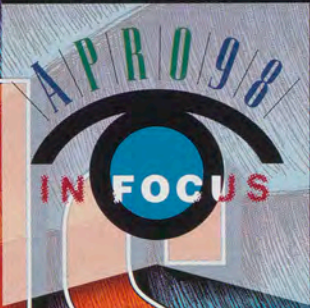


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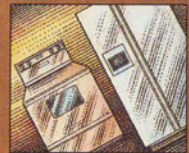


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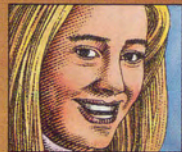
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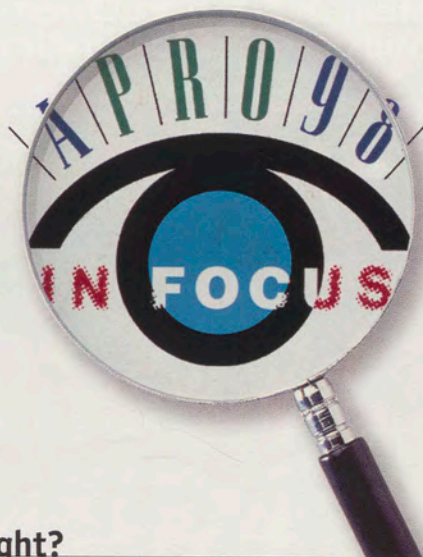
Image is everything

In order to generate new business and keep up with the competition, you've got to dress for the part. Serenity Leisering spoke with rental dealers, both large and small, who have taken that first step toward remodeling their stores to create a brighter, more contemporary look and feel.

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APRO '98: In Focus

This is your invitation to attend the 1998 APRO convention and trade show, August 12-15 at the Walt Disney World Contemporary Resort in Lake Buena Vista, FL. Find out what's on the business and entertainment agenda for this year's show. Sign up today for the Richard Petty Driving Experience and/or the 1998 APRO Tom Kitchens/Joe Eason Golf Tournament! For the full registration form, see page 37.



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Fight or flight?

APRO General Counsel Ed Winn chronicles the rental dealer's survival instinct and fight-or-flight reactions to criticism. "Flight" responses include eliminating the words "rent-to-own" from corporate names, dba's and advertising. "Fight" responses include dropping prices on low-end electronics. "All of these survival responses have a beneficial effect for consumers," says Winn.



44

Quick and easy market research tips

Richard G. Ensman Jr. offers 20 quick and easy market research tips to gain insights into the attitudes of people who rent from you. By increasing your ability to respond to customer needs quickly and efficiently, you'll position yourself as a listener and give yourself the ability to capture more business in the future.



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"How do you keep good customers coming back?"

COVER ILLUSTRATION BY CHUCK RANCORN

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WHERE ARE THE LEGISLATIVE CHARTS?

We usually publish our rental-purchase legislative update in a summer issue of *Progressive Rentals*, outlining changes to RTO laws in the past 12 months, state by state. However, due to the lack of state legislative action affecting our industry in 1997-98, we are not publishing the update this year. If you would like a copy of last year's update, which is still current, call 800/204-2776.

SunTrust predicts future trends

Earlier this year, SunTrust Equitable Securities issued a research report on the consumer leasing industry that indicated the future of rent-to-own looks very bright on the stock market. Here are some key investment

issues SunTrust reported to potential stock buyers:

► *Consolidation in a large, highly fragmented industry.* The consumer leasing industry is comprised of about 8,000 companies generating \$4 billion in annual rentals. Currently, about 42 percent of the 8,000 stores are in the control of public competitors. In 1997, Alrenco and Action RTO Inc. merged. Further consolidation has progressed this year with Rent-Way buying Champion. Going forward, we expect this trend to positively impact earnings per share.

► *A 6 percent market penetration leaves significant room for industry growth.* The Association for Progressive Rental Organizations reports that 2.95 million households were served by the consumer leasing industry in 1996. Further, based on U.S. Census Bureau data, we estimate a target market of almost

46 million households implying a 6 percent market penetration.

► *Wayne Huizenga and George Johnson add credibility.* The Alrenco/RTO merger brought to the forefront Huizenga and Johnson's enormous credibility associated with their ongoing success of growing franchises in consolidating industries. More specifically, Johnson, chairman of the newly formed company, brings the valuable experience of developing Blockbuster Video and Extended Stay America. Similarly, Huizenga's strong credibility with Wall Street validates the consumer leasing industry as a



growth investment vehicle.

► *Multiple strategic growth opportunities.* Few industries offer the opportunity of several

avenues of growth. The consumer leasing industry is an exception. Excellent returns are achievable by acquiring existing stores at reason-

able revenue multiples and opening new stores in strategic locations. Also, through franchises with first rights of refusal, companies are

Mid-Year speakers included: Wayne Chambers, top right; Glen Downs, below left; Ron DeMoss, Darrell Tissot and Bill Keese [during the Roundtable sessions], second right; and Ed Winn and Ron DeMoss, third right. Bottom: APRO members Kathy McCarthy, Mac McCullar, Sandy Blackwell, Mary Kemp and Bruce Kemp at Foresight's hospitality suite.

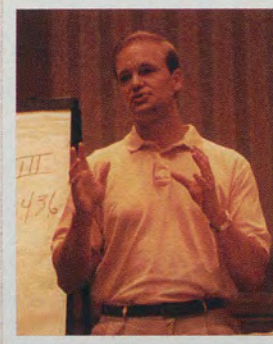


Mid-Year Conference relaxing and rewarding

More than 90 rental-purchase industry representatives flew in from across the United States to attend the 1998 APRO Mid-Year Conference held May 4-6 in Puerto Vallarta, Mexico. In between margaritas and relaxing by the seaside pool at the tropical Marriott CasaMagna, attendees got together to share ideas and experiences at the 1998 Human Resources Forum, moderated by APRO General Counsel Ed Winn III and Rent-Way's Ron DeMoss, on Monday afternoon.

Dealers discussed employee drug testing, employee practices liability insurance and the importance of adequate training, among other subjects. Later that evening at sunset, a hospitality suite was held, sponsored by Foresight Inc.

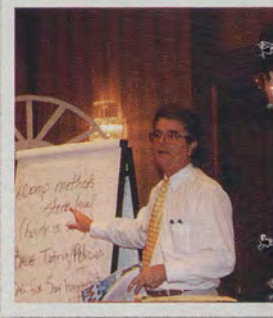
The APRO Annual RTO Legal Update and Tax and Accounting Update, held Tuesday morning and presented by Ed Winn and Wayne Chambers of Home Choice, respectively, drew an impressive crowd of dealers. Glen Downs, chief of staff for Rep. Walter Jones (R-NC), who is sponsoring the industry's federal bill, presented an insider's view of the inner workings of Washington politics. As for tax and accounting, Chambers focused on state tax issues, such as personal property tax and the taxability of "other charges," as all is rela-



tively settled on the federal tax front. After these morning meetings came to a close, a complimentary luncheon was held by the sea, sponsored by Nationwide Club Administrators Inc.

Concluding the three-day meeting on Wednesday was a morning Rental Round Table discussion. Everything from employee issues to a lively discussion of the effectiveness of the "rent-to-own" phrase in store names and whether it helps or hinders new business was brought up to the table. In

1999, it was voted that this annual meeting be held in a cooler climate — Colorado Springs, CO. We'll keep you posted on dates and hotel information in future issues of *Progressive Rentals*.



Top: APRO President Darrell Tissot [second from left] introduces APRO's new video that solicits industry involvement with Habitat for Humanity. Pictured along with Tissot are RTO Consulting and Management's Lindsey Semon, APRO Public Relations Chairman Ernie Lewellan, APRO's Public Affairs Director Richard May and APRO Executive Director Bill Keese. Above: Nationwide Club Administrators hosted a luncheon on the beach at the CasaMagna. Right: APRO Board Member David P. David joined staff members for a sunset cruise around the Bay of Banderas. He's featured here with the boat crew; the shirt styles were coincidental!

capable of developing a substantial future pipeline of potential acquisitions.

▶ *Attractive valuations.* The companies in the rental-purchase universe currently trade at the low end of enterprise value multiple ranges, low relative monthly revenue multiples and discounts to earnings growth. SunTrust believes these valuations will move up as the group evolves and additional "street" coverage is initiated.

In addition to these

key events in the industry, SunTrust went on to make further observations about rent-to-own in its report. For example, contrary to recent media "sensationalism," which attempted to depict the industry as filled with unscrupulous profiteers who take advantage of the poor, SunTrust's investigation turned up well-run companies with solid, honorable management teams focused on providing goods and services to people denied those necessities and luxuries

(because of little, no or poor credit histories) from the traditional retail channel.

Furthermore, SunTrust found the companies to be extremely forthright about transactions and their attendant "all in" costs. "While some less than honorable operators clearly exist, we are not inclined to believe a few bad operators are germane to the entire industry — particularly since our unannounced store visits produced very positive observations," the report says.

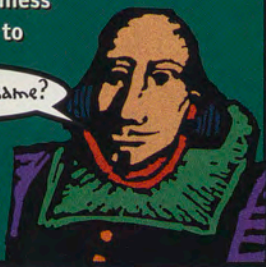
Only 20 percent of RTO customers actually own

Out of a study of 1,362,568 inactive customer records, Joe Arnette of Renters Choice Inc. confirmed his belief that more rental-purchase customers rent than own. The study revealed that the average length a customer rented — including paid-in-fulls, returns, etc. — was 4.28 months, which equates to a 21.9 percent pay-out rate.

"It's a shame that we identify ourselves by about 20 percent of our business [rent-to-own or rental-purchase], when the reality is that we are really in the rental service business," says APRO Public Relations Committee Chairman Ernie Lewallen of United Household Rentals Inc. in Ohio.

"We are certainly going to be making it a point in our conversations with business writers and financial analysts to stress that we are really in the rental service business," says Arnette.

What's in a name?



Cleek's makes an all-star appointment

The Community Voice of Columbia, MO, published a story in August 1997 about the appointment of Darryl Darling to manage Cleek's Rent-To-Own Vandiver store. Darling, who played for the University of Missouri Tigers football team, has been with Cleek's for five years.

"Tiger" John Cleek initially hired Darling to handle deliveries. Darling worked his way up the ladder to his most recent promotion as manager.

"I take my hat off to 'Tiger' John. He gave me a shot by hiring me and through hard work and striving to be the best at what I do, I showed him how committed I was," says Darling. "I've never

1998-99

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

12-15
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

JANUARY 1999

6-9
Consumer Electronics Show, Las Vegas, 910/888-3700

6-15
Atlanta Furniture Market, 404/220-3000

9-12
Dallas Furniture Market, 800/325-6587

21-25
San Francisco Furniture Market, 415/552-2311

ON THE MOVE



Rental & Sales Software Systems announces the following management changes: **BOB CARROLL**, vice president of RSSS since its inception, resigned from the company to pursue other personal interests. In turn, RSSS promoted three executives to vice presidents.

JAN MILLER was promoted to vice president, operations. Prior to joining RSSS three years ago, he was vice president of Seajay Investment Group.

MIKE SILVER was promoted to vice president, software development. Silver is a 15-year veteran of RSSS and has written and maintained many of the software programs RSSS supplies to the rental-purchase industry and retail electronics and furniture industry.

ELLISON CRIDER was promoted to vice president of marketing. Since 1979, Crider has worked for Les and Rosezell Felder (RSSS owners) in their retail and rental stores and then RSSS since 1979.

ColorTyme Vice President of Training and Operations **GLENN VALDES** was awarded his commission of Certified Franchise Executive at the International Franchise Association's 38th annual convention in March. The Institute of Certified Franchise Executives program was designed to enhance individuals' professional standing and fill companies' needs for motivated and experienced managers who have an expert grasp of franchising fundamentals and complexities. Valdes entered the retail industry managing drug stores and then rental-purchase stores. He quickly rose to corporate training positions. His experience writing and presenting store-level training programs, developing management programs and consulting for small-business owners led to his current position at Dallas-based ColorTyme, a subsidiary of Renters Choice.



Cleek's Darryl Darling

been the kind of person who wanted people to give me anything. I was taught by my parents that as an African American, you have to thrive on hard work to be the best. In some cases, you have to be twice as good as the next guy to get the breaks."

Darling played the defensive line with the 1988 Tigers, then went on to play with the New England Patriots before his football career was sidelined by an injury. He returned to Columbia where he went to work for a furniture company before joining Cleek's.

director of Mann, Armistead & Epperson and a leading furniture analyst.

"They aren't worthy of traditional, old-line credit," he says. Epperson believes this is why the rental-purchase and used-car businesses are doing so well.

Following Generation X is a new generation of consumers known as the Echo Boom. The Echo Boom consists of 72 million people now age 18 and younger. These are children of the baby boomers and they derive their label because their generation is nearly as massive as their parents' generation.

The initial impact of the Echo Boomers may be a dramatic shift from the current demand for trade-up merchandise to a flood of demand for entry-level goods. That's because the echo generations will be forming new

From generation to generation

The rent-to-own industry is in the perfect market position to keep accumulating wealth while the members of Generation X are building their households, according to an article in the February 16 issue of *Furniture/Today*.

