9-11
Midwest Rental-Purchase
Dealers Trade Show,
812/333-7496

27-30
Dallas Furniture Market,
800/325-6587

JULY

8-12
Atlanta Furniture Market,
800/ATL-MART

24-28
San Francisco Furniture Market,
415/552-2311

AUGUST

12-16
APRO Annual Convention
and Trade Show, Orlando,
Florida, 512/794-0095

20-23
Tupelo Furniture Market,
601/844-1473

SEPTEMBER

14-16
Missouri Rental Dealers
Trade Show, Lake of the Ozarks

OCTOBER

15-23
High Point Furniture Market,
910/888-3700

Mergers and acquisitions

Aaron Rents announced in late November that the company has signed an agreement to acquire the assets of RentMart Rent-To-Own Inc., subject to government approval. The move would increase Aaron's presence in Texas to more than 80 stores. The RentMart stores are located in Houston, San Antonio and Dallas, where Aaron's Rental Purchase already operates more than 40 stores.

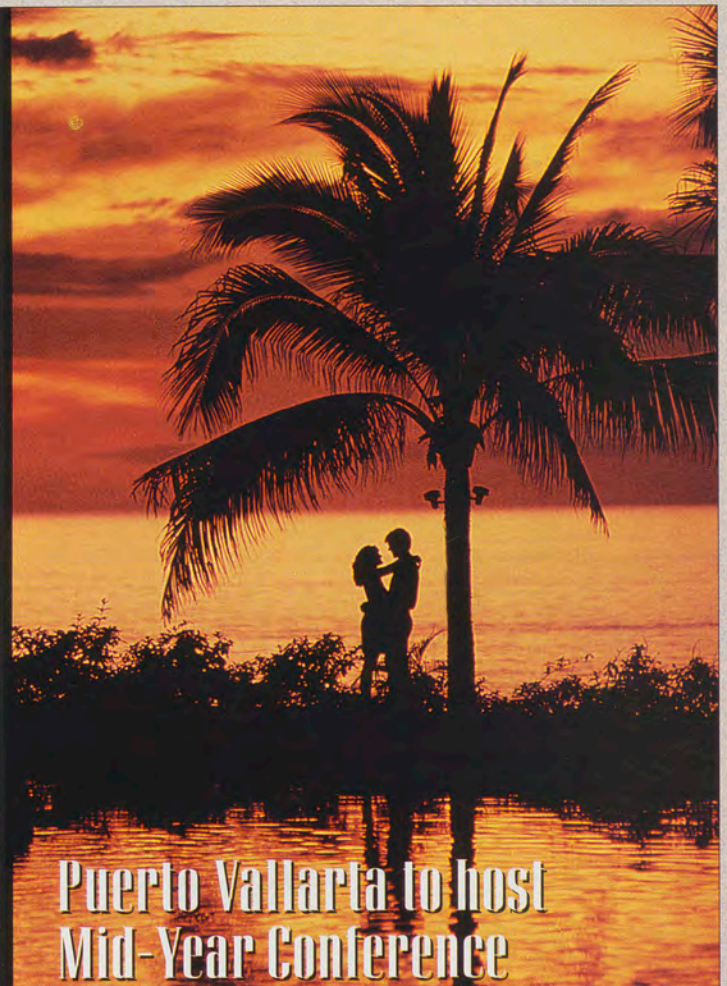
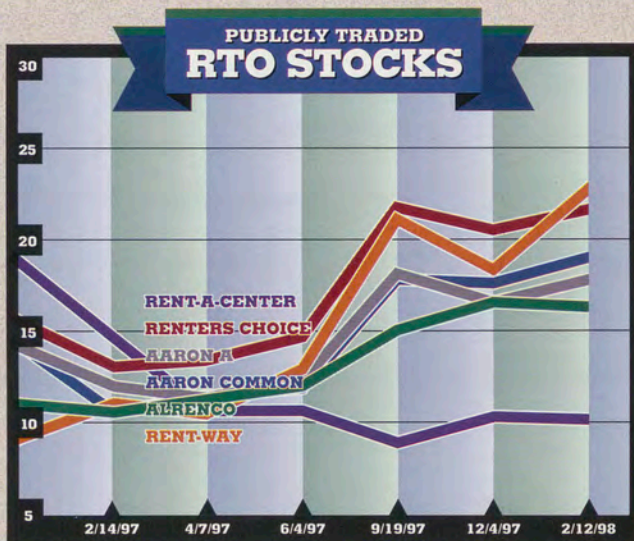
Aaron Rents Chairman and CEO, R. Charles Loudermilk Sr., says, "All the RentMart stores have been opened within the past year and a half and are growing rapidly. They are all in very desirable market locations and on average contain over 5,500 square feet of showroom space."

The addition of the

RentMart stores would bring the total number of Aaron Rents stores currently open to 378 in 29 states. By the end of this year, the company expects the total to reach more than 380 stores in operation, 275 of which are rental-purchase stores.

Alrengo reversed its fast growth pattern, according to *Furniture/Today*, by selling eight stores last quarter. The sales, which trimmed Alrengo's store count to 166, involved "non-core, under-performing stores" in the Chicago and Washington areas, says Alrengo Chairman Mike Walts.

Walts says Alrengo gained \$950,000 from the sale of the stores, all of which were acquired in recent years. Alrengo, which is preparing to merge with the 256-store Action/Home Choice chain early this year, has grown rapidly through



Puerto Vallarta to host Mid-Year Conference

The 1998 APRO Mid-Year Conference combines business with pleasure May 4-6 in sunny Puerto Vallarta at the beachfront Marriott CasaMagna Resort. The Mid-Year Conference is an annual gathering for both APRO members and non-members who want to learn about the most recent tax, accounting and legal issues facing the rental-purchase industry. In addition to these annual seminars, a human resource forum has been added to the agenda, along with a round-table discussion. Take full advantage of everything Puerto Vallarta has to offer: swimming, snorkeling, scuba, golf, tennis, fishing, horseback riding and more! Nestled on the Bay of Banderas on the west coast of Mexico, Puerto Vallarta has 25 miles of soft-sand beaches, fine dining and a picturesque downtown with quaint, red-tile roofs, whitewashed adobe buildings and clusters of bright tropical flowers cascading down walls and balconies.

1998 APRO Human Resources Forum

MODERATED BY ED WINN III, APRO GENERAL COUNSEL

Join other human resource professionals for this informative session on employment issues facing rent-to-own companies. Some of the topics to be addressed during this first-annual forum include: the role of the HR professional, employee relations, performance evaluations, stabilizing the workforce, ben-

efit administration, employee hiring, training and more. This is your chance to network with your peers and share the wealth of information available to RTO human resource departments.

APRO Annual RTO Legal Update and Tax and Accounting Update

ED WINN III, APRO GENERAL COUNSEL
APRO TAX AND ACCOUNTING COMMITTEE

Winn will survey the latest issues facing the rent-to-own industry during the legal update at this year's conference. He'll address issues such as state laws, club programs, pricing issues, rental customers in bankruptcy, the Uniform Consumer Leases Act, collections issues and issues in rental-purchase agreements.

The tax and accounting seminar will feature an update on RTO tax and accounting issues, an update on the status of implementing the most recent tax legislation over the past year, a review of active IRS audits and personal financial planning for RTO dealers.

Rental Round Table Discussion

MODERATED BY MEMBERS OF THE APRO EXECUTIVE COMMITTEE

Join fellow industry insiders in this open forum for focused discussions on issues that are affecting RTO. Topics will include dealing with the media, industry consolidation, new technology, emerging trends and improving the image of the industry.

Registration and accommodations

The registration deadline for the 1998 Mid-Year Conference is April 1. Please fill out the registration form at right and mail it, with payment, to: APRO, 9015 Mountain Ridge Dr., Suite 220, Austin, TX 78759. Registration on-site will be available; however, we urge you to make your hotel reservations as soon as possible as space is limited.

The Marriott CasaMagna Puerto Vallarta will be the meeting site for the Conference. Reservations are limited! Rooms will be reserved on a first-come, first-served basis. The room rate for the Conference is \$90. Bellman gratuities are \$4 per person, round trip. Housekeeping gratuities are \$2 per day, per room. It is standard procedure at this property for these charges to be automatically added to your bill, so tipping for these services is unnecessary. All rooms include balconies.

The deadline for making hotel reservations is April 1. Call 800/228-9290 or write to Marriott CasaMagna, Paseo De La Marina No. 5, Marina Vallarta, C.P. 48354, Puerto Vallarta, Jalisco, Mexico to reserve a room now as space is limited.



1998 Mid-Year Conference Registration

Name _____

Company _____

Address _____

City _____ State _____

Zip code _____

Business telephone [_____] _____

Business fax [_____] _____

- ▶ Registration fee is \$350 for members, \$550 for non-members for the entire conference; or \$150 for members, \$225 for non-members per individual session.

Please indicate appropriate registration below:

- May 4: 1998 Human Resource Forum, 1-5 p.m. [\$150/\$225]
- May 5: APRO Annual RTO Legal Update/Tax and Accounting Update, 9 a.m.-12 p.m., [\$150/\$225]
- May 6: Rental Dealer Round Table Discussion, 9 a.m.-12 p.m., [\$150/\$225]
- All sessions [\$350/\$550]

Are you an APRO member? Yes No

Check enclosed

Charge to: American Express MasterCard Visa

Credit card number _____

Expiration date _____

Authorized signature _____

- ▶ Photocopy this form for additional registrants
- ▶ Hotel registration is separate and can be made by contacting the Marriott CasaMagna at 800/228-9290; or write to Marriott CasaMagna, Paseo De La Marina No. 5, Marina Vallarta, C.P. 48354, Puerto Vallarta, Jalisco, Mexico. Hotel reservation deadline is April 1.
- ▶ Please mail this form, with payment, to APRO, 9015 Mountain Ridge Dr., Austin, TX 78759. Preregistration deadline is April 1. On-site conference registration will be available, but we recommend that you reserve your accommodations at the Marriott CasaMagna now as space is limited.



APRO plans new image-building strategies

Public relations for and by your Association is not just a campaign in and of itself, but can provide a model for your business as well. APRO can help your business apply various public relations elements to enhance your company's image and reputation.

For instance, most companies do not have the resources to research, test, conduct focus groups, probe, fine-tune and communicate a message, strategy, campaign, etc., but APRO does. As a consequence, APRO is in a favorable position to tackle the many inconsistencies and image problems the industry faces.

There are two basic elements at play that need attention: image and reputation. The image component in this campaign is simply defined as advertising. Your presence and your presentation are mandatory to win over your public and your customers.

Look at APRO and its succession of professionally produced commercials to guide your business' method of advertising. In these commercials, every word, nuance, action, location and format were derived in direct response from a pattern of consumer perceptions of your business.

What's in store for 1998 advertising? To boost your business in the professional world of advertising, APRO is looking to test an advertising co-op where dealers from separate markets buy into tested advertising for a low cost in return for a professionally produced and tested commercial. It's a proposed mechanism where dealers can afford commercials they otherwise could not.

Building reputation is building credibility. Traditional methods include community relations, media relations, employee communications, third-party endorsements, etc. In order to give context to these magical, omnipresent, public relations buzzwords, here's what APRO proposes to do.

APRO has joined forces with Habitat for Humanity for the International Jimmy Carter Build in June 1998 in Houston, TX. Area rental-purchase dealers and APRO will participate in a week-long effort to build 100 houses for those who cannot afford a home.

Media relations is the act of better understanding the media so the media can better understand us. The June 1997 PIRG attack and 20/20 story reminded everybody that the media remains uneducated about the industry. Media training, establishing media spokespeople and a crisis communications plan better equips the industry when the media decides to do yet another story on rent-to-own.

Also in '98, APRO is exploring an advocacy alliance program where APRO would organize consumer advocates, customers, attorneys general, etc., to speak on behalf of rent-to-own to counter the consumer advocates, customers, attorneys general, etc. who speak against rent-to-own. If consumers, employees, attorneys general, consumer advocates and lawmakers can boast about the industry, then dealers won't have to defend but defer. Better informing your customers or employees about the business better equips them to defend your business.

1998 resolutions? Acknowledge the power and necessity of public relations. For more information or questions, call APRO.

acquisition, beginning with 35 stores in mid-1994.

Rent-Way announced that it will pay approximately \$24.5 million to acquire the assets of 50-store Ace T.V. Rentals, according to a definitive agreement the companies signed in late November. Ace is privately held and has annual revenues of around \$22 million at 46 stores in South Carolina and four in California. Rent-Way now has 184 stores in Colorado, Delaware, Florida, Illinois, Indiana, Kentucky, Maryland, Michigan,

New Jersey, New York, Ohio, Pennsylvania, Virginia, West Virginia and Washington, D.C. The transaction was expected to close in January.

Members on the move

Teri Kommers, former regional manager for Renters Choice, was promoted to vice president of marketing and merchandising for the Dallas-based, 500-store, rent-to-own chain. She fills a new position recently created by Renters Choice to

FURNITURE TRENDS FOR 1998

What's hot...

- ▶ Geometric lines and motifs.
- ▶ Contemporary looks in upholstery.
- ▶ Clean, simple silhouettes and finishes that evoke arts and crafts, Shaker and Mission.
- ▶ Color that tells the story.
- ▶ Brushed nickel and chrome finishes.
- ▶ Mixed media.
- ▶ Texture (anything with reed or raffia).
- ▶ Lower-sheen finishes, more brown than red.
- ▶ Slipcovers.

and...

Source: Furniture/Today 1998 Retail Planning Guide

expand its company-wide buying and promotional programs. A New Mexico native, Kommers joined Renters Choice more than six years ago

and was assigned briefly in Arizona. She was then appointed as a regional manager in Florida.

RTO Inc. has named **Tracy Schrader** general



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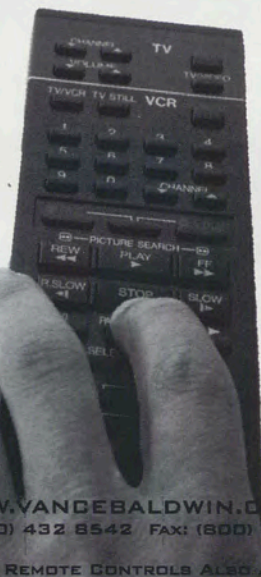


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NEWS BREAK



FURNITURE TRENDS FOR 1998

...what's not

- ▶ Suites of all-matching furniture.
- ▶ Polished brass hardware.
- ▶ Heavily colored, highly polished traditional finishes.
- ▶ Sloppy upholstery.
- ▶ Overscaled upholstery that "consumes" a room.

Source: Furniture/Today 1998 Retail Planning Guide

counsel, announced Bill White, president and CEO. Schrader joins RTO from Unisite Inc., where he served as corporate counsel. Prior to working with Unisite, Schrader practiced law with the prestigious Dallas law firm of Gardere & Wynne, LLP.

In another strategic management move, RTO Inc. also added **Andre Job** as vice president of marketing. Job will lead RTO Inc.'s comprehensive marketing efforts to bring all existing stores and future stores together under the Home Choice brand name. He brings extensive national consumer marketing and communications expertise to the organization. A proven lease-or-own industry veteran, Job served as director of marketing for Rent-A-Center and vice president of marketing and franchising for Colortyme.

RTO Inc. is currently in the process of repositioning and branding all of its 254 stores under the Home Choice brand

name.

APRO associate member Ther•A•Pedic International appointed



Michael Pino to the newly created position of vice president of operations this

past December. Pino, formerly the company's vice president of marketing since 1995, now oversees finance and expansion efforts in addition to his marketing responsibilities. He will also coordinate Ther•A•Pedic's production committee.

APRO receives recognition

Both *Progressive Rentals* and the APRO Press Kit received awards of excellence from the International Association of Business Communicators, Austin chapter, in its annual "Best of Austin" competition. The winning entries were displayed during an IABC awards luncheon in January.

By the time this column is published, the APRO annual Legislative Conference will be over. Last year, we had 40 members in attendance and, as of this writing, we have 61 members registered to attend the '98 conference. Some of those registered are first-timers, some have attended before and there are those who have faithfully made the trek to our nation's capital each year. I want to extend a big "thank you" to those who have taken time from their busy schedules to support our industry.

Industry consolidation is continuing at a fast

Making the most of '98

pace. In the last issue of *Progressive Rentals*, I advised you of the concern that an adjustment should be made in APRO's bylaws concerning the eligibility of individuals who serve on the Association's board of directors. Each member has since been mailed a questionnaire outlining some proposed options the board is considering. At this time, there have been approximately 85 responses. If you haven't returned yours to the APRO office, I would ask that you do so. We (your board) need to know how members feel about this important matter. I can guarantee that this issue will be on the agenda at the board meeting in May and action will be taken. I can equally guarantee that the board will not please everyone, but am certain that whatever they do, the intent will be to make this industry stronger for all members.

The APRO Public Relations Committee has been hard at work this year reacting to the news media as well as exploring ways to improve the image of our industry. This committee has developed television ads beginning with "Gus" and continuing with the two spots made available to members this year. So far, several companies have used these spots in their ad mix. They are available for use by all TeamAPRO contributors. I strongly recommend them—they are first-class. This committee has worked hard over the past couple of years and



By **DARRELL TISSOT**
APRO's President

deserves your comments—positive or negative—on the results that have been accomplished. I'm also sure that Ernie

Lewallen and his committee would welcome your ideas and comments on how to improve or add to what already has been done.

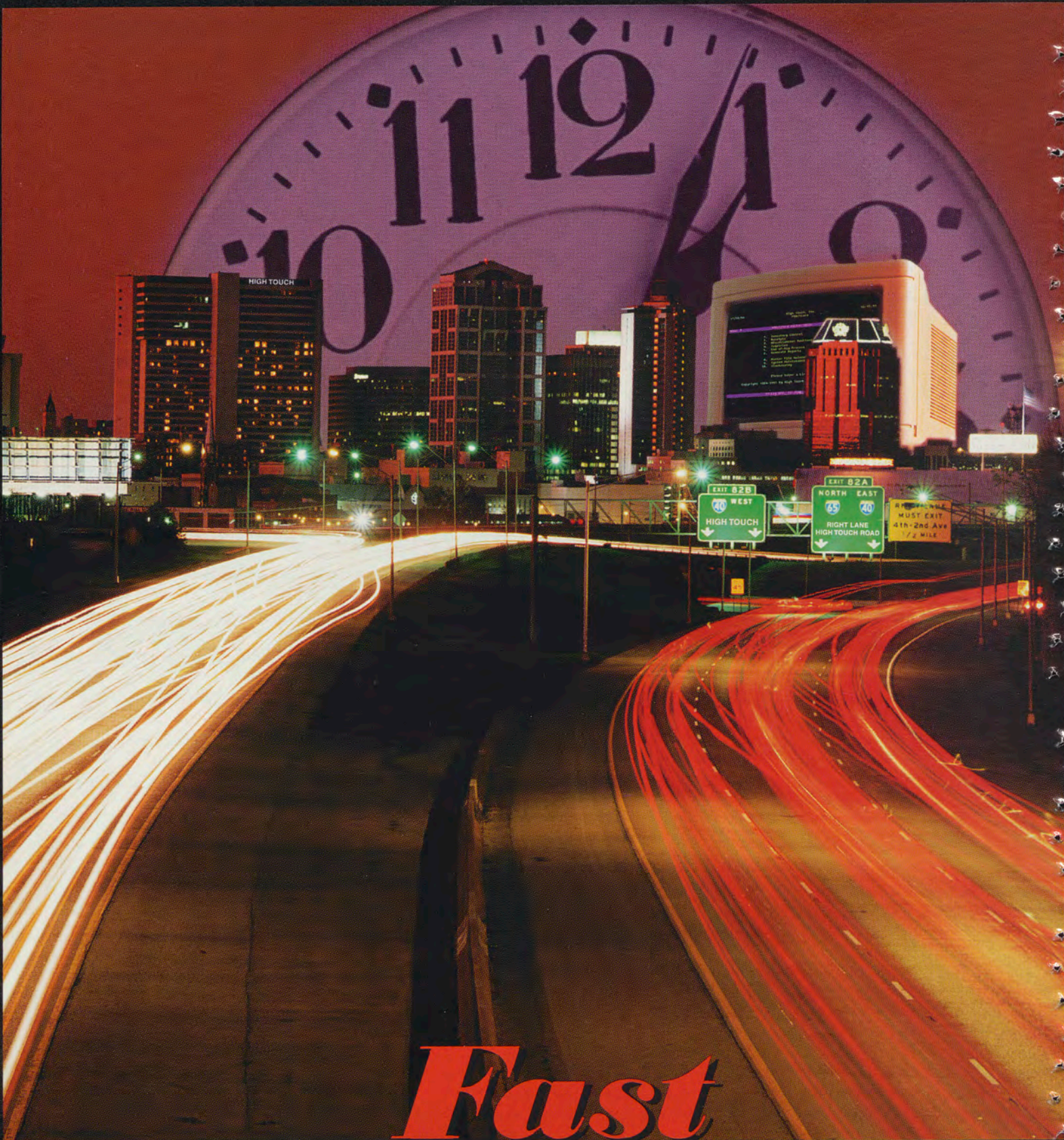
The *20/20* piece has come and gone and, to the relief of many, the consumer fallout has been minimal. However, on the legislative front, the fear of what might have happened did some damage. In the Senate, language that would have fairly characterized the rental-purchase industry was pulled out at the last minute over concern about the pending publicity and the political heat that might result. The truth is, in Washington, it is not necessarily what is right that is important, rather what is politically expedient.

The CBS *Public Eye* piece is still on the shelf and could, I understand, be dusted off and run at the network's convenience. There is no question that our detractors will continue to hound us and the ultra left-wing politicians will continue to try to legislate us out of business. We must take every opportunity to educate the public concerning the truth about our industry. Almost without exception, when we are able to get the truth out, reasonable people begin to understand our program and support our position. We must continue to fight for our right to offer the opportunity to the American public to acquire personal property with a no-hassle, flexible and convenient program.

Concerning the *20/20* story, I would like to thank APRO General Counsel Ed Winn for a remarkable job representing our industry in a very hostile environment. In spite of the network's ability to cut and paste to get the sound bites it wanted, Ed managed to provide only images and explanations that were complimentary to our industry. Those who have never experienced this type of interrogation will probably not fully appreciate the quality of the interview Ed managed. Thank you, Ed, for representing our industry so well. ■

Darrell Tissot is owner of Countryside Rentals, based in Bainbridge, OH.

.....
"Almost without exception, when we are able to get the truth out, reasonable people begin to understand our program and support our position."



Fast

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Well, I think it finally happened! The national and local press finally exposed themselves before the American public and people are beginning to see the ethical bankruptcy of the mass media profession as it has evolved since the days of Watergate.

Journalists Carl Bernstein and Bob Woodward brought down a presidency and both won Pulitzers for their efforts. They also gave rise to investigative journalism. This original school of investigative journalists developed ethical rules to follow and provided the American people with

reported. Pretty soon, the allegation becomes fact.

The media feeding frenzy that occurred over the Monica Lewinsky/White House crisis will, in my opinion, go down as *the* watershed event that awakens the American people to the unconscionable practices of mass media and will lead to an overhaul of journalism ethics in this country.

.....
 "The media feeding frenzy that occurred over the Monica Lewinsky/White House crisis will go down as *the* watershed event that awakens the American people to the unconscionable practices of mass media."

The "gotchas" get theirs

some quality reports.

Unfortunately, a hybrid of this has developed that I call the "gotcha school of journalism." You know, the school where you are taught that everyone is guilty and never given a chance to prove their innocence. This is quite contrary to the old notion that one is innocent until proven guilty, but it sells more papers and television ads.

Thousands of bright, eager journalism students have received their degrees since Watergate and have had visions of Pulitzer sugar plums dancing in their heads. Now, this is not a blanket condemnation, but far too many of these people are currently employed.

These journalists routinely violate the code developed by Ben Bradley for Woodward and Bernstein at the *Washington Post*. Back then, reporters had to have at least two sources to confirm an allegation before the paper would print a story. I just saw a show on CNN where a panel of journalists discussed whether or not the media is out of control. During the discussion, the point was made that reporters today almost never get to verify a story with two or more sources. In

fact, some of the more ethical reporters on the panel lamented that all too often an unsubstantiated allegation is either published or broadcast and then other journalists report the allegation with more credibility, because it has already been

As I write this article, the issue is still alive, no facts have yet been proven and the truth has yet to be ascertained. I do not know what happened in the White House; I

do not care. What I am commenting on is the process, not the events. A CNN poll revealed that more than 70 percent of Americans believe the media is over-responding. What's even more interesting is watching the darlings of the media start to question themselves because of the polls, the calls and the e-mails to the editors.

Why, you ask, am I writing about all of this? First, I have lived with the media's biased reporting about our industry. I stopped watching television news magazines a long time ago because I know how the typical, in-your-face reporters aren't interested in uncovering the facts, but in developing pre-conceived ideas about the story long before they listen to all sides of the issue. We all know about the "gotcha" journalism as it relates to RTO. But now Americans are beginning to see the underbelly of a biased press. And they don't like it any more than we do.

Second, throughout all the media attacks, the president focused on his job—that of giving the American public a report on the state of the union. The lesson I see in this is that we must continually focus on serving our customers better than anyone else. When the next attack on RTO occurs, we must bow our heads and take care of our customers.

That's why we are in business. ■



By **BILL KEESE**
 APRO's Executive Director

The rental-purchase industry's moment on national television seems to have come and gone with little fanfare. It was not the first time the industry has been pilloried. It likely will not be the last. Fallout from the 20/20 piece was nonexistent. Life has gone on. If the public was uninterested in a story about high-priced VCRs, those of us in the business were on tenterhooks waiting for the story to air and waiting afterwards to see what the reaction would be. In the aftermath of the non-media event, there remain some lessons to be learned.