Generation X'ers are now between the ages of 19 and 32, the prime age range for buying the first of everything. "However, this group is in low-paying jobs and they are not accumulating wealth," says Jerry Epperson, managing



households in droves, reversing a 30-year decline in the rate of household formations.

"Beginning in 2005, the fastest growth will be in the lower income segments," says Epperson. He predicts that in seven years the entry-level segment will be the place to be and that means good news for the rent-to-own industry.

Rent-Way record revenues continue

Rent-Way Inc. announced its 18th consecutive quarter of record revenues, operating income and earnings per share for the three months ending March 31, 1998. Total revenues for the quarter were \$45,902,429, a 104 percent increase over the \$22,545,381 reported for the same quarter last year. Total revenues for six months ending March 31, 1998, were \$72,568,572, a 90 percent increase over the \$38,209,279 reported for the same six-month period in 1997.

"The success of our acquisition strategy, combined with the strong performance of our existing stores, continues to push revenues, operating income, net income and earnings per share to new highs," says William E. Morgenstern, president of Rent-Way, Inc. For the three

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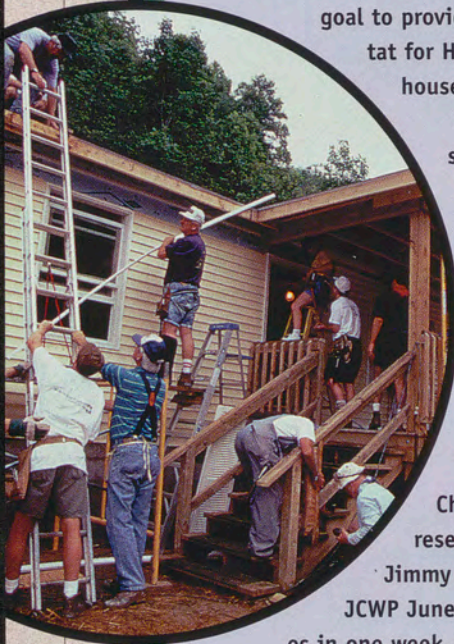
APRO gears up for a Habitat for Humanity blitz

"A stove for every Habitat for Humanity house built in America," is a statement APRO President Darrell Tissot hopes the industry one day can proclaim. Tissot, among others, is planning to put that statement to task in his own backyard.

Tissot rallied the Ohio Rental Dealers Association to set a goal to furnish a stove — or similarly needed product — to each of the Habitat for Humanity International houses built this year in Ohio. David P. David, Indiana Rental Dealers Association president, joined Ohio with the goal to provide a stove for each house built in Indiana. Habitat for Humanity International plans to build 130–200 houses in those states respectively.

Tissot and David challenged APRO members and state associations to join their goal during APRO's Mid-Year Conference in Mexico. APRO officially announced its commitment to help fight homelessness and inadequate housing as a corporate sponsor of Habitat for Humanity International. Members throughout the nation are signing up to join a cause that has already built and/or rehabilitated more than 60,000 homes throughout the world.

Leading the effort are Rent-Way and Home Choice Lease or Own. These two companies are representing the industry and APRO during the annual Jimmy Carter Work Project in Houston, TX. During the JCWP June event, Habitat for Humanity will build 100 houses in one week. Each of those houses will be provided with a Whirlpool stove on behalf of the rental-purchase industry. APRO's national involvement will depend on local participation. Habitat for Humanity International is organized through its more than 1,300 state and local affiliates. APRO and the national office of Habitat for Humanity International will help APRO members coordinate with the nearest independent affiliates.



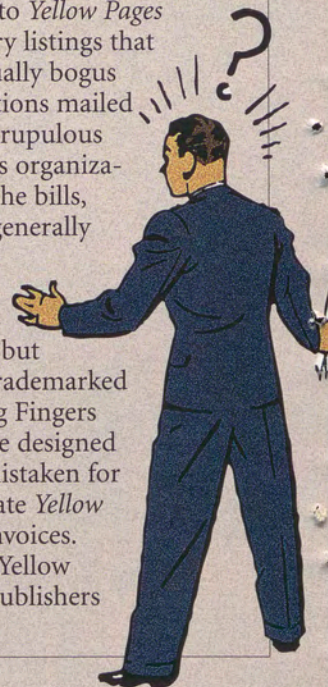
months ending March 31, 1998, same store revenues increased 8 percent over the same quarter last year.

During the quarter, the company closed two major acquisitions: the 50-store Ace TV Rentals acquisition on January 7 and the 145-store Champion Rentals Inc. acquisition on February 5. Together, these acquisitions doubled the size of the Rent-Way chain and added stores in several new markets, including the Southeast and Midwest. The company also opened five new stores. Rent-Way currently operates 386 rental-purchase stores.

Watch out for bogus ads

Rental companies and retailers across the nation are advised to be on the alert for invoices related to *Yellow Pages* directory listings that are actually bogus solicitations mailed by unscrupulous business organizations. The bills, which generally use the highly recognizable but never trademarked Walking Fingers logo, are designed to be mistaken for legitimate *Yellow Pages* invoices.

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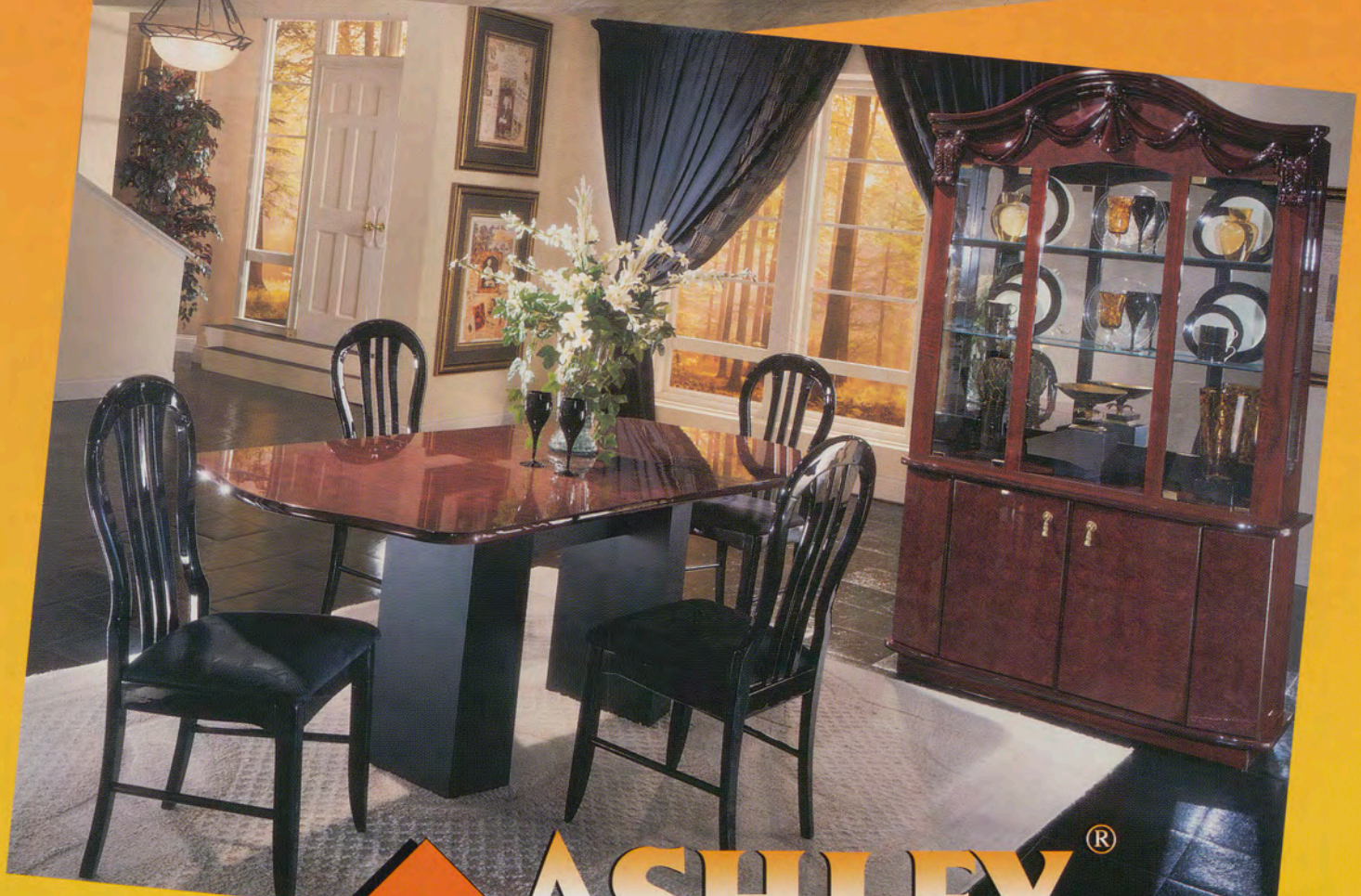
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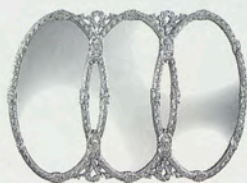
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company's ability to make rental-purchase stores in small towns turn a profit was the focus of an article that appeared in the March 27 issue of *Investor's Business Daily*.

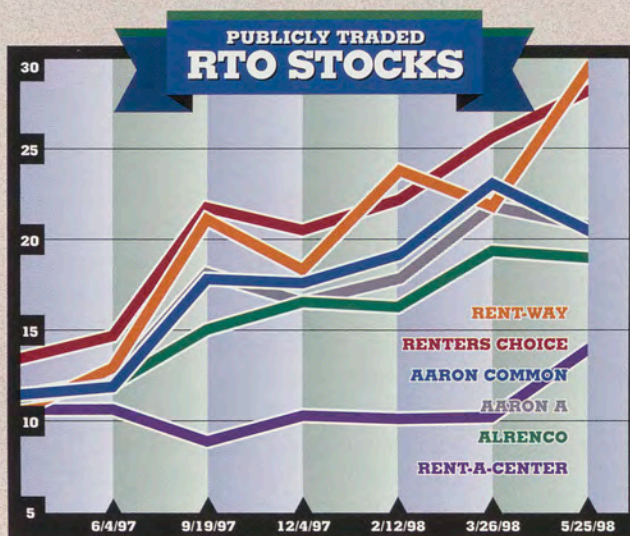
"It's amazing, but time and time again, in these small towns we see a lot of demand for [rent-to-own] services," says Renters Choice CEO J. Ernest Talley. "When you consider there may be 4,000 of those 5,000-person towns around the country, there's a lot of growth potential. And that's not counting the big cities."

Renters Choice is a leading consolidator in the rent-to-own industry. It ended 1997 with 504 stores after acquiring 71 locations and launch-

ing 10 start-ups last year. It continues to search for lucrative prospects in markets big and small. Through its ColorTyme subsidiary, the company also has 262 stores.

"Renters Choice has demonstrated that it's a master of acquisitive growth," said analyst Todd Brickhouse of Wheat First Butcher Singer in a recent report. "But with the industry roughly 45 percent consolidated and only 30 percent of potential consumers currently being reached, new-store development will be a necessity for continued growth two or three years from now."

Talley admits that at some point the pool of attractive candidates could dry up, but he says



he's not too concerned. Renters Choice is already opening new stores in markets where there are no acquisition candidates, and with much success, he says.

How does Renters Choice improve the performance of an acquired store? The first item on its agenda is to bring in higher quality merchandise and a better selection of goods. "For instance, we don't buy 19-inch TVs. We find our customers prefer the bigger screens in the 25-inch to 60-inch range," Talley says. The customers don't seem to mind paying a little bit more, he says.

A growing acceptance of renting

The U.S. Department of Labor Bureau of Labor Statistics seems to agree with a growing consensus that renting is becoming more socially acceptable. Printed in

the 1998-99 edition of the *Occupational Outlook Handbook*, under the heading of "Sales Occupations: Counter and Rental Clerks," the DOL predicts that "employment in this occupation is expected to increase faster than the average for all occupations through the year 2006...Some openings due to growth are expected to meet consumers' anticipated increased acceptance of renting items instead of buying them."

The Occupational Outlook Handbook is printed annually to summarize and forecast myriad occupations throughout the country. Included in the summary are significant points about the specific occupational category, nature of the work, working conditions, training, job outlook, earnings and related occupations. APRO was listed as a source of additional information for the rental-purchase industry.

APRO receives more honors

In March, the "Sisters" radio commercial developed by APRO won two Telly awards for excellence. It won the highest award in a regional competition, running against more than 12,000 other spots. The spot is now competing with more than 100,000 national spots for a national award.

APRO Public Affairs Director Richard May also continues to collect national recognition for his creative work. The soundtrack to the video he made for last year's convention — introducing the two new TateAustin television commercials — won a silver Telly for best original score in a video. May wrote, produced and recorded the winning song.



Having just returned from the APRO Mid-Year Conference, I promised to keep you posted on some tough issues that your board tackled and resolved during that meeting. Both board make-up and dues structure were discussed in some detail, resulting in what I believe is an overall better plan than existed in the past. All members' concerns were considered and various views were presented.