One: There is a lesson about rental agree-

geoned over rental-purchase pricing as long as the total cost to own low-end electronics remains high. It does no good to complain that not all rental-purchase pricing is as high and that

comparisons of retail and rental-purchase pricing for furniture, stereos, white goods or other items is more favorable or more realistic.

We, of course, can explain the price discrepancy between the cash price and the rental-purchase price (and for those of you lost in point No. 1, it

really is not interest.) We all know that the retail margin on low-end electronics is slim to nonexistent. No matter. PIRG can and will beat us up over the difference between the dis-

counted cash price and the total rental-purchase price of these items as long as the example is as glaring as it is.

Solutions for the big boys may include specially branded products, perhaps with unique rental features to negate the comparison altogether. For the rest, the solutions must be more creative. Now, I am as sensitive to cash flows as any rental dealer and know better than to suggest tinkering with rental rates. But I do think the rental term on low-end electronics ought to be a negotiable item. If you need, say, \$10 a week for a VCR, why do you need to start out at 78 or 104 weeks when the odds of anyone keeping the product that long are slim. A lot of it may have to do with habit. "My daddy rented 'em for 18 months and that's what I rent 'em for."

It does not have to cost any money to rethink rental terms on low-end electronics as those items have always had the lowest keep rate. Odds are they are going to be coming back, most more than once, and so there are ample opportunities to adjust the rental term without necessarily sacrificing overall revenue. And even if you make a few bucks less on some low-end electronics, chalk it up to the industry's public relations effort. If you can manage to get rid of the egregious cost comparisons that plague the industry, you will be that much less interesting to consumer advocates

.....
"PIRG can and will beat us up over the difference between the discounted cash price and the total rental-purchase price of these items as long as the example is as glaring as it is."

Look better and be better

ments. If a prospective customer wants to take one home and study it overnight, why in the world would you not let him? Are some of you still afraid that if customers really understood the transaction, they would never rent a TV? That fear has percolated in the industry forever and is perpetuated by dealers who do not understand their customers nor the business in which they operate.

It was this same fear that caused a fair number of dealers to oppose disclosing the total rental-purchase price 20 years ago. Had those fearful and timid minds prevailed, we would not have gotten far in getting safe harbor laws enacted — laws that recognize the transaction legally, but also provide consumers with meaningful information about the transaction.

It might cost a quarter to print up an agreement for a customer to take home and review and some of those customers, upon reflection, may then decide to shop somewhere else. Nor am I suggesting that store personnel not go hard for the close when the customer is in the store. But if a customer wants to see the deal on paper before he pays any money, show it to him. Today, if you think you have something to hide in your rental business, sell your store and go dissemble in some other industry.

Two: We are going to continue to get blud-



By ED WINN III
APRO's General Counsel

[CONTINUED ON PAGE 18]

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[CONTINUED FROM PAGE 16]

and you will end up on national television that much less often.

Three: Cash price. The industry has just come through a brutal and ultimately heart-breaking legislative battle in New Jersey. One of the issues there concerned cash price. Some legislators were unhappy with how rental dealers set cash prices and wanted to insert the government into the process. After the usual free market arguments against the government setting prices at all, the industry had to take a closer look at how dealers, in fact, do set cash prices. Often it has nothing to do with the marketplace and is rather a derivation from the total rental-purchase price, which number in turn is most often derived from a dealer's wholesale cost.

In some states, cash price really matters to rental dealers because the total rental-purchase price is limited to twice the cash price. But in most states, by far, there is no particular reason not to set realistic, bona fide cash prices. Other than this sense that if the difference between a "real" cash price and the total rental-purchase price is too great, it will run customers off. See points one and two above about truth and candor.

One of the New Jersey legislators wanted the industry to agree not to set cash prices higher than the manufacturer's suggested retail price (MSRP), if there was one. We all had some concerns about agreeing to a cash price limit set by someone else, be it the government or a manufacturer. But of even more concern was the revelation that some dealers are setting cash prices above the MSRP, once again, most often for low-end electronics.

Folks, that is just not going to work. As a consumer, I have never seen cash prices higher than MSRP except on a few rare, hard-to-find automobiles and an occasional hotly demanded toy at Christmas. But it is always a function of high demand and low supply driving up the price. It will not play for goods in plentiful supply. Most often, retailers advertise themselves by showing how much their prices are below the MSRP. When we have prices above MSRP, whether we actually sell them or not is not relevant. It looks like we are gouging and it is sure to keep the critics howling.

In retrospect, it may well have been an error for the industry to agree to cash price disclosures, since the cash price has little if anything to do with the business. But that is an argument lost

long ago and is unlikely we can get it back on the table.

We will not, as an industry, make progress toward improving our public image if we insist on setting cash prices higher than MSRP. It is not illegal, mind you. Prices are not illegal unless they are so very high as to be unconscionable. But it is damned poor judgment.

In states where the total rental-purchase price is limited to twice the cash price, the practice is understandable, perhaps, but in the broad view, is still inadvisable even if market pricing finally costs a little money. (Look at the rental term. I am not persuaded pricing in the market has to cost dealers anything.) In states where there is no regulatory relationship between cash price and total rental-purchase price, the practice of setting cash prices higher than MSRP is inexcusable.

We all, I think, want this industry to look better. What we learn from public relations, is that, finally, the only way to look better is to be better. There are a few things that, as an industry, we simply must do. Quit hiding things. Quit having even the appearance of hiding things. Give customers filled-in agreements if they want them. And pricing. I am as staunch a proponent of free market economics as anyone in the industry. However, I am also concerned with the long-term health and prosperity of the industry as a whole. We must be sensitive to pricing issues. They reflect on the industry's image and finally its health and continued viability.

There is a delicate balance which must be struck here. If prices get too low, companies lose margins, quit making money and fail. If prices get too high, regulators step in and squeeze the profit out of the business. The point is that pricing cannot be whimsical. Dealers must reflect carefully on their pricing, both cash and rental-purchase, with full knowledge of the many forces at work on these decisions. I am confident that if we all think through these issues carefully, most of us will end up with the right kinds of answers to the admittedly tough pricing questions. ■

.....
 "We will not make progress toward improving our public image if we insist on setting cash prices higher than MSRP. It is not illegal, mind you. But it is damned poor judgment."

Ed Winn's e-mail address is edwinn@ibm.net.

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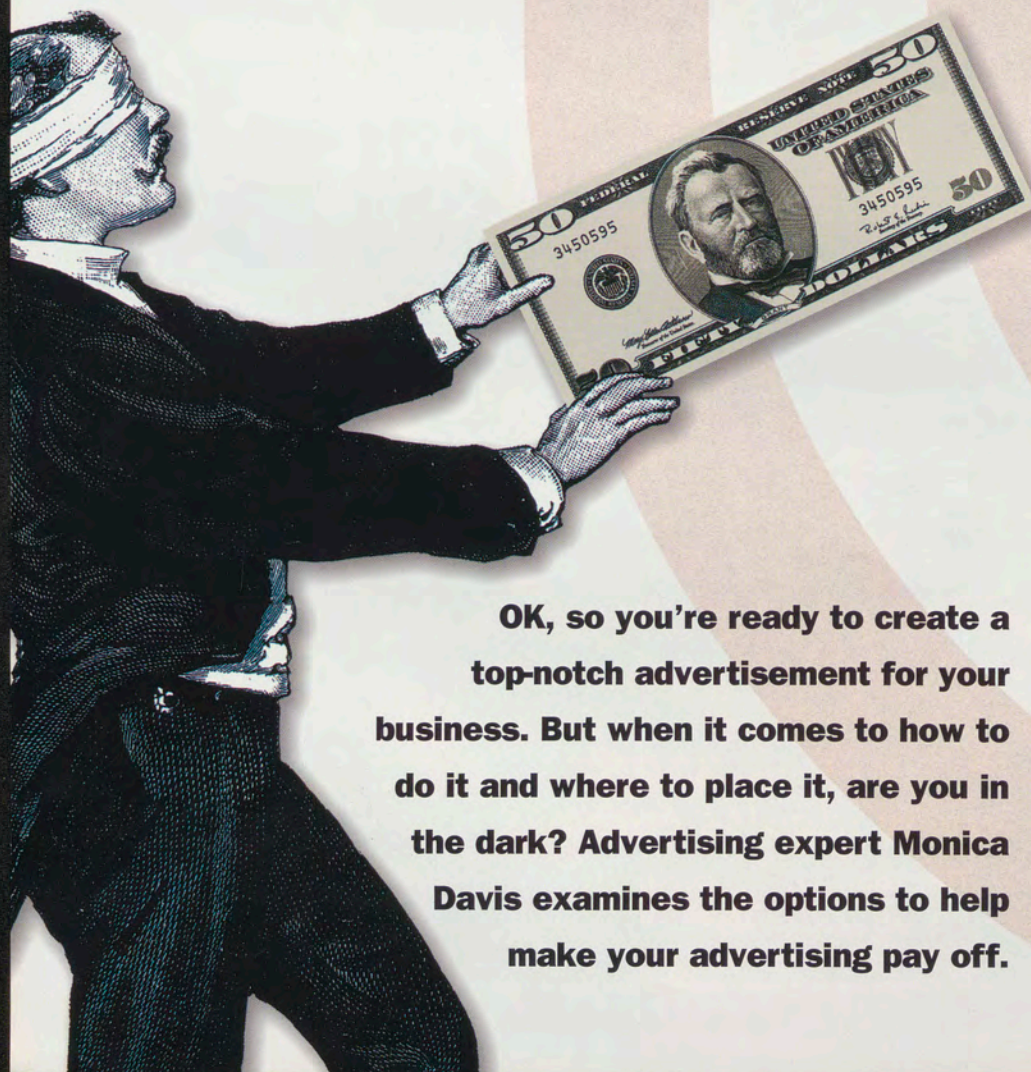
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APRO Associate Member

Media planning

decisions decisions decisions



OK, so you're ready to create a top-notch advertisement for your business. But when it comes to how to do it and where to place it, are you in the dark? Advertising expert Monica Davis examines the options to help make your advertising pay off.

TO SOME, THE "ART OF ADVERTISING" is in the words and images; however, the true "art" is in the decisions made prior to even one word of copy being written. It involves the decisions on what media you should employ to best reach your target audience in the most cost-efficient way.

Decision making is not an exact science. There is always room for improvement. But having the right background information is essential to making a "good" decision.

In this article, Monica Davis, president of The Davis Group, discusses the basics of media buying. It is a good review for those who do a lot of media buying and provides a wealth of information for those APRO members who are new to the art of media buying.

In 1997, APRO created and produced two television spots for use by members. We encoded the spots sent to members with a special tracking device that allows us to see where they are being played and how often. In a three-month analysis, APRO members have used the spots more than 3,100 times in 38 markets across the United States. Although this is impressive, it is still just the beginning. If you have any questions about the spots or how to get your copies, please call APRO at 800/204-2776 or 512/794-0095. — PHILLIP HUDSON, TATEAUSTIN

media planning can be very intimidating and very costly. There are so many different options. To keep things simple, think of media planning as essentially three basic activities: marketing decisions, budget decisions and media decisions, all of which must take place in a logical sequence.

Marketing decisions

An analysis of the marketplace and your company's position in that market is imperative to the development of a media plan. Your media activities should help you solve a marketing problem or take advantage of a marketing opportunity. But before the media plan can be developed, you have to answer a few questions.

Define the marketing challenges/ opportunities that your company faces.

- ▶ What are the obstacles you must overcome to achieve success? What are your company's strengths and weaknesses?
- ▶ Where is your business coming from? What is the potential for growth?
You can define your market in several ways. You can divide it up by geographic region, total sales volume for

Do not let media planners assume you are in a league with McDonald's if you are not. Also, do not waste your time and make them look like idiots by letting them assume that you are in the league of Mom and Pop Smith.

your product/service, population, income, retail sales potential or by distribution in the market.

- ▶ Who is the competition and where is that business and growth coming from?
A competitive analysis is vital. Your media reps can help you gather some of this information. They can usually provide you with a history of media selection and levels of spending that your competition has used.
- ▶ Do you need to get people to try your product/service or do you need to defend your position in the marketplace? Be careful here. Do not presume everyone is already using your product/service and that you are so entrenched in the market that the competition cannot touch you. If you are that good, you may have people after your territory and it may be time for you to go on the defensive.
- ▶ Do you need to reach everyone or do you have a specific audience in mind?
Be realistic. Does everyone absolutely need your product/service or are you trying to sell ice to Eskimos?

- ▶ How often is your product/service used? How much loyalty exists toward you and your product/service?
Determine what your current market share is and where you want to be in six months, one year, five years.

Budgeting decisions

Once you have answered the questions above, you have some good information to help you in the development of the marketing plan. Now you must look at the goals you set for your company and determine how much money you can spend to achieve those goals through media placement.

This is the tough part. You can cause yourself and your advertising representatives or advertising agency a lot of grief if you don't know how much you have to spend. Maybe this has happened to you. You say, "Just tell me what I need to spend to make the cash register ring." And the media plan you get back nearly causes you to have a heart attack. Do not let media planners assume you are in a league with McDonald's if you are not. Also, do not waste your time and make them look like idiots by letting them assume that you are in the league of Mom and Pop Smith.

The simple fact is this, you have laid out some solid marketing requirements and now it is time to translate those requirements into actionable objectives. And that will take money.

Is it your plan to attract new, potential customers? Then the action to take is to utilize a media plan that goes for reach. But if you have a product that needs to be rented often and repeatedly, you might want to consider frequency. Either way, it will affect your budget. If there is not enough money to meet your goals, you have two options: reduce or revise.

Media decisions

Now we get down to the nitty-gritty. Which media should you use and how can you use them wisely? Go back to your marketing decisions. If your primary objective is to reach a lot of people, then you will select affordable media vehicles that will generate the most reach possible. If, on the other hand, you need to reach a specific demographic group repeatedly in order for them to get the message, you will select a niche media that targets the specific group effectively and efficiently.

It is important to think of media in two segments: mass media — which includes radio, television, newspaper, magazine and outdoor — and specialized media, such as cable television, direct mail, transit (ads on buses, taxis, subways,

etc.), catalogs and point-of-purchase. Both offer advantages and limitations.

Advantages of mass media

- ▶ You can reach large audiences at a relatively low cost per person.
- ▶ You can direct advertising messages to specific audiences because of the specific medium's editorial or programming alternatives.

- ▶ Audiences may be reached with different degrees of repetition because they tend to develop strong loyalties and return to their favorite medium with a high degree of regularity.

Limitations of mass media

- ▶ Audiences of mass media do not buy, see, hear or read a medium simply because they want to see the advertisements. It is more incidental. They happen to be watching

Measuring up the media



radio

Advantages

- ▶ Through its ability to provide specialization in programming formats, radio can reach specific target audiences.
- ▶ It is a high-frequency medium. And in some markets, the cost is still relatively low.
- ▶ It is a good "support" medium and can be added to a print schedule to bring audio support into your ad scheme.
- ▶ Drive-time placement of spots makes it an excellent medium for mobile populations.
- ▶ The flexibility of radio makes it very desirable. Copy can be changed quickly; radio can be used locally, regionally or nationally.
- ▶ It can be personal. You may be able to utilize endorsements by station personalities.
- ▶ There are several value-added opportunities available in the form of remotes, concerts, promotions and events.

Limitations

- ▶ There are a lot of stations in any one market. For example, New York has more than 60; Chicago has more than 40.
- ▶ The messages are fleeting. There is no visual with which to impact listeners.
- ▶ People are extremely loyal to one format. If you never listen to country music, you might miss a message that is played only on a country station.

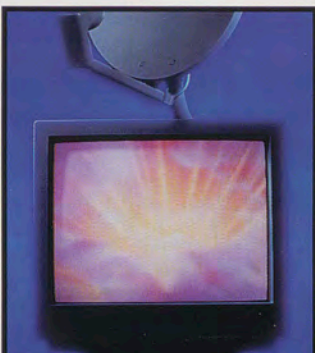
television

Advantages

- ▶ Sight and sound make for a dynamic selling tool.
- ▶ The flexibility of using network or spot television allows you to use any number of combinations.
- ▶ You can reach both selective and mass markets with television, from football to children's programming and from movies to comedy.

Limitations

- ▶ The cost is typically high, although it can be efficient in



specific dayparts, such as daytime or late fringe.

- ▶ The messages are short-lived.
- ▶ There is no catalogue value, i.e., there is not much time to list the benefits/characteristics.
- ▶ The *avails* (the position in or between programs that is available for purchase of a commercial) are often limited.
- ▶ Production of a quality spot is expensive.

newspapers

Advantages

- ▶ There is a sense of immediacy.
- ▶ It allows for local emphasis.



- ▶ There is flexibility in geographic locations and in production. You can buy nationally, regionally or locally, and copy can be changed quickly.
- ▶ Newspapers are a mass medium, read by many.
- ▶ Newspapers have great catalogue value. You can tell your story.
- ▶ You can reach specific markets with your message, whether it is a specific section of a metropolitan daily, a business journal or a minority-minded publication.

Limitations

- ▶ The cost of buying national coverage is high. National rates are much higher than local rates.
- ▶ There is a small pass-along audience. Most people do not save the paper for others to read later.
- ▶ Color availability varies from paper to paper.

magazines

Advantages

- ▶ You can select geographic or demographic editions, like a physician's edition, a college student's edition or one limited to certain income levels.
- ▶ Most magazines offer fine color reproduction.
- ▶ Magazines tend to have a long shelf life.
- ▶ Magazines have a large pass-along audience.
- ▶ Controlled circulation may be able to pinpoint an audience. The publisher can identify a special target group and can guarantee distribution to a particular market niche.

Limitations

- ▶ Magazines typically have long closing dates.
- ▶ There is a sense of a lack of immediacy.
- ▶ The reach builds slowly in some publications.
- ▶ People usually read leisurely, sometimes just scanning it.

outdoor

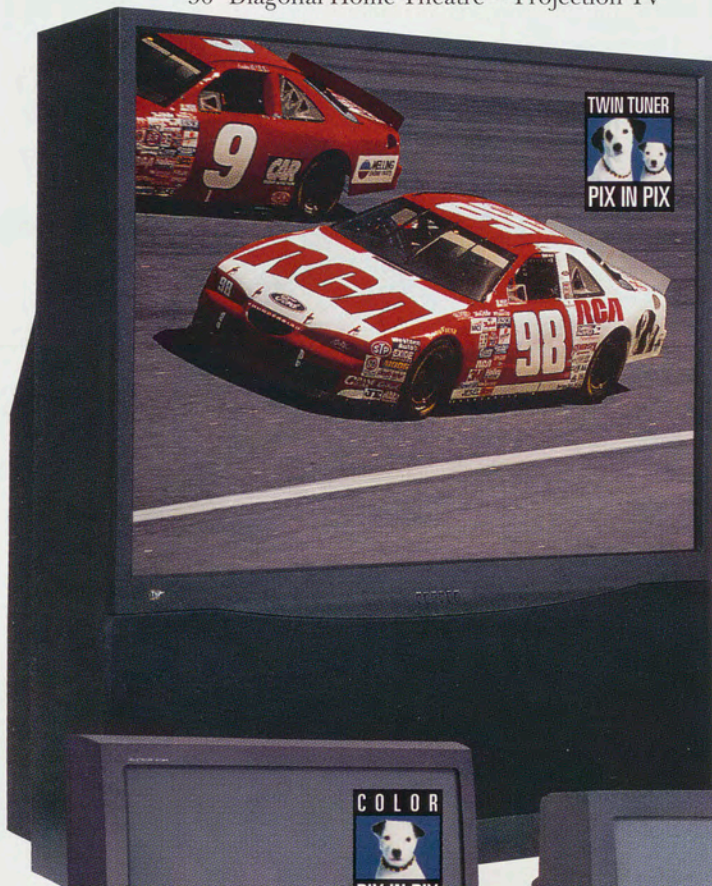
Advantages

- ▶ There is usually a large coverage in local markets.

[CONTINUED ON PAGE 27]

RCA and the Rental Purchase Industry A Partnership

56" Diagonal Home Theatre™ Projection TV



52" Diagonal Home Theatre™ Projection TV

32" Diagonal ColorTrak Plus™ TV



36" Diagonal ColorTrak Plus™ TV

25" Diagonal TV/VCR Combo

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The RCA Brand distribution network assures you of fast and timely merchandise delivery to your stores. A complete independent service network stands behind RCA Brand products.

RCA Consumer Electronics will continue to build our partnership of integrity with the Rental Purchase Industry.

Purchase Industry of Integrity



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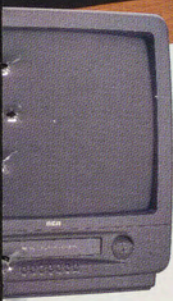


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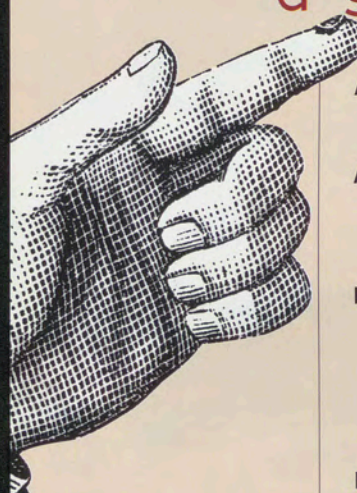
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Ad-speak

a glossary of terms

**Arbitron Company**

Provides media research for radio.

Avails

The position in or between programs that is available for purchase of a commercial.

Bleed

In print, it refers to extending the illustration or copy to the edge of the page so there is no white border. In outdoor, it refers to a poster panel that uses the entire space available.

Broadcast order

The form or document sent to a broadcaster that contains information relating to an ad's placement, i.e. its length, rate, frequency, date, etc.

Broadsheet

The term used for a standard size newspaper (usually 6 columns by 21 inches), as opposed to a tabloid size newspaper (usually 5 columns by 13 inches).

Circulation

In print, this refers to the number of copies sold or distributed. In broadcast, it refers to the number of homes owning a television or radio within a station's coverage area. In cable, it refers to the number of households that subscribe to cable services that carry a given network. In out-of-home media, it refers to the number of people passing an advertisement that have the opportunity to see it.

CPP (cost-per-rating point)

The cost of an advertising unit divided by the average rating of a specific demographic group.

CPM (cost-per-thousand)

The cost per 1,000 people or homes delivered by a medium or media schedule.

Daily effective circulation (DEC)

The gross number of people (without regard to duplication) exposed to an out-of-home advertising display in one day.

Designated market area (DMA)

A.C. Nielsen's definition of a television market.

Drive time

The morning and afternoon hours of radio broadcasting, usually 6 a.m. to 10 a.m. and 3 p.m. to 7 p.m.

Flighting

The scheduling of advertising for a period of time, followed by a hiatus, then another "flight" of advertising.

Frequency

The number of times people or homes are exposed to an advertising message.

Free standing insert (FSI)

A preprinted advertising message which is inserted into, but not bound into, print media (generally into newspapers).

Gross rating points (GRPs)

The sum of all ratings delivered by a given list of media vehicles. GRPs generally refer to households; TRPs generally refer to Target Rating Points—percentages of a specific demographic.

Hiatus

A period of non-activity; the period between advertising flights.

Impressions

The gross sum of all media exposures—numbers of people or homes—without regard to duplication.

Insertion order

The form or document sent to a publication that contains information relating to an ad's placement, i.e. its size, rate, frequency, date, etc.

Mechanical

A camera-ready paste-up of artwork, including type, photography and artwork or line art on one piece of art board.

Merchandising

Promotional activities that complement advertising and that are provided free or at a nominal charge by the media purchased for advertising.

Nielsen, A.C.

Provides media research for television.

Painted bulletin (Paint)

An outdoor structure on which advertising is either painted directly or preprinted on special vinyl and affixed. Usually 14 feet by 48 feet.

Excerpted from Introduction to Advertising Media: Research, Planning and Buying by Jim Surmanek.

Poster panel

An outdoor advertising structure on which a preprinted advertisement is displayed. Usually 12 feet by 25 feet.

Rating

The percentage of a given population group consuming a medium at a particular moment. One rating point equals one percent.

Reach

The number or percentage of a population group exposed to a media schedule within a given period of time.

ROP

Run-of-press or run-of-paper. A position anywhere (unspecified) in a publication.

ROS

Run-of-station. In broadcast, running commercials throughout the day and night at the discretion of the station or network, as opposed to running them in time periods designated by the advertiser.

Standard advertising unit (SAU)

A unit of measurement system for selecting and placing ad sizes in newspapers.

Share

"Share of audience" is the percentage of HUT (homes using television), PUT (persons using television), PUR (persons using radio) or PVT (persons viewing television) tuned to a particular program or station. "Share of market" is the percentage of total category volume (dollars, units, etc.) accounted for by a brand. "Share of voice" is the percentage of advertising impressions generated by all brands in a category accounted for by a particular brand, but often also refers to share of media spending.

Showing

Gross rating points within out-of-home media or number of posters displayed in transit media.

SMSA

Standard metropolitan statistical area.

TV market

An unduplicated television area to which a U.S. county is assigned based on the highest share of viewing to originating television stations.

Universe

The total population within a defined demographic, psychographic or product consumption segment against which media audiences are calculated to determine ratings, coverage, reach, etc.

television or listening to the radio and advertisements just happen upon them. Advertising has an intrusive characteristic, that of breaking into the sound or action and compelling some attention. This is where the production and content of the advertisement plays a major role.

- ▶ Mass media outlets are costly.