As I have discussed earlier, one item on the agenda was the make-up of the board itself. Because of rapid consolidation in our industry

representative democracy; no one can serve except by the will of its members.

The second important issue the board addressed was our dues structure. The re-

sults of the questionnaire sent out on this subject indicated an overwhelming membership desire to base dues on store count. You also indicated that Team Fund should be kept separate from the dues. Small dealers received the best of all worlds, thanks to the larger companies stepping forward.

Currently, the amount of dues a company pays decreases with the size of the company. The board agreed to set the dues at a constant level no matter what the store count of the company. The new dues rate

passed by your board with only one dissenting vote was \$375 per store. The result is a savings of as much as \$75 per store for small dealer members. An added benefit to the new dues structure is that the APRO Team Fund will be suspended beginning at the convention this year.

In other action, your board retired the "Gambini Rule." This allowed a member to serve out his/her term after selling his/her company. The board changed the rule to end a board member's term who is not involved in the industry at the next election. You overwhelmingly asked for this change in your response to the questionnaire. We also set the 2001 and 2002 conventions for Las Vegas and are looking for a return to Orlando in 2003.

It was a productive Mid-Year Conference from the board's perspective. In addition the various committees held meetings and there were three very well attended seminars. If you didn't make it, you missed a lot of good fun and a lot of good information. Next up is our convention in Orlando at the Contemporary Resort in Disney World. I look forward to seeing you there. ■

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

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 "Both board make-up and dues structure were discussed in some detail, resulting in what I believe is an overall better plan than existed in the past."

APRO board resolutions

and the dwindling number of members willing to take the time to run for a board spot, some suggested raising the number eligible to serve on the board from each company to two. Some time ago, each of you was asked to submit your opinion on a bylaw amendment. The results that came in were surprising. The responses were evenly divided between recommending two or more representatives from one company or limiting board service to only one person per company.

Your board considered both views and, in my opinion, fashioned a bylaw that answers the concerns expressed by both sides. With only one dissenting vote, the board changed APRO's bylaw on board eligibility to allow as many as two people from any one company or affiliated company to serve on APRO's board at any one time. However, there were two restrictions added: 1] That only one individual per company could be elected in any one year, and 2] No more than one person from any one company can serve on the executive committee at one time.

Obviously, this was and is an issue on which many of us will continue to disagree. I believe that the course chosen by the board preserved its integrity while increasing the pool of talent available to serve on the board. In the final analysis, each individual member company has the control of the ballot box and no company has more than one vote. APRO is truly a



By DARRELL TISSOT
 APRO's President

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APRO Associate Member since 1991

Once again, it's time to start planning for our annual convention and trade show. As you know, this year we will hold our show at the Walt Disney World Contemporary Resort in Lake Buena Vista, Florida. Mark your calendars for August 12-15. You need to be there and plan on bringing your key employees. Why? Let me tell you.

Our keynote speaker is Dr. Barry Asmus, a senior economist with the National Center for Policy Analysis. *USA Today* named Asmus one of the top five most-requested speakers in America. He is a strong advocate of free market/limited

employee hiring. I heard her speak recently at the Missouri Rental Dealers Association meeting where she totally captivated her audience. Her topic is, "How to spot problem employees before you hire."

These are only a sampling of the great educational programs we have lined up for you.

Of course, the exhibit hall is where you will want to spend much time this year. As in the past, admission is free to anyone in the business. The APRO staff has spent much effort in bringing the best vendors marketing to our industry together under one roof. There will be more than 300 booths, so be sure to bring your buyers with you. Our vendors are supporting us; we all need to support them by placing orders for the fourth quarter.

Another special event will be a once-of-a-lifetime experience. We have contracted with the Richard Petty Driving Experience for a limited number of discounted drives and rides on the one-mile tri-oval Walt Disney World Speedway. You will receive three hours of training and driving. For the more mild-at-heart, you can sign up for a riding experience with professional drivers and travel the course at speeds up to 145 miles per hour.

As always, APRO is known for its parties. We will be returning to Pleasure Island for our own private night club. You will be provided wrist bands allowing you admission to all Pleasure Island clubs for the evening. The best band APRO has ever commissioned will be playing during the Awards Banquet on August 15. Beatlemania will be the password for the evening's entertainment.

As always, the convention and trade show is the networking highlight of the year for all rental dealers, both large and small. It's no surprise that the tips you pick up at the APRO show can be of great value. So strike up conversations with as many folks as you can and share information about whatever is on your mind.

I look forward to seeing you at the show in August. ■

"Our educational seminars are the strongest we have ever offered. Disney trainers will lead seminars on creative leadership and customer loyalty. This alone is worth the value of attending APRO's show this year."

It's time to get focused

government solutions and recently testified before Chairman Bill Archer's House Ways and Means Committee on the benefits of switching from an income tax to a consumption tax. At APRO's General Session, Asmus will be visiting with us about the most important political and business issues facing America today.

Our educational seminars are the strongest we have ever offered. By now, I'm sure everyone is familiar with the creative and customer-oriented "Disney culture." If you were to attend any Disney seminar on your own, you would probably pay more than the entire registration cost of the APRO convention. This alone is worth the value of attending APRO's show this year. Disney trainers will lead seminars on creative leadership and customer loyalty.

Everyone should know the basics of being interviewed by the media. One of the top media trainers in the nation will give guidance on how to talk with the media to all who attend this seminar. Barbara Miller, who trains politicians, corporate executives and even Wall Street executives, was the trainer for both Ron Waters and me. I urge you,

and anyone in your organization who might one day be faced with a television camera or a newspaper reporter, to attend this seminar.

Another speaker I have had personal training from is Etta Valdes, who will give two seminars on



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



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I am persuaded that rental-purchase companies' rental rates as compared to straight-up rental rates are the cheapest in town. I have, in fact, proven it a time or two with informal but scientific market studies of rental rates. I compared rental rates for all the items normally available in rental-purchase stores with rental rates for tillers, lawnmowers, cameras, camping equipment, musical instruments, vacuum cleaners, electric drills, saws, air compressors, ladders, wheel chairs, computers and telephones. All of the items in the second category were offered for rent only, with no purchase option.

When I examined rental rates as a function of

it long enough. A good deal for the customer (no balloon payment) and a good deal for the dealer (moving used inventory with little residual value).

The challenge for rental-purchase marketing is to show customers the value in the transaction without confusing them into thinking that taking the transaction all the way to ownership is the cheapest way to obtain ownership of the property.

The rental-purchase statutes address this issue by generally requiring dealers to disclose the total rental-purchase ownership price if they advertise rental rates.

Too often, though, I see advertising either without the disclosures—which is inexcusable and legally quite dangerous—or with a focus on “own” and “low prices.” These attempts to create the impression that the total rental-purchase price is low is an invitation to continued criticism of the industry. That kind of advertising is not putting the best foot forward for your company or the industry. It is probably not factual unless the dealer got a great deal on a truckload of sleeper sofas that he can rent really, really cheaply. It is never going to be true for electronics as long as the power retailers are around. Most people the ads are trying to reach will know it is not factual and will know the company is being less than forthright about the business. They will shop at another rental company or, worse, decide to avoid the industry and its transaction altogether.

Rental-purchase marketing and advertising efforts simply must present the transaction accurately. We can focus on our strengths and downplay any negatives, but we cannot be duplicitous and finally be successful. Take a look at your advertising. Are you telling your rental-purchase story the best way possible? ■

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

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 “Too often, I see advertising either without disclosures or with a focus on “own” and “low prices.” These attempts to create the impression that the total rental-purchase price is low is an invitation to continued criticism of the industry.”

Rental rates and pricing

the cost of purchasing the item, the only things that I could rent and use more cheaply than the household goods available in rental-purchase stores were telephones from Southwestern Bell, pianos from the music company and some medical equipment. You do not have to rent an extension ladder from a rental yard, for example, for very many days—12 days in one of my studies—before you have paid as rent an amount equal to the retail price of the ladder.

Rental rates in rental-purchase stores are fair—even inexpensive—and we can prove it. Total rental-purchase prices for ownership are still fair, but not inexpensive. It is disingenuous to argue or, more important, to advertise that they are. It may simply be an irony of the marketplace that renting household goods may be the least expensive way to use the products and, yet, in many cases among the most expensive ways to obtain ownership of the same product.

If the residual value of a two-year-old television, sofa or computer were higher, this irony would not exist and our industry would have the same kinds of big balloon payments that can be found in the car leasing industry. But used televisions, sofas and computers are worth what they are worth. We can do business profitably by simply giving the customer the item after he has elected to pay rent on



By ED WINN III
APRO's General Counsel



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The latest Sprite jingle spouts "Image is nothing. Thirst is everything. Obey your thirst." Well, nothing could be further from the truth in the rent-to-own industry.

Image is everything.

Slowly but surely, this idea is sinking into the minds of rent-to-own dealers. In order to generate new business and keep up with the competition, you've got to dress for the part. In what is hoped to be the beginning of a new

RENTAL-PURCHASE REMODELING

trend, more RTO stores are updating their look and cleaning up their act than ever before. RTO makeovers have sparked new business opportunities for both individual contractors and rent-to-own dealers. Read on to find out what some dealers are doing to turn their rent-to-own stores into a class act.

By Serenity Leisering

GRAND REOPENING



Why remodel?

In 1997, APRO and its public relations firm, TateAustin, conducted a market research study for rent-to-own. The study consisted of data drawn from focus group discussions and surveys by consumers from around the country to gather their ideas and reactions towards the rent-to-own industry.

According to the results of the study, what America thinks about the rent-to-own store is that it's cluttered, crowded, dingy, not well-lit, merchandise is not displayed well and the product selection is limited. What Amer-

One of the circumstances that motivated potential customers to enter a rent-to-own store was attractive furniture and electronics displays. However, those who had been in a rent-to-own store tended to have negative impressions. From the focus group in Seattle, a participant said, "The store I went into was dingy...cluttered. I just sort of looked around and said I am not going to shop here."

ica expects from the rent-to-own store is a clean, safe and convenient location, nice appearance and professional displays.

The focus groups also reported that one of the circumstances that motivated potential customers to enter a rent-to-own store was attractive furniture and electronics displays. However, those who had been in a rent-to-own store tended to have negative impressions of the store itself, although a few stores were described as nicer than others.

From the focus group in Seattle, a participant said, "The store I went into was dingy...cluttered. I just sort of looked around and said I am not going to shop here."

One of the first recommendations focus group participants made were to change the

image of the rent-to-own stores to a more positive environment where customers feel "comfortable" visiting. Within the store, it was suggested that the stores have improved store atmosphere and presentation of merchandise (similar to a retail furniture store), quality products, professional staff and locations in nice neighborhoods or malls.

"I'm sold on that...how it [the store] looks," says a participant of the Seattle focus group. "You feel like that's what you're getting—how the atmosphere is. If it's not clean, not nice, you just feel like the products you get are going to be that way."

An eye for business

SOME OF THE MOST successful businessmen have been those who were able to foresee a need in the business world and get a jump start on servicing that need. Such is the case of Phil Brewer, co-owner of Brewer Construction in Mesquite, TX. Brewer and his brother started a construction company that exclusively remodels rental-purchase stores. Recently, Brewer refurbished six rent-to-own stores for the Alrenco chain, which recently was purchased by Home Choice. The primary goals of the remodeling were to give a facelift to the stores and incorporate the company's new color specifications into the design. Each store received new carpet, tile, paint and partitions in the new color scheme.

Brewer explains that the previous color schemes of the stores were outdated by at least 10 years.

"They were still using blue and yellow as their color scheme; the tile was all different colors. We took out all of that. We painted the walls white or off-white and put in gray or winter gray carpet. We gave the stores a cleaner, newer, brighter look," he says.

The new color specifications were decided upon by the management at Alrenco's home office. Before the chain was bought out, management envisioned the renovation of its new and old stores to give them a unified look.

Brewer continues, "We focused most of our attention on the showroom. We wanted to make it more open and inviting to the public." In addition to painting the walls in the showroom, Brewer put in brighter lighting, one-way glass for the windows that face the street and a large wrap-around sales counter.

Brewer's company also remodeled and isolated the electronics display to show off the merchandise better in the showroom as well.

The account representative's room was also updated. The idea here was to make the room cleaner and brighter to make it more comfortable for customers as they were talking to the salesmen and to make the salesmen more professional and credible by having nicer offices. In addition to adding more light, they put in more phones, seating and desk space.

"My brother and I know a lot about this business. I was a manager at ColorTyme for 10 years and my brother has been in construction for 20 years," says Brewer. "Most stores, with the clientele they have, are going to need to give their stores a face-lift and change color schemes every five years or so, just to keep up with the competition. They might even need to move to better locations."

Depending on the size of the store and what type of renovations are being done, Brewer Construction estimates that it costs about \$7,000–\$12,000 to renovate a 2,000–3,000 square-foot showroom.

It pays to be clean

"TIGER" JOHN CLEEK, OWNER OF CLEEK'S Rent-To-Own in Columbia, MO, has discovered the success that comes along with remodeling. In Cleek's case, he renovated his five stores that operate in leased property. He definitely has certain areas that he focuses on when he makes improvements to his leased space.