Measuring up the media

[CONTINUED]

- ▶ Due to its mobility, there is a tremendous potential for frequency.
- ▶ It is the largest size print ad available.
- ▶ It has geographic flexibility and can be bought nationally, regionally or locally.
- ▶ There is often round-the-clock exposure.
- ▶ It is good for a simple copy theme and package identification.

Limitations

- ▶ The size limits the advertiser to simple messages (messages should only be approximately seven words long.)
- ▶ High reach does not necessarily mean high recall of messages.
- ▶ It is a relatively high-cost medium.
- ▶ Effectiveness is controlled partially by those individuals owning the billboards.

specialized media

Advantages

- ▶ Some, like catalogs and transit, carry no editorial material, thereby getting right to your message.
- ▶ With specialized media, such as direct mail or catalogs, you are able to gain access directly into the target audience's home.
- ▶ The smaller audience size for specialized media often reduces the cost of reaching your target audiences.

Limitations

- ▶ Audiences are generally small.
- ▶ Consumers do not read or listen with the same degree of

frequency that they do with mass media.

direct mail

Advantages

- ▶ This is the most selective of all media, provided the list of names and addresses of the target audience are up-to-date and complete.
- ▶ Response to the advertising is easy to track.
- ▶ It is a personal medium.
- ▶ You have geographical and production flexibility. Direct mail can be tailored precisely to an area of the country, a



group of people or a time of year.

- ▶ Some mailings, like catalogs, have a long shelf life.
- ▶ Some mailings have educational benefits, like a chart showing how to administer first aid or a booklet on how to eliminate stains on clothing.

Limitations

- ▶ It can be very expensive, particularly when production techniques require expensive materials or when mailings are very large.
- ▶ There is often a problem with the accuracy and completeness of mailing lists.
- ▶ The delivery date may vary from person to person. Not everyone gets their mail at the same time.
- ▶ Consumers do not read or listen to direct mail with the same degree of frequency that they do with mass media.

Aaron's Rental Purchase

Aaron's Rental Purchase is expanding to Iowa. We have tremendous career opportunities with a rapidly growing Aaron's Rental Purchase franchise. We are looking for general managers and customer account managers with proven rental purchase backgrounds.

Send résumé and salary history in confidence to:

Steve Devine, Aaron's Rental Purchase
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Tips for buying media

Now that you have a marketing plan, have set your budget and are familiar with the various mediums available, you have to negotiate your media plan. The following are a few points to consider when purchasing media, once you have chosen which media is most appropriate to reach your target audience.

- ▶ Ask. One thing is for sure, you will not get anything extra or of added value if you do not ask for it.
- ▶ Be creative and allow the media representative to be creative.
- ▶ In negotiating broadcast buys, ask and expect the following:
 - packages that offer added value, such as a free week for buying the whole year up front or free spots during the months where the media has the most avails (usually January).
 - endorsements by radio personalities. If you have multiple locations, consider using them for drawings, donations and live remotes.
- ▶ In negotiating print buys, look for sponsorship opportunities and stress positioning in the publication (the ideal location in print, for example, is far forward, right-hand side). Don't be afraid to ask for free color and/or lower rates.
- ▶ In negotiating outdoor buys, "ride" the boards with the media vendor's account representative, viewing all the potential sites, timing the length of time you see the face of the board before you pass it. Look for 8-10 seconds of viewing time.

Mix it up

The value of using a media mix is that you combine various mediums to reach the largest portion of your customer base as is possible. On top of that, you are able to give each individual person in your target audience the chance to see or hear your message, regardless of which medium they favor. Top-of-mind awareness is of utmost importance, whether buying a coke, a mattress or car, as well as when choosing a health plan, a bank or a hospital. Get your name out there to the right people with the appropriate message, and they will come. ■

RentScreen

Risk Assessment, Fraud Alert & Skip Tracing Services for the Rental-Purchase Industry

Tele-Track provides applicant pre-screening to quickly and cost-effectively identify consumers who are most likely to skip. Services are provided to rental-purchase stores via touch-tone telephone or modem from Tele-Track's computer systems in Norcross, Georgia.

During the application verification process, Tele-Track provides information to identify if an applicant has a history of skipping on rental-purchase, sub-prime finance or service agreements, or uses fraudulent social security numbers to obtain application approvals.

Tele-Track's unique fraud alert service identifies applicants who have entered into multiple rental agreements in the last 60 days. Tele-Track's skip tracing services provide current address and employment information on skip accounts. RentScreen **reduces losses** and **increases recoveries** of skip accounts.

Be sure to ask about **RentScore**, Tele-Track's **application scoring system** that can standardize the way your company verifies applications.



Call 1-800-729-6981 for complete information.



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PRO1097



THE 20/20 AFTERMATH • BY PHILLIP HUDSON

LESSONS LEARNED

Although the fallout from last fall's 20/20 exposé appears to be minimal, the industry should consider the broadcast an opportunity to make some adjustments for the future.

By Phillip Hudson

It is not, as they say, a lesson too late for the learning. In fact, it offers some valuable lessons for individual companies, as well as for the industry as a whole. "It" is the ruckus caused by the media attention from the television news magazines *20/20* and *Public Eye with Bryant Gumble*. The piece on rental-purchase done by *Public Eye with Bryant Gumble* has not yet aired and, at press time, no air date was set. The *20/20* piece aired the day after Thanksgiving and did not rank in the top 20 of the Nielsen ratings where it traditionally falls.



THE FULL IMPACT OF THE SHOW remains to be seen, but reports from the field are that the local media have not been interested in the story and that customers have asked very few questions. The industry may have gotten lucky this time. However, don't be fooled into thinking that because there has not been any fallout associated with the programs so far that there are not valuable lessons to be learned.

Be prepared

Businesses and organizations will always face critical moments. It has been said that 30 years of hard work can be destroyed in just 30 seconds. While that may seem melodramatic, don't tell that to Exxon, Jack in the Box or Food Lion.

In the '90s, there is a business crisis or scandal almost every day. The media are concentrating more and

more on crisis stories. News coverage of business crises continues to increase each year. Most television news departments now have special investigative teams to dig into consumer complaints and expose business foul-ups. They get excited about stories such as the Sears auto repair fiasco and the Dow Corning silicone breast implant nightmare.

Just listen to the news "teasers" that run before the evening news and you get a feel for the new media focus on business scandal. The lesson to remember is one that the Boy Scouts have used as their motto for many years: Be prepared.

How do we get prepared? Here are 10 points to help you prepare for crisis situations and help you keep a cool head when dealing with the media in a time of crisis. Remember that editors and reporters are used to crisis. They report on several every day. They know what they want

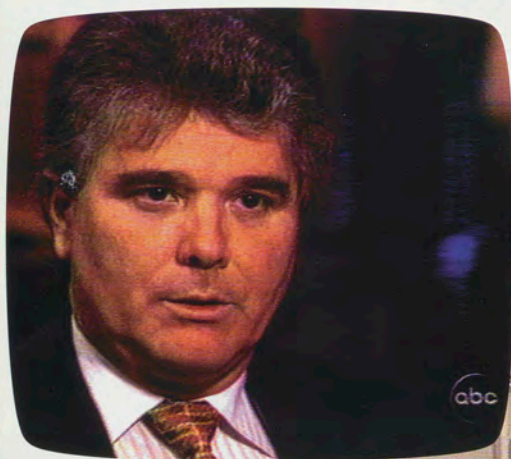
handle the media during the first hours of a crisis situation. Use the points on this list to help you develop your plan.

2. NAME A COMPANY SPOKESPERSON AND A BACKUP. During a crisis, only the spokesperson should talk to the media. Only one story should come from the company and it must remain consistent. When several people are talking to the media, several versions of what happened are presented. This causes confusion for the public, often making them think that nothing the company says is true.

3. DISCUSS POSSIBLE CRISES. Think about more than just the obvious. Come up with 10 adverse situations that could bring reporters to your doors. You and your colleagues should briefly discuss each of these scenarios and how to deal with the media in each case.

4. DEAL WITH THE CRISIS HEAD-ON. Don't hide out. Face the media quickly and openly. This is the most important time in your business career to be candid and open. It is also the one time that you really don't want to talk to the media. You must fight that feeling.

5. HAVE ALL THE FACTS. Pre-assign people to specific areas. Each person should report back to you from any point of impact that the crisis reaches.



APRO's Ed Winn III defended the industry's position. Arnold Diaz was 20/20's reporter on the RTO feature.

and how to get it.

1. PREPARE A MEDIA CRISIS PLAN. The plan should briefly state how you will

This will provide you with up-to-date information. You can't go there and gather information and respond to the media calls at the same time.

6. RESPOND TO ALL MEDIA QUESTIONS. Return every media call within 10 minutes. Return calls to radio first, then television, followed by newspaper. They will report in that order to your constituents.

7. NEVER TELL A LIE. Not even a little one. Once you tell one lie to a reporter, you have destroyed your reputation with all of them.

8. DON'T BABBLE. Never volunteer negative information. Reporters are negative enough as it is. Don't ramble on and say more than you need to. Look for opportunities to say positive things about the company or the situation.

9. NEVER GO "OFF THE RECORD." First of all, there is no such thing. Second, just stick to the facts.

10. DON'T USE JARGON. Don't use business acronyms. Keep your language simple. Remember, you are not trying to reach the reporter; the general public is your final audience.

Work from the inside out

At first glance, it's easy to sympathize with the rent-to-own industry. It is pummeled in the press on a regular basis. However, the industry is not in trouble because of the negative media attention. Rather, the industry's failure to move swiftly into an era of image-focused marketing is the root of the problem.

Sure, the industry has a new strategy. It has a new focus on its image. It has corrected many of its problems and is working to correct the remaining ones. But the fact is that all the problems of the past are not solved. There is still a need for continued efforts to improve the industry from the inside out.

Each company must continue to work on the basics. Participants in the focus groups conducted by APRO told us that the predominant image associated with rent-to-own stores was expense-related, with 40 percent describing the industry as overpriced, more expensive than buying and a rip-off. Besides price, four main areas of concern were mentioned again and again: advertising, product quality, store presentation and employees.

The public's main source of information on rent-to-own is the industry's own advertising. Unfortunately, the industry has created and, to some degree, is still perpetuating its own negative image through the use of poor-quality, price-driven advertising. It's time to "raise the bar" on the industry's advertising in terms of content and production quality.

Product quality issues were another "hot topic" for research respondents. Consumers want name-brand items, a good selection and new merchandise. Also, 20 percent of the sample stated that the availability of free service and warranties were top factors in the rent-to-own decision-making process.

The general public's image of rent-to-own stores (usually based on visuals from television advertising) is of a poorly lighted, cluttered store, where what little merchandise available is not displayed well. In most cases, this is not a representational picture of the industry as a whole. The rent-to-own store is the cornerstone of the marketing equation. It must be a shining tribute to the industry. Keep them clean, uncluttered and well-decorated.

Rent-to-own staff is also an influential factor in the consumer's decision whether to rent-to-own. Research respondents mentioned the need for knowledgeable, friendly, no-pressure staff. If the store is the cornerstone, the staff is the mouthpiece. They must be well trained to serve as advocates of the industry, not just rental furniture peddlers.

Keep talking about the benefits

Every time you tell the news media one side of the story, you obligate them to cover the other side. The media can only describe issues, which they will do endlessly, if you offer them nothing but issues. If you want the media to cover our positive messages, then you must initiate the process.

The fact is that the rent-to-own industry has a new look and a new strategy. It has a broader focus. It has corrected many of its problems and is working to correct the remaining ones. It's time to tell this story.

APRO and the industry have made

The rent-to-own industry has a new look and a new strategy. It has a broader focus. It has corrected many of its problems and is working to correct the remaining ones. It's time to tell this story.

some real headway. You have made yourselves accessible to the media. Yet, you must be careful not to position the media as the enemy based on recent encounters.

A major element of turning an industry around is convincing the public that you have achieved your goals, which means convincing the media. Making the moves to turn around the industry or helping out in the community is not enough. To accomplish this, you must:

- ▶ Be honest with the media and make spokespeople accessible to reporters. In fact, lobby the media relentlessly on behalf on the industry.
- ▶ Use the media. It is a powerful, positive tool, not an annoyance and not the enemy.

The APRO Public Relations Committee is reviewing plans to launch a comprehensive, nationwide media relations campaign to show how the industry is changing and

WAS ABC FAIR? APRO MEMBERS' 20/20 VIEWS

News correspondent Arnold Diaz began the 13-minute report on ABC's *20/20* by asking viewers if they would pay \$1,700 for a used VCR or close to \$4,000 for an entertainment center. The VCR in question was from a Rent-A-Center store. Rod Learned, director of communications for Thorn Americas, RAC's parent company, responds to Diaz's question: "ABC completely misled its viewers with this example. Their own footage of our rental agreement clearly showed the woman had paid \$53.65 in rent and had \$848.96 left to pay if she wanted to rent-to-own," he says. "The same agreement showed a \$112.66 cash option price. Your guess is as good as mine as to

"ABC completely misled its viewer with this example. Your guess is as good as mine as to how ABC twisted that [VCR] into a \$1,700 price tag. Bottom line: ABC's representation of our pricing was inaccurate and very unfair."

how ABC twisted that into a \$1,700 price tag. ABC also neglected to mention that this woman hasn't been a customer of ours for nearly 10 years," says Learned. "Our cost basis for a VCR back then was significantly higher than it is now and obviously affected the total cost of ownership.

Bottom line: ABC's representation of our pricing was inaccurate and very unfair," he says. Diaz went on to say, "Many consumers may not know up front that they'll be paying so much because, in most states, rent-to-own stores are bound by the same disclosure rules as retail stores. For instance, they don't have to put price tags on merchandise."

According to Ed Winn III, APRO general counsel, "Retail stores don't have to put price tags on items either. They do it because it's good business. They're [retail stores] in the business of making cash sales. Of the 45 states with rental-purchase statutes, 15 require price tag disclosures. And, most dealers do tag prod-

ucts with rental rates because it's good business."

When an undercover shopper working with *20/20* asked a Champion store manager if it would be better for her to put a purchase on her credit card, she got an answer that Diaz called double talk.

Clearly, what the manager was attempting to describe to the woman was that if she were to charge a product to her credit card and make only the minimum payment, she would be paying for the item for a long time to come. It might not have been delivered well, but the message was a valuable one.

At one point, Diaz says that "what really angered some critics of the industry is what we found out in our investigation does not appear to be against the law. In most states, the only place the stores are required to disclose all the terms of the deal, including the full price, is in the contract."

"That is not entirely true," says Winn. "In more than 90 percent of the states with rental-purchase statutes, if dealers disclose a rental rate in their advertising, they are obligated to disclose the total rental-purchase price as well."

Diaz was also concerned that his undercover shopper was asked to "hand over her payment before they gave her the contract with the total price on it."

Margo Tillotson with Champion explained that "our manager in the *20/20* piece actually did give the woman an agreement to look at, but the agreement was an incomplete or blank agreement.

"When a customer decides how he or she intends to pay for an item, we enter that information into the computer and it customizes a rental agreement with all the appropriate disclosures," says Tillotson. "It's a function of how we operate. To create an agreement, the salesperson must register it as being paid. Customers can get their payment back if they're dissatisfied with the agreement.

"If we drew up a customized agreement for every customer without payment, we would be spending too much valuable time canceling agreements and doing re-writes," says Tillotson.

positioning itself for the future. The campaign will focus on success stories, on issues facing the future of the industry and on community relations activities. This is targeted primarily at print media outlets.

In conjunction with the national media relations campaign, an APRO spokesperson will embark on a multi-city tour to meet with interested broadcast media to discuss the changes in the industry, the future of



Jeff Underwood of Champion Rent-To-Own reviews videotape with 20/20 reporter Arnold Diaz.

the industry and community relations activities, as well as discuss issues related to the U.S. Public Interest Research Group and pending legislation. This is targeted to broadcast outlets, including television and radio.

A lesson for the learning

Rent-to-own remains a strong industry led by dedicated people, who are, no doubt, a wiser and more reflective group for the crucible they have endured. Though the weeds may be steadily growing, the lesson is not too late for the learning. But the lesson won't keep forever. ■

Phillip Hudson is a public relations account manager with TateAustin, a public relations and advertising firm in Austin, TX.

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KENTUCKY, MICHIGAN
"SHARING THE
PROSPERITY"



June 9, 10 and 11

Adams Mark Hotel [next to airport] Indianapolis, Indiana

TUESDAY, JUNE 9: Golf Outing

WEDNESDAY, JUNE 10: Seminars, cocktail party, dinner and trade show

THURSDAY, JUNE 11: Business meetings, trade show

Yes, sign me up for the 1998 Midwest Rental-Dealers Trade Show

Company _____

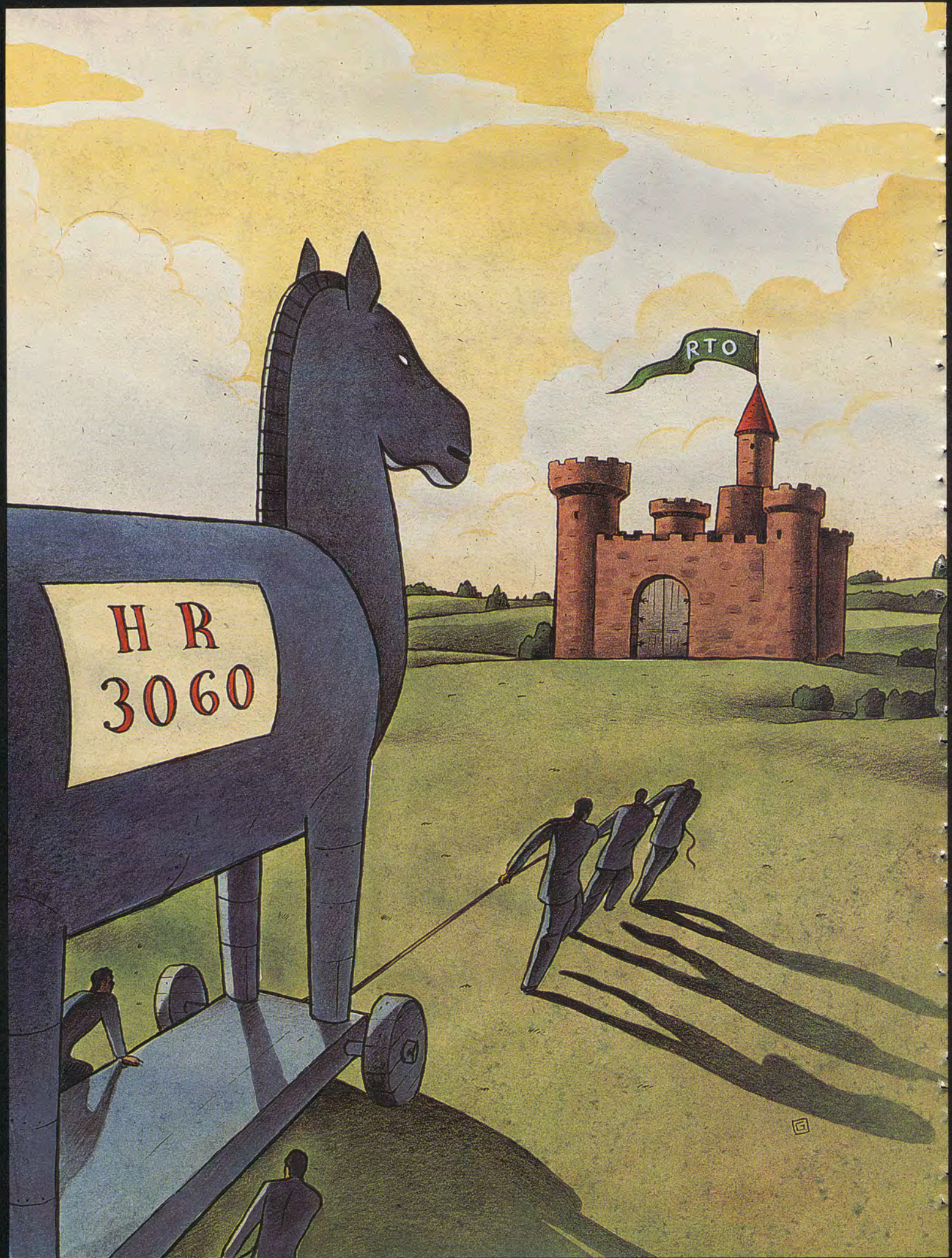
Contact _____

Telephone [_____] _____

- Tuesday Golf Outing; number in your party attending _____
- Wednesday Seminars and Trade Show
- Dinner [\$9.99 per person]; number in your party attending _____
- Thursday Trade Show

Please send form to:
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5109 N. State Rd. 37 Bus.
Bloomington, Indiana 47404
Or fax 812/331-5527

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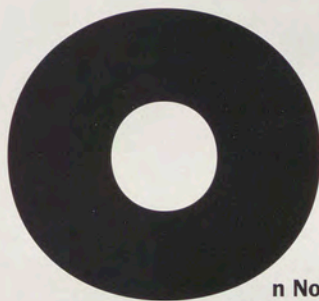
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THE

RENTAL-PURCHASE
FACES NEW
CHALLENGES
IN WASHINGTON
BY ED WINN III



DILEMMA

On November 13, Rep. Joe Kennedy (D-Mass.) introduced HR 3060, entitled the "Rent-to-Own Reform Act of 1997." This bill follows previous reform efforts, the "Rent-to-Own Reform Act of 1996" and the "Rent-to-Own Reform Act of 1993." The two previous bills were introduced by Rep. Henry Gonzalez (D-Texas), who has said he was retiring from public office at the end of 1997. In 1993, Gonzalez was chairman of the House Banking Committee and Kennedy was chairman of the Subcommittee on Consumer Affairs. Rental dealers will recall that during that Congress, the Gonzalez bill garnered so little support that he could not even get his bill approved by a majority of his own committee.

During the hearings in 1993, Kennedy issued his memorable sound bite when he described rental dealers as "sharks feasting upon the minnows." Now he is a chief sponsor of this year's anti-rental-purchase bill. Some dealers are concerned that the Kennedy mystique may be able to move a bill farther along than Gonzalez was able to do and that the Kennedy media machine will generate and perhaps has already generated more than the industry's fair share of public criticism.

S

ubstantively, the Kennedy bill is little different from the previous Gonzalez offerings. HR 3060 would characterize rental-purchase transactions as credit sales under federal and state law and subject the industry to the gamut of prohibitions that apply to creditors under the Truth-In-Lending Act, the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act, as well as all state limits on “interest, finance charges or time price differentials.”

If a state has a finance charge limit of 18 percent on credit sales, for example, then the Kennedy bill proposes to insert the same limit on rental-purchase transactions. Kennedy, like Gonzalez before him, allows a “termination fee” of up to 5 percent of the cash price, but the bill goes on to provide that any termination fee “shall be calculated as part of the finance charge...under Truth-In-Lending.” It is unclear whether the bill would allow dealers a 23 percent charge over the cash price or merely 18 percent.

The Kennedy bill does relax one price fixing component of the Gonzalez regulatory scheme. The provision concerns how “cash price” is defined. Gonzalez defined cash price as the price at which actual sales are made in the store or if no sales are made, then the “average cash retail price of the item...in the community.” The Kennedy bill merely refers to the “bona fide retail price for an item...” The language is vague and may leave dealers free to establish their own cash prices. More likely, however, the intention may be to shift the burden of proving that a retail price was bona fide onto rental dealers.

The bill goes on to suggest that services may only be valued outside a rental-purchase transaction. That language may have the very sinister meaning that unless a rental dealer actually sells services — e.g. repairs on units, outside a rental-purchase transaction, say — in a stand-alone service agreement, then the services cannot have a retail value in a rental-purchase agreement. This language may be intended to prevent dealers from charging a service fee on top of the cash price for the unit.

QUESTIONING CONDUCT

In addition to price tag and contract disclosures, the Kennedy bill contains 10 prohibitions on rental-dealer conduct. Some are benign and in keeping with existing state laws. For example, rental dealers cannot “unreasonably disclose information to third parties regarding amounts owed by the consumer.” Also, rental dealers cannot “use any unconscionable means to collect or attempt to collect a debt owed [them].”

Other prohibitions are open to interpretation and would likely open floodgates of litigation. For example, rental dealers cannot “engage in any conduct, the natural consequence of which is to oppress...any person...” Any unwelcome calls to consumers who are using rental merchandise without paying rent may be felt as oppressive by the consumers, so

vague and emotionally laden is the term. There is no standard established in the bill. The sponsors likely intend to provide maximum protection to the consumer-as-victim, which is the basis of the bill.

RESTRICTING ADVERTISING LANGUAGE

Rental dealers cannot use the word “free” in any advertising if there is any charge for the product or service, even if the charge is included “in the amount required to be paid under the contract.” Assuming the laws of economics still apply and there really is no free lunch, rental dealers would lose completely the use of this word and any equivalents although no other retailers or other merchants are similarly restricted by federal law.

Peculiarly, the Kennedy bill provides civil penalties only for disclosure violations. The Gonzalez bill provided civil penalties for any kind of violation.

THE JONES BILL

Of course, the Kennedy bill is not the only rental-purchase proposal sitting around in Congress. Last June, Rep. Walter

Jones (R-N.C.) introduced HR 2019, the “Consumer Disclosure and Rental-Purchase Agreement Act.” Arnold Diaz of 20/20 fame derisively referred to the Jones bill as legislation that would make it easier for the industry to do business.

While the industry does

generally support the Jones bill, it would mandate reinstatement rights up to 90 days nationally (as opposed to a number of states which allow reinstatement for only 21 days). The Jones bill provides mandatory advertising disclosures in line with what most states already require and requires a number of disclosures made to consumers on price tags and in rental-purchase agreements that are not currently required in a number of states.