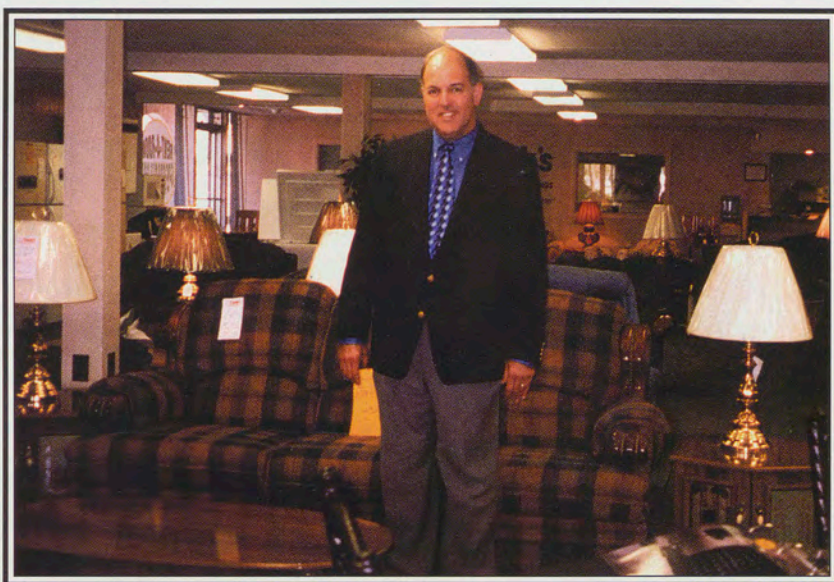
"Each time we go into a new market, we put in a new electronics section, lighting and more office space," says Cleek. "In all, we have made about \$25,000 in lease improvements and it has been worth every penny."

After updating the look of each new store he opened, Cleek began to take a look around his home store. "It began to look tired to me. If it looks tired to me, it must look tired to the customer," says Cleek.

In 1995, Cleek hired an architect and a designer to do a complete makeover of his oldest store. He took out several walls and partitions to open up the showroom and add more space for floor displays. He moved the electronics section closer to the front of the store to catch more attention and re-wired the electronics for satellite reception. The lighting was replaced and new carpet was laid. In addition to those changes, Cleek cleaned up the outside of the store by painting and adding some landscaping. "It looked like a whole new building," says Cleek.

Cleek also made some simple changes that polished up the look of his store. Cleek had several windows in the front of his store that had been covered up by displays. He removed everything that blocked the windows to allow more light in the store and to make the store more visible to street traffic. Cleek also wanted to update the electronics department. In addition to rewiring for satellite reception, Cleek put in a state-of-the-art electronics display and put the stereos up on risers for better sound quality. He improved his furniture department by installing color corrective light bulbs to brighten up the store and portray the colors of the furniture accurately. Finally, Cleek made all areas of his store handicap accessible by widening all of the aisles and walkways.

As far as color selection goes, Cleek has been moving away from



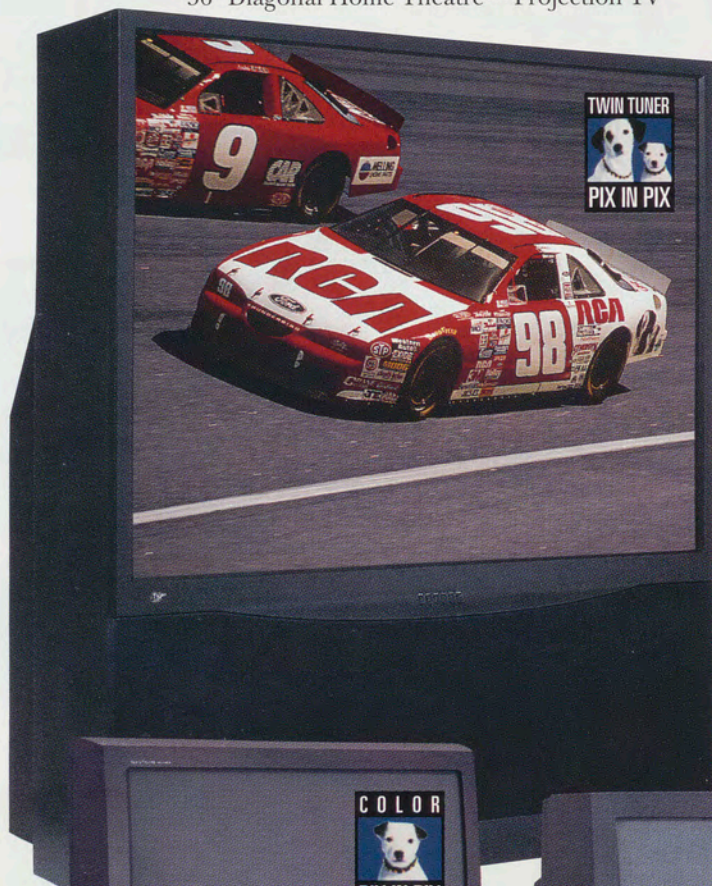
"Tiger" John Cleek of Cleek's Rent-to-Own in one of his newly remodeled stores.

mauve colors that were popular in 1988–89 and is opting for more modern colors in his stores, like hunter green and beige. He has also done away with wallpaper and paneling, which get too dirty or make the room look too dark. Cleek has also made the department signs that hang from the ceilings more professional by using vinyl lettering. All of these improvements were inspired by designs he observed in retail stores.

Cleek and his family have been in business since 1956. They incorporated the rent-to-own option in 1976. Between 1996 and 1997, after the renovations, Cleek saw a 23 percent increase in his business. They are even planning on opening a sixth store in June. How-

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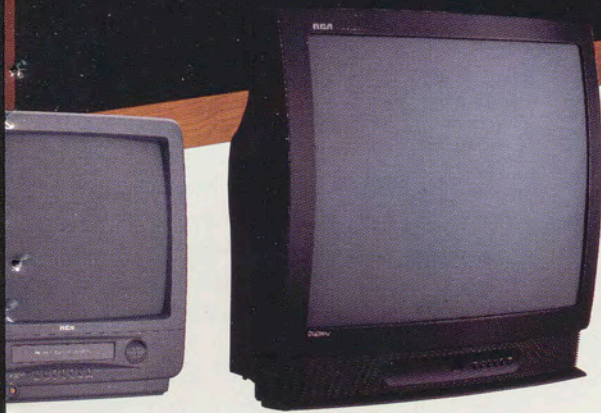


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ever, he insists that his remodeling project is far from over. He says, "This is an ongoing project to keep our stores up-to-date and our customers happy with the way the store looks. We want to make *good* into *great* and bring our stores up to speed with the competition."

Bigger and better

A LOT OF BUZZ HAS BEEN CIRCULATING about Home Choice. It's no wonder considering the RTO chain, based in Mesquite, TX, has grown from 102 to 440 stores in the past 18 months.

In order to change the image of RTO, the following should be considered. The stores should reflect a higher quality merchandise and sales staff. The efforts to remodel should focus on nicer window and front room displays. And, the stores have a more overall professional appearance. Rent-to-own stores that have the general appearance of popular retail stores are more receptive to the ideal customer.

Currently, all 440 stores are being renovated. To coordinate such a large project, Executive Vice Presidents James Curvan and Dan Matthews have split the remodeling into three phases. Phase one is targeted at remodeling 50 new stores and 75 acquisition stores. These stores will be completely remodeled, including the interior and exterior. Phase two consists of giving 80 older stores a facelift, which includes minor repairs, new paint and new carpet. And phase three consists of updating more than 200 stores to fit the new store package that has been designed by Home Choice corporate headquarters.

One of the advantages Home Choice has gained from acquiring other rent-to-own stores is the expertise and experience of these stores' presidents and CEOs. Each former

president and CEO of an acquired store has been made a regional vice president of Home Choice. All of these vice presidents have come together to devise the new image and designs of the Home Choice stores.

Two new store plans have been developed to transform all of the locations into Home Choice "signature stores." Store No. 1 in Mesquite, TX, was the first store built using the center island design. Store No. 54 was built in Arlington, TX, which features the second signature design, the side aisle floor plan. The new floor plans have been structured to maximize and emphasize the showroom.

"We took the input from RTO icons along with all of the ideas that are already out there to make the new Home Choice store more warm and friendly to the customer," says Curvan.

Home Choice has two main goals in mind with its renovation project. First, all Home Choice stores are to have a uniform, identifiable look. Second, all the rental-purchase stores will be created

more upscale and appealing to the eye like retail stores. Curvan and Matthews have created the plans for the signature stores to accomplish these goals. Elements of the signature store-to-be will appear in each Home Choice location. By incorporating elements of the signature store into all of the stores, the chain will have a unified look—especially among rent-to-own locations that have been acquired recently. Home Choice will even go so far as to relocate some of its stores, so there is adequate showroom space in each location.

"We want to create an identity for Home Choice. When customers enter one of our stores, we want them to automatically know it's a Home Choice store," Matthews says. Detailed store maps have been sent to each store to direct managers on where to place merchandise and point-of-purchase displays. Marketing materials and merchandise have also been updated and integrated to emphasize the upscale image of Home Choice.

The management of Home Choice also identified certain areas of improvement for its previous rental-purchase store design. The updated stores will have more room for furniture displays and electricity will be brought to the furniture groups so customers can turn on accessories such as lamps. According to Matthews, power poles will be used in the furniture groups to hide the electrical cords for all the accessories. The poles keep the cords out of the customer's way and make the display more attractive.

In addition to those changes, Home Choice has changed its electronics displays to be simpler, so customers pay more attention to the products instead of the display. Dark lights have been installed behind the televisions to show better contrast in the television picture.

Curvan and Matthews also have strategically decided to move the store counters closer to the front of the store. "This way customers can get in and get out," says Curvan. "We don't need to make our customers walk through a maze to get to the counter so they see all of our stuff. If they are interested in seeing an item, we would

rather a salesman walk them over to it.”

One of the more prominent additions that has been made to the counter area is a large display of the store logo. By placing the logo in clear view of customers, Home Choice hopes to brand the look of the stores and reinforce that image whenever a potential customer sees the logo. Stripes using the colors from the logo are also used along the walls of the stores to distinguish the different departments and they are used in the marketing materials for each store.

Home Choice also is updating its color schemes. “In most RTO stores, you’ll find primarily red, blue and yellow color schemes. We want to tone that down by using softer colors,” Curvan says. “We’re putting in nicer carpet with better color combinations.”

The bottom line: the new Home Choice store will have new carpet, new paint, new colors, new logo, better displays and more space in their showrooms.

More than meets the eye

SOME KEY TERMS TO KEEP IN MIND when creating a new look for the RTO store: clean, simple and bright. Dress for success and move the rental-purchase store into the 21st century with updated colors and design. Little steps like these have to be taken to improve the image of the industry as a whole. It’s an ongoing process.

Based on the focus groups, TateAustin and APRO concluded

that changing the image of rent-to-own is necessary before the participants in their focus groups would consider—and feel comfortable—using rent-to-own. In order to change the image of RTO, the following should be considered. The stores should reflect a higher quality merchandise and sales staff. The efforts to remodel should focus on nicer window and front room displays. And, the stores have a more overall professional appearance. Rent-to-own stores that have the general appearance of popular retail stores are more receptive to the ideal customer.

As stated in the 1997 market study conducted by APRO: If a store looks cheap, then it is not likely to attract the types of reliable customers it needs to stay in business. You are what you wear.

Store owner “Tiger” John Cleek reduces it all down to one simple concept. “Customers want to shop in a place where they are respected. That means clean, friendly stores—period,” he says. ■

Serenity Leisering is a journalism student at the University of Texas at Austin.

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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.