Finally, Rep. John LaFalce (D-N.Y.) has announced his intention to introduce an omnibus consumer protection bill which will include provisions to regulate rental-purchase transactions. It is unknown whether LaFalce will incorporate one of the existing bills into his proposal or offer something of his own. LaFalce does represent a new player to the issue — one the industry hopes will take the time to learn how the industry works. This new voice may represent the first chance in several years for a break in the logjam that has existed for years and provide a real opportunity to craft fair and reasonable rental-purchase legislation at the federal level.

Copies of the Jones and Kennedy bill are available to APRO members upon request from the APRO office. ■

Ed Winn III of Overstreet, Winn and Edwards in Austin, TX, is APRO's general counsel.

THE KENNEDY BILL CONTAINS 10 PROHIBITIONS ON RENTAL-DEALER CONDUCT. SOME ARE BENIGN AND IN KEEPING WITH EXISTING STATE LAWS. OTHERS ARE OPEN TO INTERPRETATION AND WOULD LIKELY OPEN FLOODGATES OF LITIGATION.

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You receive 100 gold-plated sterling silver rings with synthetic stones to use as "samples" in your store. Included with the rings are all the accessories, marketing support and training materials you need to do business immediately.

Once a ring is selected and the size is determined either phone or fax your order and you will receive the gold ring within three working days.

WHY DO YOU NEED JEWELRY?

Can you afford to send 5% to 10% of your customers to the competition every week to make ring payments? How about profit? With jewelry you don't have delivery and service costs to subtract from revenue as with electronics and appliances. Jewelry stays out and

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HOW SOON CAN YOU BE IN BUSINESS?

In a matter of days you can be in the jewelry business with a proven program used in thousands of stores just like yours.

In addition to a complete line of fine rings, we have 10K and 14K gold chains, earrings, pendants, bracelets and watches. We can also provide jewelry showcases, case interiors and lighting at an additional charge.

**A TOLL FREE PHONE CALL 800-877-7907
WILL GET YOU STARTED**

The Fashion Craft Corporation

1824 Johns Drive Glenview, IL 60025 800-877-7907


APRO Associate Member since 1991

TELEPHONE SAVVY





TIPS FOR BRINGING IN NEW CUSTOMERS OVER THE PHONE



It's 5 p.m. on Friday—the first Friday of the month. Your company flyer hit the mailboxes today and your store is full of current customers making payments. The phone has not stopped ringing! Your supervisor wants to talk to you about your growing past-due customer problem. The trucking company wants to deliver that load of three-piece sectionals—all sleepers in a nice zebra-skin fabric with built-in recliners. Your back room is full of down-for-service washers and big screen TVs without remote controls. Your high cube truck needs new tires, an oil change and a good cleaning—maybe then the lift will work properly. Your spouse just called and wants you to come home because your in-laws are spending the weekend. They are hungry and want you to take them out for a nice dinner. You need to go to the bank with another deposit and to get some more quarters and dollar bills as you can hardly close the cash drawer. *And the phone keeps ringing!*

“I just got your flyer...”

BY BLAIR BUNDY



Ever been in a situation like this? Maybe not quite so bad; but close, I bet. How do you handle the phone calls? Read on for some proven ways to increase your phone skills.

ver been in a situation like this? Maybe not quite so bad; but close, I bet. How do you handle the phone calls? Read on for some proven ways to increase your phone skills.

Your first task is to train your staff to handle calls properly. Meet regularly with your staff to communicate your company's expectations and review rental presentations or scripts. Use whatever materials are at your disposal—training manuals, videos, audiotapes or even just role-play phone conversations. How does your staff currently respond to phone calls from potential customers? Is it, "Yes, we have VCRs. They run \$9.99 a week; come in a take a look"? Or maybe, "Where do you live?" [I hope they are in another store's trade area] or "Have you rented from us before?" [then I won't have to go through that long sales pitch] or "Let me put you on hold and get our salesperson [who just headed for the restroom] to talk to you"? Unfortunately, these latter responses are all too common in many rental-purchase stores.

Phone contact is an essential part of a rental-purchase operation. Think of the effort and expense of encouraging potential customers to call. There's the cost of Yellow Pages ads, flyers, signs, window graphics and even putting the store's name and phone number on your vehicles. Studies show that the cost of attracting new customers range from \$50–\$100 per customer. Then there's the premium price paid in rent for your highly visible location. You have loyal customers who refer family and friends, many of whom will call first, and you have a staff who wants to be part of a successful operation. Make sure you and your staff know how to make the most of your advertising and rental dollars.

THE GREETING: STARTING OFF ON THE RIGHT FOOT

Your greeting could be the start of a long, profitable relationship with a new customer. Studies have shown that about 60 percent of a typical rental-purchase store's business comes from referrals.

Answering the phone in three rings or less should be the standard for every store. Clearly identify your company and yourself. Speak clearly and slowly in a voice and tone that says, "I want you as a customer." Ask for the customer's name—and use it frequently

throughout the call—to start building a rapport with the customer *now*. Don't ask "Where do you live?" or "Have you rented from us before?" as part of the greeting. Assume the caller knows where you are and chose your location for a reason.

Do not offend customers by interrogating them just because they called you! If trade areas are a concern, as in large metropolitan areas, your job is to get the customer for *your* company. Besides, the caller may wish to rent from your location for a good reason. Perhaps the caller works nearby or your store is larger and has a better selection or maybe the customer shops at other stores near you or in the same shopping center. If the caller has rented from you before, he or she will usually tell you early in the conversation.

Be pleasant, enthusiastic and communicate your desire to serve customers' needs. Let them know you want their business.

TAKE THE TIME TO LISTEN

Next, you need to qualify the customer's needs. Ask some questions to better understand what the customer wants. For instance, if the customer is looking for a television, you could first say, "We carry a wide selection of TVs, from 13-inch portables to 60-inch big screens." You can also mention name brands at this point. Then ask questions like:

- ▶ "Is this a second TV for the bedroom or is it for the living room?"
- ▶ "Are you replacing an older model?" If yes, ask, "What size is the model you're replacing?"
- ▶ "Is it going in an entertainment center?"
- ▶ "Will you be hooking it up to a stereo, video game or VCR?"
- ▶ If the customer wants a big-screen television, ask how large the room is; projection and large screen televisions need a lot more room.

These are just a few examples of how to qualify a potential customer. Product knowledge is essential to be able to guide your customer through their options. Filling the customer's needs right the first time will help keep the unit rented and help you retain a valuable customer.

SHOW OFF YOUR PRODUCT KNOWLEDGE

Now that you know what the customer wants, it's time to really push. Choose two or three products to present. Tell the customer at least three product features and how those features will benefit the customer. It is very hard to keep up with all the features and benefits of all your products. It helps to read the manuals and set up and try out the units in your showroom.

Explaining features and benefits of a VCR might go something like this: "This four-head, hi-fi stereo model has a universal remote that will operate many brand-name TVs along with the VCR. This way, you only need one remote! The VCR can plug right into your stereo so you get stereo sound on the movies you rent. The four heads let you use slow motion or scan functions and still see the picture. This VCR also has front A/V jacks so it's easy for you to connect a camcorder or video game." Properly communicate features and benefits to build the product's value and show the customer how the product will enhance life at home.

Use this time to rent up and add on. Rent a more deluxe model or add-on items such as lamps with a living room set or an enter-

tainment cabinet with a television. Ask for the order. The customer may be ready to fill out a rental order now.

EDUCATING THE CUSTOMER ON RTO

Discuss your rental-purchase program and services, for example:

- ▶ No credit checks
- ▶ No long-term obligation or commitment
- ▶ Free delivery
- ▶ Free service
- ▶ Easy purchase option
- ▶ Convenient payment options
- ▶ No big down payments or deposits

You must push your company's program as hard as you pushed the customer on your products. Ask for the order. You can't close a transaction without asking for an order.

CLOSING THE DEAL

Tell the customer about store or company promotional offers. Be excited! People respond well to special prices on special products offered for a limited time. Even if they are not interested, they may know someone who is and pass it on.

Now that you've built value (program and service), you can discuss how much and how long. Restate that there is no long-term obligation or commitment and that the customer can purchase or return the unit at any time. Respond to the customer's questions, but work to get the order and close the rental. Cover all the options regarding early purchase when the rental agreement is signed.

If the customer is still undecided, then, depending on the state and company, offer an incentive to order now. Your company may allow you to discount the first payment, give some free rent or maybe offer an add-on package special to help motivate the customer to order now.

Keep using the customer's name and reinforce the no risk or obligation and the value of trying your product at home! Listen carefully for objections and be prepared to respond. Remind the customer that taking an order is not binding; you just want to start the verification process as soon as possible.

PLACING THE ORDER

Let's assume the customer agrees and wants to place the order. Great! You are now within sight of true success—the actual delivery of the product. However, now is the time that everything can fall apart. Don't be too demanding during the order-taking process. If you demand six references and copies of documents, then you will easily turn off the customer.

Get as much of the information as you can at this time. Ask the customer to call you back with the missing information so you can complete the order. Usually, addresses and phone numbers and numbers of references will need to be completed later. Get as much as you can now, especially the customer's address and phone number, any

landlord's address and phone number and work information.

Call the customer if you haven't received a return call in a reasonable amount of time. If you don't get a little information, then you really haven't closed the deal. Repeat the product features and benefits and the rental-purchase program details. Try to find out why the customer is reluctant to order.

SETTING A GOOD EXAMPLE

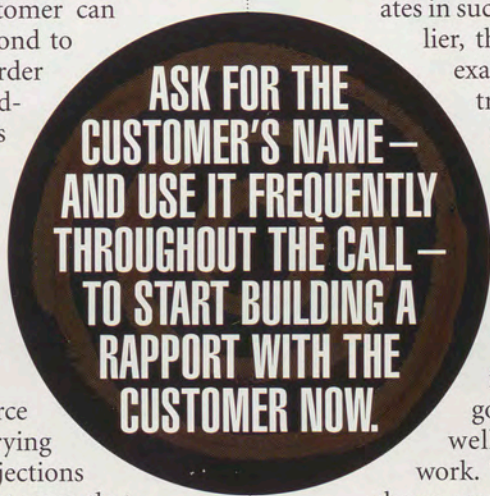
If you must put a customer on hold, ask them if it is O.K. and wait for a response. Limit holds to no more than 30 seconds. Any longer and the customer is prone to hang up and lose favorable impressions of you and your company that you have worked so hard to establish.

If you may be longer than 30 seconds, ask for a name and phone number and offer to call the customer right back. Make sure you really do call back quickly, preferably within 15 minutes.

How can you make sure your store operates in such a manner? As stated earlier, the store manager sets the example. Let only thoroughly trained staff conduct phone presentations. Have staff not yet trained pass the phone call on to trained staff members. Follow up on every call by listening closely to your staff's presentations. Give your staff balanced feedback after the call by going over what was done well and what areas need work. This way, everyone's telephone presentations will be better and your customer base will grow.

If your company uses a professional mystery shopping company, use the tapes and scorecards as a tool to improve staff awareness through feedback and direction. Remember, to grow your business you *must* make every call a close and thus a deal. Only then will your store reach its goals and your company continue to grow and prosper. ■

Blair Bundt has more than 14 years of experience in the rental-purchase industry. He is a partner in the business service company Shopper's View, which serves the rental-purchase industry. He also provides consulting services for the RTO industry.



~RTO~

on display

Leather sofas with style

Sheffield Leathertime is the store to meet all of your leather needs. Sheffield now offers leather sofas and love seats with style features to entice the RTO dealer.

Leathertime style 456



features pillowtop seat cushions, flared arms, baseball stitching, soft fiber filled backs and arms and high density foam cushions. The sets are available in stock in three colors.

For more information, contact Bob Bradlin, Sheffield Furniture, 2100 E. 38th St., Box 58812, Vernon, CA, 90058, 310/395-1356.

Relax-R offers a sweet bargain

Relax-R has an introductory offer that no RTO dealer can refuse. For a

limited time, Relax-R has the F3/400 and the F10/400 swivel-glide-recline motion chair and matching glide ottoman available for only \$249. Both models have a 30-day rent guarantee.

These models feature a plush wide back for the comfort of extra cushioning. The Relax-R chairs have 100 percent metal frames and come in a variety of fabrics, polyurethane or leather to match any decor. The reclining back can be adjusted to stay in

one position using a convenient handle located on the side of the chair.

This offer ends March 31, 1998. For more information, contact Butch McCracken, Relax-R



Swivel, glide and recline in Relax-R's specially priced chair.

Corp., 75 Nason St., St. Albans, VT, 05478, 800/850-2909.

Amenities abound in Office Star chair

Office Star Products of Pomona, CA, released the FD500, an all-new line of multi-purpose utility chairs. Fabricated from 18-

gauge tubular steel, these folding chairs meet or exceed all safety and manufacturing standards.