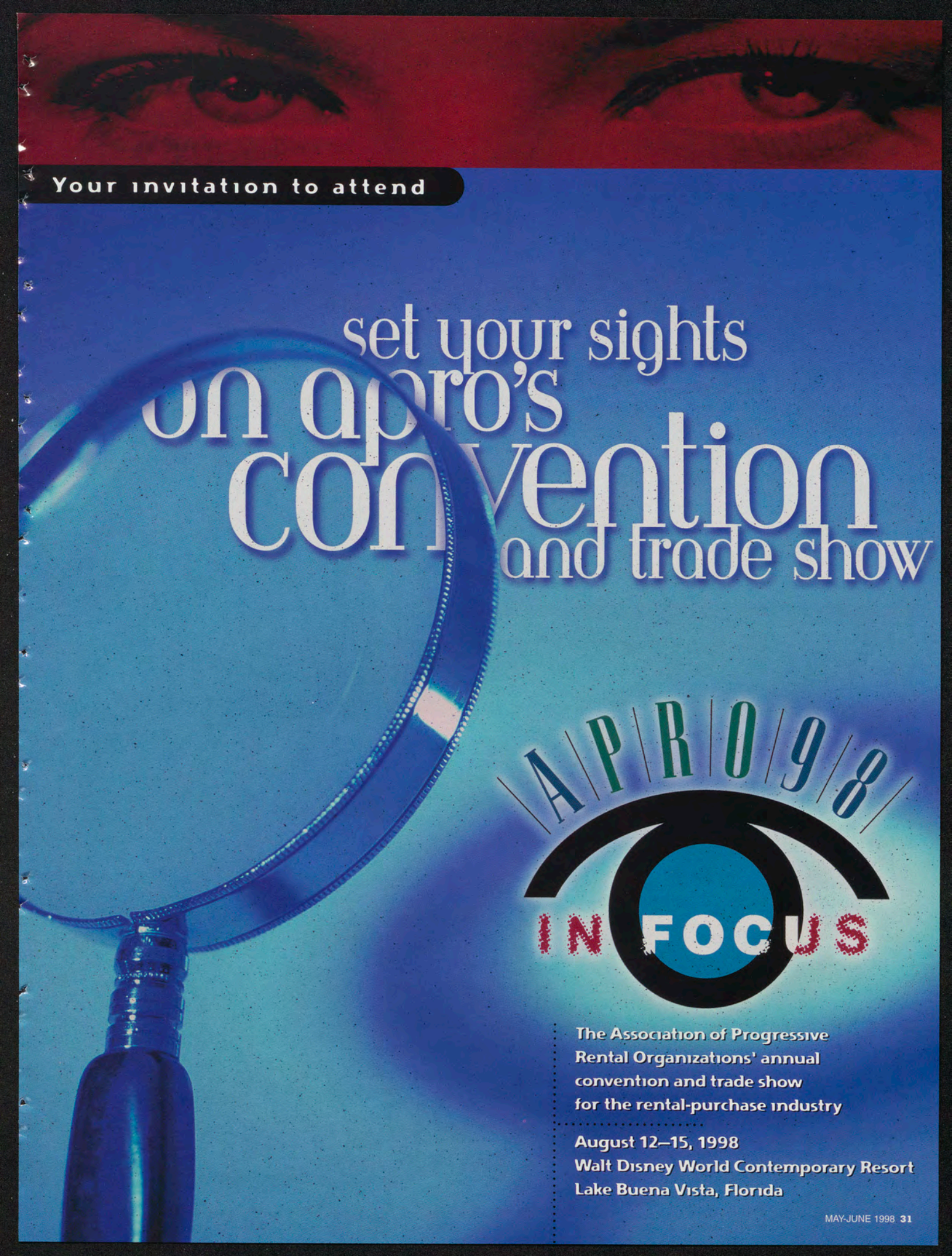
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Your invitation to attend

set your sights
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CONVENTION
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APRO 98
IN FOCUS

The Association of Progressive
Rental Organizations' annual
convention and trade show
for the rental-purchase industry

August 12–15, 1998
Walt Disney World Contemporary Resort
Lake Buena Vista, Florida

focus on opportunity



Open up your field of vision by attending the 1998 APRO convention and trade show, August 12-15, at the Walt Disney World Contemporary Resort in Lake Buena Vista, Florida. In addition to the **free trade show**, where more than 300 booths will display the latest products and services available to the rent-to-own industry, you will be able to get the latest information on market research, accounting, government and legal issues affecting RTO during eye-opening **industry updates** presented by nationally

recognized experts. These experts will share their insights on the trends and topics affecting the industry in more than a dozen **educational seminars**. Take advantage

of this once-a-year opportunity to **network** with your peers in a wide variety of fun-filled **social events** and activities. Bring your family along to combine business

with pleasure, enjoy **first-class accommodations** at the luxurious Walt Disney World Contemporary Resort. Make your reservations for accommodations directly with the Contemporary Resort at 407/824-3869. Reserve your travel through Conventions in America at 800/929-4242 to receive APRO's special rate to Orlando [mention APRO file #680].



focus

What is APRO?

The Association of Progressive Rental Organizations is the national trade association dedicated to represent the rental-purchase industry, organized exclusively for participants in this consumer-service business. Since its inception in 1980, APRO has become the voice of the \$4-billion-a-year rent-to-own industry in the United States. Representing approximately 4,100 stores, APRO members are composed of dealers who rent furniture, electronics, major appliances, computers, jewelry and other products to consumers and businesses.

schedule

Tuesday, August 11

- Disney Day Open day to attend parks
[Discounted tickets available through APRO]
- 8 a.m.-12 p.m. Richard Petty Driving/Riding Experience
[Must be pre-registered; space limited]
- 2-6 p.m. Early registration

Wednesday, August 12

- 8 a.m. Golf tournament at Osprey Ridge
[Sponsored by Whirlpool]
- 9 a.m.-5 p.m. Registration
- 9 a.m.-10 p.m. Exhibitor set-up
- 4-5:30 p.m. State Presidents/Congressional Leadership Reception
[Sponsored by Voyager Insurance]
- 6-8 p.m. Welcome reception "Heart Attack Diner" [Sponsored by Gibson Appliances and England-Corsair; entertainment sponsored by Continental Diamond and RES Marketing]

Thursday, August 13

- 9 a.m.-5 p.m. Registration
- 9-11 a.m. Exhibitor breakfast/training session
- 10 a.m.-12 p.m. General Session and Business Meeting
[Sponsored by Finova Capital]
- 12 p.m. Exhibit hall ribbon-cutting ceremony/
Champagne welcome [Sponsored by Audiofile]
- 12-5 p.m. Exhibit hall open
[Complimentary ice cream sponsored by Maytag]
- 12-2 p.m. Spouse/guest "Dream Luncheon"
- 6-8 p.m. Gala cocktail reception: "Strike a Pose at
Pleasure Island" [Sponsored by Foresight]

Friday, August 14

- 8:30 a.m.-5 p.m. Registration
- 8:30 a.m.-12 p.m. Educational seminars [Breaks sponsored by TRIB]
- Noon-5 p.m. Exhibit hall open [Complimentary ice cream
sponsored by Ashley Furniture]
- 8-10 p.m. APRO President's hospitality/
APRO-PAC reception

Saturday, August 15

- 9-10 a.m. Complimentary continental breakfast
[Sponsored by ABS Jewelry]
- 9 a.m.-5 p.m. Registration
- 9 a.m.-1 p.m. Exhibit hall open
- 1-5 p.m. Educational seminars [Breaks sponsored by TRIB]
- 1-6 p.m. Exhibitor tear-down
- 6-7 p.m. Awards reception
[Sponsored by Thomson Consumer Electronics]
- 7-11 p.m. Awards banquet: "Beatlemania"
[Sponsored by G.E. Appliances and High Touch;
entertainment sponsored by Audiofile]

Sunday, August 16

- 8 a.m.-2 p.m. Exhibitor tear-down
- APRO Convention Daily sponsored by Sears
- Exhibit Hall Relaxation Station sponsored by TRIB Group
- APRO registration computers sponsored by Alliance Computing Technologies

1998 GENERAL SESSION AND BUSINESS MEETING

Thursday, August 13,
10 a.m.-12 p.m.
Ballroom of the Americas

Come prepared for an eye-opening presentation by keynote speaker Dr. Barry Asmus. A senior economist with the National Center for Policy Analysis, Asmus will address political and business issues facing America today. He was named by *USA Today* as one of the top five most-requested speakers in



on business

the United States. Asmus recently testified before Chairman Bill Archer and the House Ways and Means Committee on switching from an income tax to a consumption tax. He has debated members of the Clinton Administration for the creation of medical savings accounts for American citizens. A strong advocate of free market/limited government solutions, Asmus will inform and inspire you with his insight on global economics. *Sponsored by Finova Capital.*

RENTAL-PURCHASE INDUSTRY TRADE SHOW

Thursday-Saturday,
August 13-15
Nutcracker and Fantasia
Ballrooms

Set your sights on the hundreds of displays from vendors who cater to the rental-purchase industry. From appliances, electronics, furniture, jewelry and special services, the 1998 trade show

promises to exceed your expectations. Admission to the trade show is complimentary for those involved in the rental-purchase industry. Proper business identification is required to receive an entrance badge.

RENTAL ADVERTISING EXCELLENCE AWARDS

The winners of the prestigious RAE awards will be on display during the APRO convention. Categories for entry into this annual presentation include the print materials, direct marketing, newspaper, radio, television, specialty, billboard/outdoor, campaign and community relations advertising efforts. With all the focus on image these days, it is only appropriate that we show off what great advances the industry has made in advertising this year.

focus on education

APRO has consistently provided the rental-purchase industry with the most up-to-date and informative educational seminars available. This year will be no different. APRO is offering a multiple discount for full convention

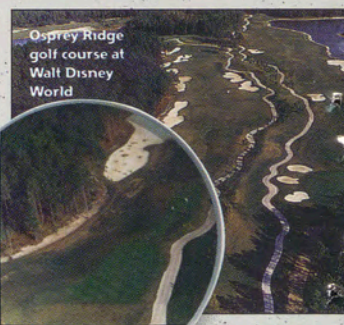
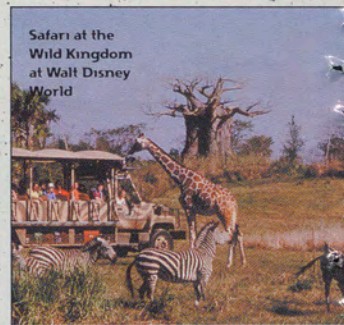
and anticipated sessions are those presented by Walt Disney World Education. A Disney seminar on creative leadership will be offered on Friday, August 14; another on customer loyalty will be held on Saturday, August 15. These two seminars alone are worth the cost of registration!

The popular round-table sessions will be held Saturday afternoon and attendance will be divided by company size. APRO will offer optional sessions for those who choose not to attend the round tables. Other seminars will cover the latest information

on public RTO companies, the Internet and what it means to our industry, updates on human resources, government relations, legal and accounting updates and a review of industry statistics.

Attendees will learn how to motivate, communicate and lead their companies into the next millennium. Learn the latest tips on hiring, understanding financials and participate in a media training session presented by a professional media trainer.

See below for a complete schedule of this year's seminars.



1998 educational seminars

registrants so that more people from each company can take advantage of the 1998 APRO convention. With more people available to attend the educational seminars, information can be shared with the entire company.

Some of the most exciting

Seminar schedule

	Ballroom of Americas A	Ballroom of Americas B	Grand Republic A	Grand Republic B	Grand Republic C/D
FRIDAY, AUGUST 14 8:45-10:15 A.M.	Disney seminar: Creative leadership	Cyberspace 101: Internet basics and what they mean to RTO <i>Bill Metcalf</i>	Rental sales planning <i>Larry Sutton</i> Home Choice Inc.	Rent-to-own human resource forum Panel discussion	Customer communications: What they don't know could hurt you <i>Larry Randolph</i> TRIAD
FRIDAY, AUGUST 14 10:30 A.M.-12 P.M.	Public vs. private companies in RTO Panel discussion	Cyberspace 101: Internet basics and what they mean to RTO <i>Bill Metcalf</i>	Rental sales planning <i>Larry Sutton</i> Home Choice Inc.	Government relations update APRO Government Affairs Department	Customer communications: What they don't know could hurt you <i>Larry Randolph</i> TRIAD
	Grand Republic B	Grand Republic A	Grand Republic C/D	Atlantic A	Atlantic B
SATURDAY, AUGUST 15 1-2:30 P.M.	Disney seminar: Customer loyalty	1998 RTO Statistical Survey Report	RTO legal update and accounting update <i>Ed Winn and Wayne Chambers</i>	How to spot problem employees before you hire <i>Etta Valdes</i> Hire Insights	Understanding RTO financials <i>Rod Reed</i> TRIAD
SATURDAY, AUGUST 15 2:45-5 P.M.	Rental round table sessions for 1-2 store operators	Rental round table sessions for 3-12 store operators	Rental round table sessions for 12+ store operators	How to spot problem employees before you hire <i>Etta Valdes</i> Hire Insights	Understanding RTO financials <i>Rod Reed</i> TRIAD

DISNEY DAY

Tuesday, August 11

APRO has designated an open day to give convention attendees the chance to enjoy the wonderful world of Disney. APRO is offering a discounted convention ticket with options to visit Magic Kingdom Park, Epcot, Disney-MGM Studios, Pleasure Island and the new Disney Animal Kingdom. Call APRO at 800/204-2776 for details.

"HEART ATTACK DINER" WELCOME COCKTAIL RECEPTION

Wednesday, August 12

Kick off your shoes and enjoy some old time rock

'n' roll when the Fluff Brothers take the stage during this parody on the Blues Brothers, featuring RTO Inc./Home Choice Vice-President Larry Sutton and Rent-Way Florida Director of Operations Craig

[aka John, Paul, George and Ringo] take you down memory lane with such hits as *She Loves You*, *Sgt. Pepper's Lonely Hearts Club Band* and *Revolution*. The annual APRO awards psychedelic banquet promises

focus on fun

Smith as Jake and Elwood Fluff. This may be your only chance to enjoy such hits as "We Built this City on Rent-to-Own," "Old Time Rent-to-Own," "Heart of Rent-to-Own" and more. Light hors d'oeuvres and open bar. Casual attire. *Sponsored by Gibson Appliances and England-Corsair. Entertainment sponsored by Continental Diamond and RES Electronics.*

"STRIKE A POSE" AT PLEASURE ISLAND GALA COCKTAIL RECEPTION

Thursday, August 13

Dance the night away at Pleasure Island, Walt Disney World's dazzling entertainment complex where APRO will have its own private night club at Mannequins Dance Palace. Enjoy high-energy dance performances by the Explosion Dancers. You will be provided with a wrist band that allows admission to all Pleasure Island clubs for the remainder of the evening. No one under 21 will be admitted. Complimentary hors d'oeuvres and cash bar. Casual attire. *Sponsored by Foresight Inc.*

BEATLEMANIA APRO ANNUAL AWARDS RECEPTION AND BANQUET

Saturday, August 15

Relive the "British Invasion" when the Mahoney brothers

to be a hit! Dinner and dancing. Semi-formal attire. *Sponsored by G.E. Appliances and*



Yeah! Yeah! Yeah!

High Touch. Entertainment sponsored by Audiofile. Reception sponsored by Thomson Consumer Electronics.

1998 APRO TOM KITCHENS/ JOE EASON GOLF TOURNAMENT

Wednesday, August 12

Walt Disney World's Osprey Ridge, designed by Tom Fazio, is the site of the ninth annual APRO Golf Tournament, scheduled to begin at 8 a.m. The 6,680-yard course is included in *Golf* magazine's "Top 10 You Can Play" list.

Space is limited and the tournament is always a sell-out. Registration deadline is July 15, or when all tournament slots are filled. Payment must be received by APRO to confirm your spot. Cost: \$60 per person. If you are an APRO member and choose to have your golf registration fee donated to the APRO Political Action Committee, please pay by personal check made out to APRO-PAC. *Sponsored by Whirlpool Corp.*

Drivin' and dreamin'

KEEP YOUR EYES ON THE ROAD AT THE RICHARD PETTY DRIVING EXPERIENCE

Tuesday, August 11, 8 a.m.-12 p.m.

If you've ever yearned to be a race car driver, here is your chance! APRO has contracted with the Richard Petty Driving Experience for a limited number of discounted drives and rides on the one-mile tri-oval Walt Disney World Speedway. During your "Rookie Experience," you will have three hours training and driving. For those who'd rather leave the driving to a pro, you can take advantage of the "Riding Experience," which includes three laps as a passenger traveling at speeds up to 145 mph. Costs are \$333 for the "Rookie"; \$91 for the "Riding Experience." Space is limited; reserve your space today [see APRO registration form].

SPOUSE/GUEST DREAM LUNCHEON

Thursday, August 13, 12-2 p.m., Grand Republic C/D

Dr. Lawrence Helms will offer an insightful seminar on dream interpretation for guests and spouses of convention attendees. A practicing psychotherapist who has spent nearly two decades researching and presenting dream interpretation programs, Helms will explore the symbolism and hidden meanings behind dreams. Be sure to check the appropriate box on the APRO registration form to reserve your spot at the luncheon.

Atlantic A

Gentle art of motivation: Motivating your employees and yourself

Lawrence C. Helms

Gentle art of motivation: Motivating your employees and yourself

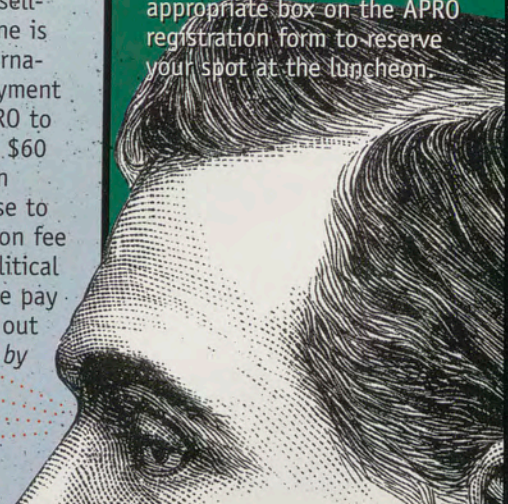
Lawrence C. Helms

Ballroom of Americas A

Media training

APRO Public Relations Department and Barbara Miller

SEMINAR BREAKS SPONSORED BY TRIB GROUP



visualize attending

Save by signing up for full registration and take advantage of early registration for additional savings. Fees must accompany completed registration form. Credit card registrations will be accepted by phone or fax until July 15. No phone or fax reservations will be accepted after July 15. If mailing your registration, please allow time for it to be received in the APRO office by July 15. Registrations will be taken on-site. Non-family members of the same firm must complete a separate registration form. This form may be photocopied.

1998 exhibitors

[AS OF MAY 18, 1998]

A.B.S. Artistic Jewelry Inc.
Accessories By Sherwood
Addison Industries
Aleco Furniture Mfg.
Alliance Computing Technologies Inc.
Ashley Furniture Industries Inc.
Audiofile Home Theater
BDI Distributors
Barn Door Furniture Co.
Bell Furniture Industries
Benchcraft Inc.
Beneficial National Bank
Berkline Furniture Corp.
Bernards Inc.
Big Tree Furniture
Blackstone Inds.
Bogo, Jerry Co.
Bonnie The Flyer Specialist
Bradlin & Associates
Bushline Inc.
Central File Inc.
Cititronix Panson Electronics
Classic Brass Collection Inc.
Coast Financial Services
Coaster Co. of America
Colby Furniture
ColorTyme Inc.
Comm South Companies
Container Marketing
Continental Jewelry Express
D&W Silks Inc.
DAC Sales
DMC Inc.
Design Acoustics
Digitcom Services Inc.
Douglas Furniture of California Inc.
Escalade Sports
FLX-Industries Inc.
Foresight Inc.
Fashion Craft Jewelry
Flamingo Diamond Inc.
Fraenkel Co. Inc.
Frisco Furniture Co.
G&G Graphics and Promotions
GE Appliances
Gibson Appliances
H&H Furniture Mfgs. Inc.
High Touch Inc.
Hitachi Home Electronics Inc.
Home Line Industries
Howard Miller Clock Co.
I.E.M. Furniture
Ideal Software Systems
Imagery Marketing Consultants
Images Furniture Mfg. Ltd.
Imperial Manufacturing Company
Imports International
Inform Business Services
J.D. Byrider Systems Inc.
JCR Leather
JVC Company of America
Jackson Furniture Co.
John Lee Co.

LABS Inc.
Limelight
Luke's Jewelry Company
Manifestations Inc.
Maytag Appliances
McNamara Isuzu Trucks
Meadowbrook Furniture Inc
Midwest Tropical Inc.
MirroTek International, L.L.C.
Mirror Dynamics Ltd Inc.
NAFCO
NatCom Systems
Nationwide Club Administrators/
Voyager Insurance Co.
New Generations Furniture Co.
Next Dimension/Laurel Arts
Oro International
Owen-Benton Furniture
PRS Products Inc.
PeopLoungers
Perdue Furniture Inc.
Petz Enterprises Inc
Philips Consumer Electronics
Phone Tel
Phones for All
Pilliod Furniture Inc.
Positive Communications
Powell Company
Primo International
Progressive Furniture Inc.
RES Marketing Inc.
RTO Plus for Windows
RTO Pro/Futureware Software
Rental & Sales Software Systems
Rental Information Systems Inc
Rose Hill Company Inc.
Sanyo Fisher Co.
Savannah Wood Products
Sealy Inc.
Sears, Roebuck & Co.
Shoppers View
Sold on Hold
Southern Rings
Standard Furniture
Stoneville Furniture Company Inc.
Strachan & Associates Inc.
Stratolounger/Simmons Upholstery Co.
T&S Import Co. Inc.
TRIB Group
Tele-Track Inc.
Tempo Industries
The Relax-R Corp
Ther.A.Pedic International
Thomson Consumer Elec. RCA/GE
Toshiba America Inc.
Triad Learning Systems Inc.
Union City Mirror & Table Co.
United Distributors
WEHSCO
Weiskopf, Knuehl and Associates
Welton/Techwood
Whirlpool Corp.
Zenith Electronics Corp.

CONVENTION BADGES

Only individuals registered with an APRO convention badge may attend. Your name and company will appear on your badge exactly as you indicate on this form.

CANCELLATIONS

All cancellations or changes must be received in writing in the APRO office, postmarked by July 15, 1998. A processing fee of 20 percent of the total registration will be charged for all cancellations. After July 15, no fees will be refunded.

WALT DISNEY WORLD CONTEMPORARY RESORT RESERVATIONS

The deadline is July 1 to guarantee the special APRO rate of \$112, single or double. Make your reservations by calling 407/824-3869. Be sure to mention that you are with APRO to get the convention room rate.

AIRLINE/CAR RENTAL RESERVATIONS

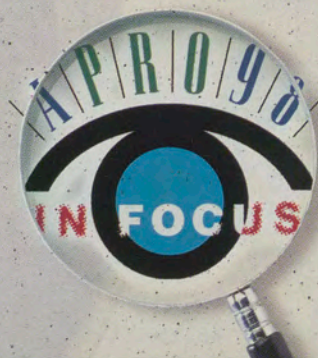
APRO is offering discounted rates to Orlando. For airline or car rental reservations, call Conventions in America at 800/929-4242 and mention APRO file #680. Take advantage of lower airfares by making your reservations early.

SOLICITATION

No soliciting will be allowed at any APRO social function or on the trade show floor by non-exhibiting companies. For information on exhibiting, contact Cindy Ganther [cganther@apro-rto.com] or Carolyn May [cmay@apro-rto.com] at APRO at 800/204-2776 or 512/794-0095.

FOR MORE INFORMATION

Call Shelley Martinek [smartinek@apro-rto.com] at 800/204-2776 or 512/794-0095. Fax registrations to 512/794-0097. Or visit www.apro-rto.com/.



registration

ASSOCIATION OF PROGRESSIVE RENTAL ORGANIZATIONS'
1998 CONVENTION AND TRADE SHOW,
AUGUST 12-15, ORLANDO

Please print or type, one form per registrant and spouse/guest. [Personal guest is defined as "significant other" or immediate family member.] A written confirmation will be sent to you from the APRO office one week prior to the convention. If your registration is received in our office after July 15, it will be treated as an on-site registration and no confirmation will be sent.

Exhibitors should not use this form as they will receive a special badge form with exhibitor information.

Last name _____ First name [FOR BADGE] _____
 Company name _____
 Company mailing address _____
 City _____ State _____ Zip code _____
 Business phone [_____] _____ Fax [_____] _____
 Any special needs? _____
 Is this the first APRO Convention you will have attended? Yes No
 Attendee type: Rental dealer Non-exhibiting vendor Other _____
 Job title: Owner Executive officer District manager Store manager Account manager Other _____
 What is the size of your company? 1 to 2 stores 3 to 12 stores 13 to 25 stores 26 to 100 stores 101 + stores
 Spouse/guest last name _____ First name [FOR BADGE] _____
 Child [12 and under] last name _____ First name [FOR BADGE] _____

FULL REGISTRATION

Includes:

- ▶ Welcome Reception [8/12]
- ▶ Cocktail Reception [8/13]
- ▶ Awards Reception [8/15]
- ▶ Awards Banquet [8/15]
- ▶ All seminars [8/14-15]
- ▶ General session [8/13]
- ▶ Entrance to exhibit hall
- ▶ Golf Tournament is not included.

NEW FOR 1998!

APRO is offering discounts for multiple attendees from the same company. To qualify for discount, multiple registrations must be sent to APRO together along with full payment. If registrations are not together, they will be charged at the higher rate. Please, no exceptions!

CONVENTION ATTENDEE	FULL REGISTRATION [AFTER JULY 1]	DISCOUNT RATE FOR REGISTERING BEFORE JULY 1
<input type="checkbox"/> First through third APRO member from same company	\$385	\$350
<input type="checkbox"/> Fourth APRO member and over from same company	\$360	\$325
<input type="checkbox"/> Non-member	\$485	\$450
<input type="checkbox"/> Spouse/guest MUST PRE-REGISTER FOR LUNCHEON TO ATTEND!	\$275	\$225
Includes spouse/guest luncheon on Thursday. Please indicate whether the spouse/guest will attend the event: <input type="checkbox"/> Will attend <input type="checkbox"/> Will not attend		
<input type="checkbox"/> Child [12 and under]	\$85	\$65
Does not include Pleasure Island Event, August 13 [for those 21 and over only].		

You can also register for the convention on-line — and get up-to-the-minute industry information — at www.apro-rto.com/.

A LA CARTE [for those who do not purchase full registration]

A la carte prices allow entrance only to individual functions as listed:

	APRO member	Non-member
<input type="checkbox"/> Exhibit hall only [will not allow entrance to seminars or social functions]	FREE	FREE
<input type="checkbox"/> Seminars, Friday, August 14	\$150	\$200
<input type="checkbox"/> Seminars, Saturday, August 15	\$150	\$200
<input type="checkbox"/> Welcome Reception, Wednesday, August 12	\$45	\$45
<input type="checkbox"/> Gala Cocktail Reception, Thursday, August 13 [Must be 21 or over to attend]	\$65	\$65
<input type="checkbox"/> Reception and Awards Banquet, Saturday, August 15	\$85	\$85
<input type="checkbox"/> Spouse/Guest Luncheon, Thursday, August 13	\$25	\$25

GOLF TOURNAMENT

Important! Golf registration deadline is July 15. After that date, golfers will be accepted on a space-available basis only.