Available in matte black, textured blue, textured taupe or textured green finish, the FD500 features an injection-molded vinyl back with a color-coordinated padded seat cover. All upholstered surfaces have been treated with 3M Scotchgard to reduce wear and tear and resist staining. These lightweight chairs stack easily and can be stored almost anywhere.

"These chairs offer tremendous merchandising flexibility, particularly



Office Star's new utility chairs

Sandberg's Italian contemporary bedroom suite



for rental dealers," says Jerry Peluso, Office Star vice president.

For more information, contact Jerry Peluso, Office Star Products, 2883 Surveyor St., Pomona, CA, 91768-3251, 800/950-7262.

Sandberg offers sleek bedroom suite

Sandberg Furniture introduces an Italian-contemporary bedroom suite that features an exclusive "Ultragloss" finish on each Pearly Satinwood grained laminate surface. Multiple coats of "Ultragloss" are added to each casepiece for extra depth, beauty and durability. The Eurostyle headboard features an accent light and tambour lens cover and is uni-sized to accommodate full, queen- or king-sized mattresses. The spacious master chest is a combination five-drawer and door storage unit. The suite is also available in Ebony Satinwood.

Since 1918, Sandberg

Furniture has been manufacturing fine quality bedroom furniture. Sandberg's 200,000-square-foot factory and finished goods warehouse make it ideal

for the RTO dealer.

For more information, contact Bob Bradlin, Sandberg Furniture, 3251 Slauson Ave., Los Angeles, CA 90058, 310/395-1356.

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We're looking for a **CHIEF OPERATING OFFICER** with significant multi-unit level management experience (preferably 75 or more stores), and a **VICE PRESIDENT OF PURCHASING**. The successful candidates will help direct our rapid expansion program. We want leaders who are excited about building a great company; people who are passionate about their work and believe that they can make a difference. The positions necessitate relocating to the western United States.

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Fax: (801)583-8419
1338 Foothill Boulevard
Salt Lake City, UT 84108

Management services

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Grant Thornton LLP*

Contact: Keith O. Newton
1445 Ross Ave., Suite 3600
Dallas, TX 75202-2774
214/855-7300

Kirkpatrick, Sprecker & Co.*

Contact: Jayde Sprecker
311 S. Hillside St.
Wichita, KS 67211-2130
800/275-5935

White & Co.*

Contact: Michael S. White
1020 N. Main St., Suite B
Wichita, KS 67203-3617
316/265-4877

Whitsell & Co., P.C.*

Contact: Daniel Whitsell
1250 E. Copeland Rd., Suite 600
Arlington, TX 76011-4914
817/261-4454

ADVERTISING/PROMOTIONAL

ADEXPRESS*

Contact: Pat Baynham
3700 Wanda Lynn Dr.
Metairie, LA 70002
504/455-7034

Ace Mailing Services*

Contact: Ken Ramsey
1901 S. Cobb Industrial Blvd.
Smyrna, GA 30082
770/431-2511

Bagwell Agency*

Contact: John F. Bagwell
8131 LBJ Freeway, Suite 370
Dallas, TX 75251
972/234-6223

Bonnie "The Flyer Specialist"***

Contact: Bonnie Nitzsche
10110 Cincinnati/Columbus Rd.
Cincinnati, OH 45241
800/83-PRINT

Central File**

Contact: Dan Chaudoir
1000 N. Wisconsin Centre
Port Washington, WI 53074
800/749-6245

Digital Marketing*

Contact: David Gwen
157 Dexter Ave.
Mobile, AL
334/476-7400

G&G Graphics**

Contact: Gene Pharis
3420 Oakcliff Rd., Suite 101
Atlanta, GA 30340
770/451-9095

Inform Business Systems***

Contact: Chet Pensak
1209 S. Ridgewood Ave.
Daytona Beach, FL 32114-6127
888/786-3676

RTO Media*

Contact: Rick Finley
5114 Balcones Woods Dr.,
Suite 307-329
Austin, TX 78759-5212
800/947-4786

Thompson Wells Advertising Ltd.*

Contact: O.J. Johnson
1611 S. Federal Blvd., Suite 210
Denver, CO 80219-4862
303/922-5571

Total Package Marketing**

Contact: Ed Brandhorst
101 Executive Dr., Units 6 & 7
Moorestown, NJ 08057-0723
609/722-1500

FINANCIAL SERVICES

Accord Capital Corp.*

Contact: Kevin M. Webb
2504 East 21st #A
Tulsa, OK 74114-1706
918/742-7559

BT Alex Brown*

Contact: Vivian Ma
1290 Avenue of the Americas, 10F
New York, NY 10104
212/237-2147

Comerica Bank-Texas*

Contact: Reed Allton
P.O. Box 650282, Mail Code 6595
Dallas, TX 75265-0282
214/890-5367

Equitable Securities Corp.*

Contact: Ed Ciskowski
800 Nashville City Center
511 Union St.
Nashville, TN 37219
615/780-9300

Finova Capital Corp.*

Contact: Sharon Reed
1 Galleria Tower
Dallas, TX 75240
972/458-5647

George K. Baum*

Contact: Kevin Dyches, CFA
120 W. 12th St.
Kansas City, MO 64105-1917
816/283-5394

HPB Associates*

Contact: David Stemerman
888 7th Ave., 46th Floor
New York, NY 10106
212/664-0990

NAFCO**

Contact: Terry L. Fleck
13760 Noel Rd., Suite 918
Dallas, TX 75240
972/960-0850

Rauscher Pierce Refsnes Inc.*

Contact: George Sutton
2711 N. Haskell Ave., Suite 2400
Dallas, TX 775204-2936
214/989-1000

Stephens Inc.*

Contact: Jerry Robinson
950 E. Paces Ferry Rd., Suite 3120
Atlanta, GA 30326
404/240-1255

Stockbridge Partners*

Contact: Joseph L. Feshbach
425 Sherman Ave., Suite 220
Palo Alto, CA 94306
415/688-3151

The Robinson-Humphrey Co.*

Contact: Dennis Van Zelfden
3333 Peachtree Rd. N.E., 9th Floor
Atlanta, GA 30326
404/266-6152

Wheat First Butcher Singer*

Contact: John A. Baugh
901 E. Byrd St.
Richmond, VA 23219-4069
804/782-3297

FRANCHISING AND STORE LICENSING

Aaron's Rental Purchase**

Contact: Jim Steger
309 E. Paces Ferry Rd., N.E.
Atlanta, GA 30305
404/237-4016

ColorTyme Inc.*

Contact: Mitch Fadel
P.O. Box 168328
Irving, TX 75016-8328
972/751-1711

Premier Rental-Purchase*

Contact: Trooper Earl
213 McLaws Circle, Suite 2
Williamsburg, VA 23185-5649
757/229-1400

Rent-America Inc.*

Contact: Larry Tinney
5408 Yadkin Rd.
Fayetteville, NC 28303-3199
910/864-5778

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[Property/liability insurance for members east of the Mississippi]
Contact: Sherry Stevenson
P.O. Box 168
Winston-Salem, NC 27102
800/466-0488

Mass Marketing Insurance Consultants°

[Group health insurance for members]
Contact: Ed Sterczek
14616 John Humphrey Dr.
Orland Park, IL 60462-2642
800/349-1039

RTO Systems Inc./ Walter Clark & Associates**

[Property/liability insurance for members west of the Mississippi]
Contact: Jeanette Willingham
1055 W. Morton Ave., Ste. C
Porterville, CA 93257
800/457-9362

MISCELLANEOUS

AIRBORNE EXPRESS PROVIDER Unishippers Association of San Francisco°

Contact: Bruce Collett
2171 Pacific Ave., Suite 203
San Francisco, CA 94115
800/962-0782

CLUB PROGRAM FORESIGHT Inc.**

Contact: Danny Wright
3700 W. Robinson St., Suite 230
Norman, OK 73072-3639
800/733-0811

The above list of management-services providers cater to the rental-purchase industry. All are either APRO Associate Members (*), advertisers (+) in APRO publications or APRO convention exhibitors (^). In addition, there are APRO endorsed member benefit program providers (°).

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954/753-5849

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Tracy, CA 95378-0611
209/835-2720

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Dispute Resolution Inc.°**

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800/685-0999

MYSTERY SHOPPING

Shop America+

Contact: Wesley Miller
3609 W. Alexis Rd., Suite 202
Toledo, OH 43623-1348
419/473-9012

Shoppers View**

Contact: Steve Leach
3939 Mayfield Ave. NE
Grand Rapids, MI 49505-2368
616/361-5677

ON-HOLD MESSAGE PRODUCER

Sold on Hold**

Contact: Damon Oran
12700 Park Central Dr., #1401
Dallas, TX 75251-1502
972/404-1000

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Moore Document Solutions*

Contact: Todd McGrath
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Louisville, KY 40223
502/426-7105

**RTO Consulting &
Management Inc.***

Contact: Lindsey Semon
101 Gerald Lee Ct.
Charlotte, NC 28270-1498
704/442-1194

RTO EMPLOYEE TRAINING

Triad Learning Systems Inc.***

Contact: Larry Randolph
P.O. Box 450392
Garland, TX 75045-0392
214/530-1260

RTO LEGAL SERVICES

Saperston & Day, P.C.*

Contact: John B. Elleman, Esq.
500 S. Salina St.
Syracuse, NY 13202
315/422-5900

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ALERT AND COMPUTERIZED
SKIP TRACING SERVICES**

Tele-Track Inc.***

Contact: Dana Webster
3841 Holcomb Bridge Rd.
Norcross, GA 30092-2205
800/729-6981

**THE RENTAL INDUSTRY
BUYING GROUP**

TRIB Group**

Contact: John Blair
3180 Presidential Dr., Suite F
Atlanta, GA 30340-3900
770/451-4302

**WAGE-AND-HOUR
CONSULTATION FOR MEMBERS**

Harry Weisbrod Associates Inc.°

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Dallas, TX 75382
214/373-0435

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How do you involve your store in the community?

Jim Wilson

HEARTLAND ENTERPRISES
WICHITA, KANSAS

We donate computers to Big Brothers Big Sisters to help with their bowl-a-thon. Our computers help them process the donations and organize their fund-raiser. We are owned by another company that originally installed their computer systems, so whenever they need services donated, we are more than happy to do it.

We also usually offer reduced prices to any other types of charities that approach us.

Sean Kelly

BABER'S LEASING
JACKSON, ALABAMA

Recently we donated \$100 to a local charity, St. Matthews Baptist Church. I think right now we are trying to get together a donation for St. Jude's Children's Hospital.

Most charities call in and we refer them to the home office where they make the final decision about a donation.

Brett Brayford

RENTOWN USA
PORTLAND, OREGON

We try to help out any time we can. We work with different elementary and high schools any-time they need equipment for anything. Usually we donate big

screen TVs, furniture, stuff like that.

We also work with political campaigns and donate equipment for their events. We work with all kinds of people and affiliations.

Usually, we contact people in our immediate area to see if they need anything. We've been involved with the community for about seven years, ever since we've been here.

Tom Aleman

STAR HOME RENTAL
HOUSTON, TEXAS

Right now we're not doing too much. We do have a nice referral program with different apartment complexes in our area. We host contests to give away TVs, VCRs and that kind of stuff. We also donated some money to one of the properties to have a Christmas party and we paid for uniforms for their volleyball team.

We would like to work more with the charities in our community, but we haven't had the time yet to research it.

David Davila

AARON'S RENTAL PURCHASE
SAN ANTONIO, TEXAS

Right now we're engaged in a plan that starts in October. We accept toys for Hispanic Santa, a city-wide event that gives toys to

kids in the area. People drop off toys at our stores and the police department comes by and picks them up. One of our customers is a police officer. He suggested that we get involved and we did.

We also donate food once every other month to help out local churches.

Jane Dyer

AMERICAN RENTAL
COLUMBUS, INDIANA

We give a lot of free movies and TV rentals away to raffles, especially at the spring and fall festivals that we have in our community. We have also donated TV rentals and movie rentals to church lock-ins. I made a contribution to St. Jude's Children's Hospital just last week. I've been at this store for 12 years; we have always donated things to the community. ■

Serenity Leisering is a senior in journalism at The University of Texas in Austin.

MONEY.



GE's INNOVATIVE WASHER DESIGN WILL KEEP IT IN YOUR POCKETS.

For a washer to earn its keep, it's got to be dependable. And that's exactly what GE's innovative line of rental washers are all about. First, our revolutionary Auto Balance Suspension System virtually eliminates the noise and vibration caused by unbalanced loads that could cause problems in other washers. If our washer does have a problem, it's 100 percent front serviceable with 40 percent fewer parts, so any downtime is short-lived. Other features include quick-set installation, 31 percent less weight than before, a steel drive transmis-

sion, a 20 year limited warranty on the PermaTuf II™ Basket, and a galvanized steel cabinet with a durable rust resistant finish. To keep the money in your pockets, get the washer that keeps on washing. For more information on our complete product line, programs and distribution system, please call:

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