- 1998 APRO Joe Eason/Tom Kitchens Golf Tournament, Osprey Ridge, 8 a.m., August 12; \$60 per person
- I am an APRO member and my personal check is made out to APRO-PAC [optional].

Name of player _____ Handicap or average score [required] _____
 Requested team pairing [if possible] _____

OPTIONAL PRE-CONVENTION PROGRAMS

- Richard Petty Rookie Driving Experience, 8-11 a.m., August 11; \$333 per person [space is limited to first 20 pre-paid registrants]
- Richard Petty Ride-Along, August 11 [approximately one hour, anytime between 9 a.m. and 5 p.m.]; \$92 [space is limited to first 20 pre-paid registrants]

ADD ALL FEES DUE AND ENTER TOTAL HERE

➤ TOTAL \$ _____

My check is enclosed and made payable to APRO. Charge my credit card: American Express MasterCard Visa
 Credit card number _____ Expiration date _____
 Signature _____ Name as it appears on card _____

MAIL WITH PAYMENT TO:

FOR OFFICE USE ONLY



9015 Mountain Ridge Drive, Suite 220 Austin, Texas 78759
 800/204-2776; 512/794-0095; Fax 512/794-0097; www.apro-rto.com

ID no. _____ Date received _____ Date entered _____
 Check no. _____ Amount paid _____ Pre-reg. On-site

THE SURVIVAL
INSTINCT AND
THE RENTAL
DEALERS'
REACTION TO
CRITICISM

fight or





PHOTOGRAPHS BY DAVID OMER; SWORD COURTESY OF REX WILLIAMS; MODEL: LEE VICKERS

flight?

BY ED WINN III

THE INSTINCTIVE human survival response to an attack or a perceived attack is either to stand and fight or to retreat. This classic fight-or-flight response has been well documented. Neither response is superior to the other in all circumstances. There are times when it is cowardly to flee; others when prudence demands it. There are times to fight; others when it would be foolhardy.



the fight-or-flight response is hard-wired into human DNA, it should come as no surprise that boardroom decisions often reflect this truth. The response can be demonstrated at the corporate level by observing rental companies' reactions to the higher level of criticism of the rental-purchase industry that began, really, with the Gonzalez hearings in 1993 and has continued sporadically ever since.

It bears repeating that an instinctive survival response to a stimulus—here a real or perceived threat to continued corporate existence and to continued personal financial secu-

react like deer caught in the headlights; instead, they purposefully and methodically have gone down one path or the other. Rental company responses have not been monolithic. Companies at different times during the past five years have given vent to both fight and flight reactions. Not surprisingly, the responses, overall, have shown more fight than flight.

My first reaction, however, when sitting in the majestic hearing room of the House Banking Committee of the United States Congress in 1993 and listening to legislators, with the power of life or death over any industry, one after the other, flail our industry, was flight. If Henry Gonzalez wanted to put the "rent-to-own" industry out of business, I wanted rental dealers to get out of the "rent-to-own" business.

In an earlier article, I recommended changing the name of the industry to escape the white-hot glare of the committee lights. A number of companies early on adopted this "flight" approach by taking the phrase "rent-to-own" out of their corporate names, dba's and advertising. Some companies repainted stores and trucks and actively got into the rental-purchase business, the lease-pur-

trying to challenge the way they did business or the name they used to do it. There were big buttons at the convention in Washington, D.C. that year, proclaiming "I'm in rent-to-own and proud of it."

Lately, a few large companies have consciously gone through a name change, moving away from a focus on the rental or leasing concept altogether, emphasizing instead the notion of choice. In a recent *Wall Street Journal* article, Ernie Talley, CEO of publicly traded Renter's Choice, noted that with a keep rate of 25 percent, the term "rent-to-own" actually mischaracterizes how the transaction is used by most consumers.

Distilled, the criticism against the rental-purchase industry is that the transaction is a bad deal for consumers. The "flight" response has been to ignore the criticism and wait for it to go away. A rental dealer told me that he liked the business better when we were "hidden under a rock." Once, when a newscaster—with the cameras rolling—barged into a rental store demanding to know why the store was charging 400 percent interest, the store manager held a clipboard up in front of his face. The non-interview made the 6 o'clock news. Classic "flight" responses, both.



urity for rental dealers—is not right or wrong or even better or worse than another response. The thesis here is that it is instinctive in the individual and manifests itself in the group by the company's actions. Rental dealers can learn about themselves by examining first how they and their companies perceived the increased scrutiny of the industry. Did they feel threatened at all? Were they in tune with the external events that were shaping the industry? Second, if they perceived the threat, how did they react to it?

Since the industry is made up of entrepreneurs—men and women of action—it is no surprise that there is no evidence of paralysis in the face of threat. Rental companies did not

SOME COMPANIES DEFIANTLY ELECTED TO FIGHT OVER THE NAME. THEY WROTE SONGS AND JINGLES PRAISING THE VIRTUES OF "RENT-TO-OWN" AND WERE READY TO TAKE ON GONZALEZ, THE U.S. CONGRESS AND ANYBODY ELSE WHO WAS TRYING TO CHALLENGE THE WAY THEY DID BUSINESS OR THE NAME THEY USED TO DO IT.

chase business, the rental business or the leasing business or some other variant of the concept, all softening the emphasis on ownership.

Other companies defiantly elected to fight over the name. They wrote songs and jingles praising the virtues of "rent-to-own" and were ready to take on Gonzalez, the U.S. Congress and anybody else who was

Rental company "fight" responses to the critics have been to increase value in the transaction. The ways to increase value in a rental-purchase transaction are infinite. For example, one of the large rental chains just launched a program of lifetime reinstatement, a concept hatched at Remco years ago, but little used in the industry.

Reinstatement rights have not always existed. They were granted originally to rebut the picture painted by critics a business that would let a customer rent a television for 77 weeks and, when he could not come up with the last weekly payment for ownership, would repossess the television, quickly rent it back out to someone new for 78 weeks and make the first customer start over from scratch with a new agreement if he wanted a TV. With reinstatement, the dealer is saying, "give me back my

tionally positioning themselves closer to retail with improved store locations, larger showrooms and by employing a variety of more traditional retail marketing techniques. This kind of strategy is only possible by virtue of the rental-purchase statutes that have been enacted.

A few strategies in this direction are ill-advised, notwithstanding the rental-purchase statutes, an example of which

A NUMBER OF COMPANIES EARLY ON ADOPTED THIS "FLIGHT" APPROACH OF CHANGING THE NAME OF THE INDUSTRY BY TAKING THE PHRASE "RENT-TO-OWN" OUT OF THEIR CORPORATE NAMES, DBA'S AND ADVERTISING.

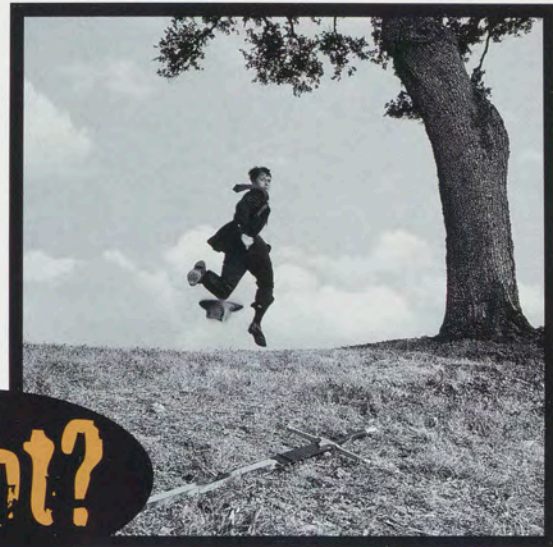
property and you can have some time to find the money to get caught up. Then I'll give you back the property."

Early statutes gave consumers 21 days. The reinstatement period was stretched first to 30 days, then 45 days, then six months and, lately, to one year. Lifetime reinstatement stretches the period out to the maximum—the rest of the customer's life. If a customer rents a television for 90 days, he has 90 days toward ownership of a television from that company for the rest of his life. That is a pretty feisty response to the "bad deal" criticism and may cost the company a little money in the short run. The company is betting the program will make money over the long haul by blunting criticism and making the transaction more palatable to more people.

Aaron's "12-to-own" program was a "fight" response to add value to the transaction and remove that company's rental-purchase program from the center of criticism aimed at the industry. Other companies have become creative with their early-purchase options, giving customers the retail equivalent of "90 days, same as cash" by giving customers 100 percent credit for all rental payments off of the cash price for the first three months.

Still other companies are inten-

tionally positioning themselves closer to retail with improved store locations, larger showrooms and by employing a variety of more traditional retail marketing techniques. This kind of strategy is only possible by virtue of the rental-purchase statutes that have been enacted.



flight?

to continue the transaction, then a down payment has no place. The existence of a down payment could provoke an antagonistic judge into finding a disguised credit sale in spite of the law, since a down payment may make it appear as if the parties intended a sale. Minimum mandatory rental periods are not down payments.

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Expect other innovations as companies move aggressively the other way to attempt to develop programs that closely resemble vehicle leasing programs.

Companies that have responded to the criticism aimed at the industry with a "fight" reaction seem to have done so by isolating aspects of the criticism and attacking them one

by one. For example, every few years the U.S. Public Interest Research Group, a consumer activist group, trots out a price comparison of low-end electronics—retail vs. rental-purchase. The surveys compare 19-inch televisions, two-head VCRs, microwave ovens and small refrigerators. Bargain retail prices for these products at 5 percent to 10 percent

over dealer cost are not hard to find. When shown alongside the total rental-purchase ownership price over 18 months for the same products, the comparison can be startling.

Item	Circuit City price	Total R-P ownership price
19-inch television	\$219.00	\$539.40
16 CF refrigerator	\$499.00	\$1,212.80

Rental company "fight" responses to these unfair comparisons have been varied and creative. At least one company has simply quit offering low-end electronics on rental-purchase plans. This company may sell a few small televisions, but will not rent anything smaller than a 25-inch television. Is that fight or flight? It gets complicated. It is a flight from the rental of low-end electronics, but it is a fight against unfair price comparisons.

Other companies have dropped the total rental-purchase ownership price on low-end electronics by reducing the rental term from 18 months to 12 months, without raising rental rates. This move has had the effect of reducing the rental-purchase ownership price by one-third.

All of these survival responses have a beneficial effect for consumers. They are initiatives launched by individual companies and have the effect of sharpening competition by often lowering rental rates and the total rental-purchase ownership price. At the same time, they expand the choices available to consumers.

From an industry point of view, these increased choices can expand the customer base beyond the traditional one. Even though these market responses to criticism may appear carefully reasoned responses, they can all be traced back to the survival instinct, which, happily, is alive and well among rental company owners. ■

Ed Winn III is APRO's legal counsel. His e-mail address is edwinn@ibm.net.

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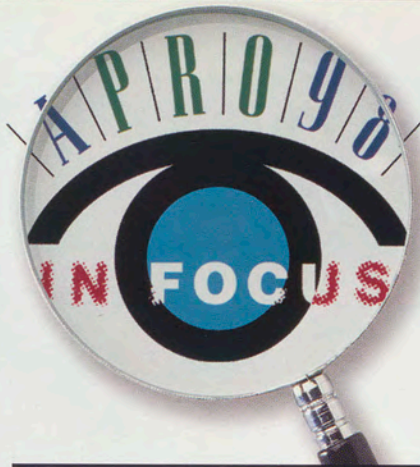
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BY RICHARD G. ENSMAN JR.

QUICK AND EASY MARKET

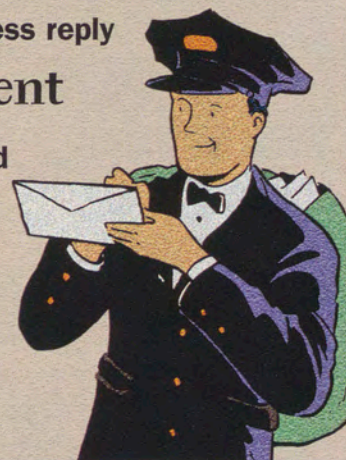
What do your
customers
really think?

ILLUSTRATIONS BY A.J. GARCES

What do your customers think of you? Of your product or service line? Of your ability to respond to customer needs quickly and efficiently? If you want to gain insights into the attitudes of people who rent from you, don't wait until your year-end financial statements are finished—or until you encounter some unusual customer service trend in the marketplace. Here are some quick and easy techniques you can use to gauge customer attitudes with great success. While they may not yield results with the precision of a full-blown market study, they will help you understand what your customers really think of you. Most of these informal market research techniques are easy to implement and require only a modest investment of time and effort on your part—an investment that can pay big dividends in the years ahead:

no. 1:

Every time you deliver goods, enclose a postage-paid business reply comment card and encourage customers to use it.



RESEARCH TIPS

2: Ask the company president/store manager to attest to the quality of your products and services in a brief letter accompanying all goods and services you deliver. Let customers know they may respond directly to the president's and/or manager's office with comments, positive and negative.

no. 3:

Offer a premium or "free gift" to every customer who completes a simple post-purchase comment card or customer survey.





no. 4:

Ask your staff or account representatives to conduct an informal “focus group” for an hour or two. This focus group — simply a cross-section of customers who gather to assess your products or operations — may also offer valuable perspectives on future products or business directions. Serve up a free meal or snacks to entice customers to participate.

8: Encourage your staff to relate customer problems to you. Send thank-you notes to employees who pass customer comments along.

9: If you serve a few significant customers, thank them for their business at least once a year, perhaps on the anniversaries of their first orders.

10: Publish a five- or six-point rating list and enclose it with all customer-related correspondence. Invite customers to rate your people on dependability, efficiency and service quality.

11: Commission a simple telephone survey. Ask a number of pointed questions relating to your firm and your competitors.

12: Be sure to instruct all your account representatives and customer service staff to ask customers for their comments and suggestions at the end of every transaction. Sometimes a simple, “is everything all right?” can uncover problems you never knew existed.

5: Let your customers know that the president and/or store manager reads every incoming customer comment.

6: If you operate multiple retail locations, leave a suggestion box in a prominent position at each location, with plenty of paper and pens nearby.

7: Sit at your receptionist’s or customer service desk for a while and listen to the candid comments of your callers.

no. 13:

Call your business from an outside telephone on occasion and find out how well your staff is noting the concerns of outside callers — and responding to their needs.



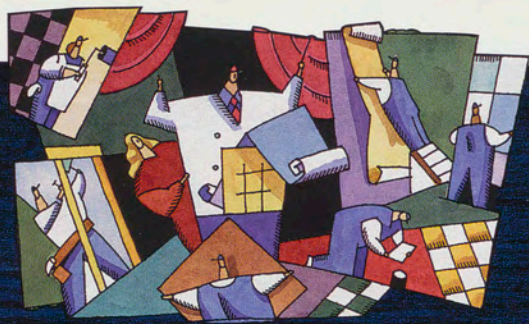


no. 14:

Compile a **master list of customer comments** and circulate it among your employees. Ask your employees to be on the lookout for additional comments and to do everything in their power to address common concerns.

15: Go where the customers are. Sit in your waiting room or stand in your store aisle and listen to their conversations.

16: Be sure your customers can return products easily and quickly. And when they return items, be sure you find out the kind of information you need to assess the feelings of your customers.



APRO AND HABITAT FOR HUMANITY

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On June 14–20, the Association of Progressive Rental Organizations will serve as the official appliance sponsor for the Habitat for Humanity International's Jimmy Carter Work Project in Houston, Texas.

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17: Invite your customers to a once-a-year social event and listen to their informal assessments of you and your business.

18: Ask your customers, once each year, to vote for the best account reps, the best customer service people and the best delivery persons in your firm.

19: Set up a telephone procedure for customer service calls. Aside from making possible a quick resolution of problems, the procedure will allow you to track statistical information about customer problems.

By tracking the comments, concerns and needs of the people

no. 20:

Set up a "mystery shopper" or "mystery client" program. Retain the services of a friend or colleague who will visit your account and customer service representatives and ascertain the quality of their efforts.



who do business with you, you'll position yourself as a listener and give yourself the ability to capture more business in the future. Do all you can to learn what your customers really think of your business and

you'll learn how best to keep them thinking about you in the competitive months and years ahead. ■

Richard G. Ensman Jr. is a business writer based in Rochester, NY.

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Contact: Al Hernandez
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Wildomar, CA 92595
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Capitol Sales Co.*

Contact: Stephen Konsor Sr.
3110 Neil Armstrong Blvd.
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Cititronix Panson Electronics*^

Contact: Chris McPherson
1260 Karl Ct.
Wauconda, IL 60084-1094
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Hitachi Home Electronics Inc.*^

Contact: Matthew Hauck
3890 Steve Reynolds Blvd.
Norcross, GA 30093-3012
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JVC Company of America*^

Contact: Tom Blodgett
405 Malabar
Austin, TX 78734
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PRS Products Inc.*^

Contact: Jason Cohen
5600 N.W. 12th Ave., Ste. 306
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Philips Consumer Electronics*+^

Contact: Ken Gay
64 Perimeter Center E.
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770/821-2871; fax 770/821-3121

RES Marketing Inc.*+^

Contact: Michael E. Gerwe
4909 Nassau St.
Tampa, FL 33607
800/444-7304; fax 800/444-7312

Sanyo Fisher Co.*+^

Contact: Paul D'Arcy
21605 Plummer St.
Chatsworth, CA 91311-4254
818/998-7322; fax 818/998-3533

Thomson Consumer

Electronics RCA/GE*+^
Contact: Tim Shannon
7225 Winton Dr.
Mail Stop INH 900
Indianapolis, IN 46268
317/415-2183; fax 317/415-2662

Toshiba America Inc.*^

Contact: Bart Bartolozzi
82 Totowa Rd.
Wayne, NJ 07470-3114
973/628-8000, ext. 3280;
fax 973/628-0672

Welton Sound Systems USA*^

Contact: Steve Sherman
11625 Columbia Center Dr., Ste. 100
Dallas, TX 75229
972/243-5602; fax 972/243-5958

Woodson & Bozeman Inc.*

Contact: John Cowart
P.O. Box 18450
Memphis, TN 38181
901/362-1500; fax 901/362-1509

Zenith Electronics Corp.*+^

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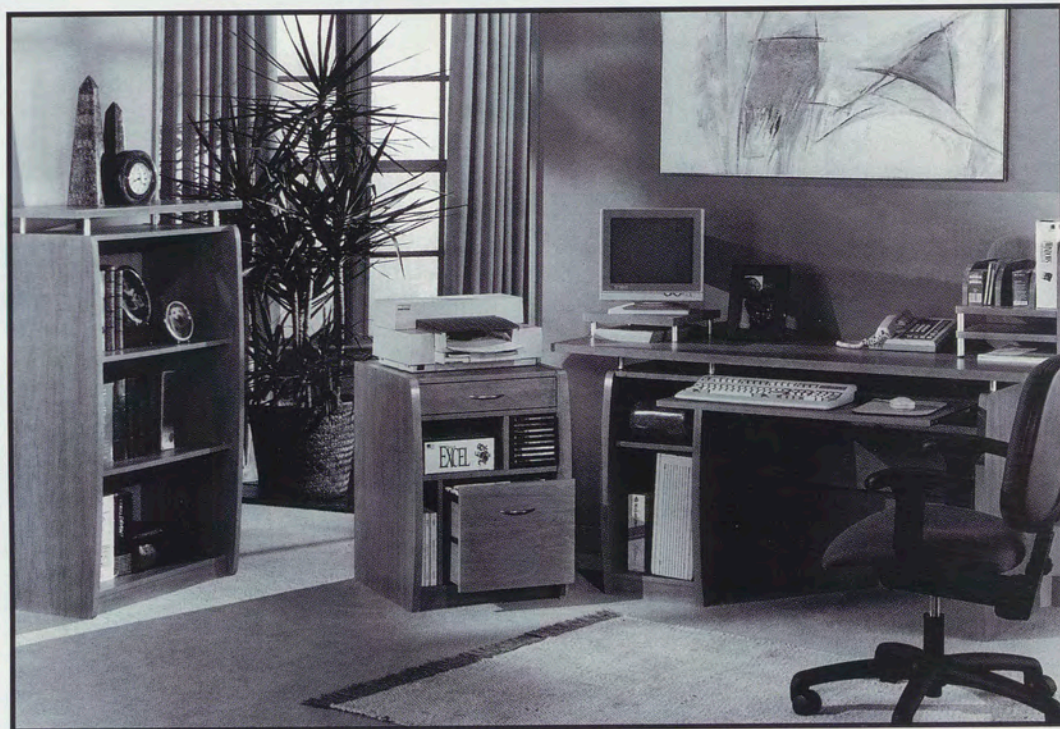
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Creative Interiors brings your work home

Creative Interiors, a division of Thomasville Furniture Industries, has a new line of ready-to-assemble furniture that is ready to go into your store. One of the latest pieces Creative Interiors has to offer is the Contempo home office collection.

Capped with a new up-to-date light maple finish, the Contempo home office collection serves as a functional office center and as a beautiful set of furniture to admire. The computer desk features a free standing monitor stand and organizer with zinc metal spacers between the desktop and the base for the look of a floating top. The desk has ample room to hold a tower CPU and includes an easy-glide pull-out shelf. The set also has a matching bookcase and printer stand that provide ample storage and full 1-inch thick panels that are gently curved on the side to add to this collection's fashionable appeal.

"By eliminating the labor costs of assembly, we're able to create a superior value to consumers for high quality furniture," says Phil Miller, general manager of Creative Interiors. "Plus, in most instances,



consumers can walk into a retailer, decide what they want, take it home and enjoy it quickly."

For more information, contact Bill Agnew, Creative Interiors, P.O. Box 848, Appomattox, VA 24522, 804/352-4857.

Office Star offers home comforts

Recent studies have shown that more than 40 percent of American homes either have a home office or intend to set one up in the coming year. Anticipating that avalanche of demand, Office Star Products has introduced two new chairs to its popular Work Smart

collection. Both are upholstered in bright, warm chenille fabrics offering exceptional comfort together with styling that can easily blend in with a wide range of home settings.

Both chairs offer pneumatic seat height adjustment as well as a versatile swivel/tilt mechanism. Each chair comes backed by a 15-year limited product warranty. One is a high-back decorative home chair with elegant-

ly contoured arms. The other is an ergonomic decorative home chair with an oversize back and padded armrests which may be adjusted for maximum comfort and support.

These new chenille fabrics are treated with 3M Scotchgard and were selected for their durability and warm, inviting texture. In vigorous testing at the factory, this material has successfully undergone more than 39,000 double rubs; about 20 percent more



than the typical fabric on most task chairs.

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

Enterprise fulfills transportation needs

Enterprise Fleet Services, a division of Enterprise Companies, has been managing commercial fleets for businesses all over the nation since 1957. Through the combined efforts of the national rental and leasing fleet, Enterprise manages more than 400,000 vehicles, making it one of the largest purchasers of vehicles in the country.

As a fleet manager, Enterprise will finance new vehicles and dispose of used vehicles through its national network, provide license registration services and control maintenance costs. In addition to those benefits, Enterprise will provide insurance and/or claims handling, manage fuel costs and fulfill corporate rental needs. Current clients include Rent One, Action TV and Alreco.

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How do you keep good customers coming back?

Randy Otander

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In addition, we send direct mail to our preferred customers offering discounts. We also send them a special mailer once a year to rent any item in the store for \$5 for the first month. This promotion has worked really well for us in the past. In one evening, we rented 112 units!

Norma Conant

MRS. T'S RENTAL
CENTRAL VILLAGE, CONNECTICUT

Basically, we give our customers great service and always have the merchandise they want. As far as freebies and things like that, they never worked for us, so we don't bother with them anymore. We just treat them like the valuable customers they are and they keep coming back.

Keith Brown

ABC RENTALS
SAN ANTONIO, TEXAS

We send our customers an updated calendar every month of the special events we have at our store. We usually give discounts if they rent a second unit. In addition,

we also utilize our vendors who put on demonstrations of their newest products for customers. Some vendors offer free computer training classes for their new line of computers or free food prepared with a new microwave model.

On the fifth payment that our customers make on time, they receive a punch card in the mail that looks like a real credit card. On each additional fifth payment, this card gets punched so they can receive discounts on other items.

We also have a drawing for our paying customers every month to give away a small appliance like a radio or a vacuum.

Bernie Odell

NATIONAL TV & APPLIANCE
BECKLEY, WEST VIRGINIA

We have what we call a Gold Star Customer Program for customers who have paid on time every time. Anytime these customers finish paying off an item, they can re-rent merchandise and get the first month free or we will reduce the term. We also offer our Gold Star customers another special discount. Every fourth month they pay on time, we give them a month free. We take care of these customers because their consistent business is what pays our bills.

We also have the blue, silver and red star programs for the rest of our customers that offer

discounts according to the good standing of their accounts. We try to keep our good customers around as long as we can.

Douglas Madison

MADISON'S RENT-TO-OWN
BOISE, IDAHO

For our new customers, we send out a thank-you card within three days of receipt of their merchandise. Also, the store manager personally calls the customer within seven days of the delivery of their item just to

make sure the customer is happy. And, when a customer pays off an item, we offer the customer one month free if they re-rent an item from our

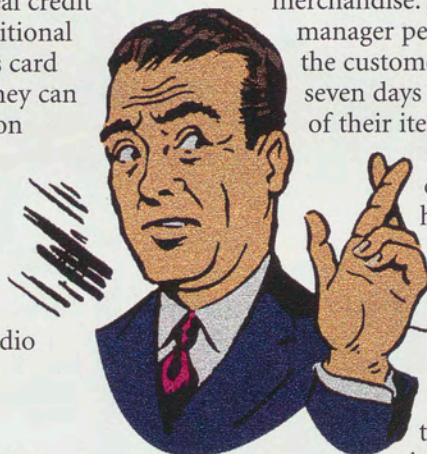
store. This way we keep our good customers coming back.

Delores Tabler

FAMILY RENT TO OWN INC.
WOODBURN, OREGON

We usually give repeat customers half off of the first month's rent when they rent an additional item. Sometimes we also give our customers complimentary gifts like cups and things like that. ■

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



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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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