

# Dedication to rental pays off for Network

But what do you actually know about Network Video?

Back in 1993 when Network Video was just getting started, one of the major players in the rental industry commented that Network comprised just the rats and mice of the industry. Fast forward over 15 years, and for many that perception is still the case. But it's far from being the truth.

Now, more than ever, there are many rumours about Network; about their standing in the marketplace and about their policies. Rumours are just that – completely false, as you'll see.

For a group that started with just 12 stores, the fact that Network Video hasn't just survived, but thrived in the rental industry is one worth celebrating. Given a small chance of success by the other players in the industry, Network has grown to become the second largest group in Australia. Considering that that growth has happened during a period of consolidation and rationalisation within the industry, as 38 groups shrank down to just a handful, it proves that Network has it right.

Many groups will take anyone that calls up and wants to join, but that's never been Network's way. Network members are dedicated rental retailers; and comprise some of the best and most savvy retailers in the business, regardless of whether they are the only rental store in a small rural town or some of the largest stores in the country and anywhere in between; Network stores have won many awards over the years, and they boast some of the best and most profitable stores in the business. Network members are used to driving the business and plugging into the unique services on offer that suit their individual market and business.

Keran Wicks, Network Managing Director says, "Network isn't for everyone; we don't want it to

be, and that has as much to do with our criteria than anything else. It's not as simple as a retailer deciding they want to join us and that's it, and it's not about store size as much as attitude. Many retailers that approach us just don't fit. Though certainly the trend is that the more long standing, industry experienced, savvy retailers, retailers that want more from a group than just a dollar or two off a movie or being told what to do, have recognised that Network is where they belong.

"We recognise we work differently to every other group and our members aren't just our 'stores', they are true members; we get to know them well. Our members are the most important part of the business and work with us in developing many of the initiatives that are rolled out across the group. In fact, that's why Network was named Network – we are a Network of rental stores together under the Network Group umbrella driving the business for the betterment of all."

"After 17 years of on-going growth and success, Network's members have proven time and time again, it works for everyone. We have always listened to members' needs and to that end, a central billing system, allowing one rental order and one simple monthly payment will be rolled out in the near future; but rather than just be done in a way that suits us we are working with members to ensure that its structured in a way that works best for them."

Network members enjoy complete freedom in the way they operate their business – Network doesn't auto-ship anything or require a minimum expenditure per month. At Network, nothing is mandatory. The longevity of many of Network's members is testament to the high calibre of Network members and to the group's approach.



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While most other groups have seen shrinking market share, Network has continued to grow. In fact, the first half of 2010 has seen a record number of new members, and there are plenty more in the offing for the remainder of the year.

Network stores also benefit from the knowledge and experience of the Network HQ management and staff. The average industry experience of Network's management team is over ten years, and with a staff count of over 40, all totally dedicated to the rental industry, no other group can offer the same level of hands-on support and experience that Network delivers. Plus new members are often amazed at the level of information and resource available to them at their fingertips, especially Network's pioneering B2B website.

As the rental business continues to face its challenges both from without and within, knowledge and direction is more important than ever. Wicks comments: "In some ways the rental business is its own worst enemy, collectively we have a tendency to over complicate things and forget that we are simply in the business of providing two hours of entertainment to the consumer. Network's marketing is focused on reminding people of that fact. As an industry we have done nothing to remind the punters that rental is great value and easy, simple, great entertainment. That's certainly what we are focused on. It's not rocket science, but the smartest people in this business just don't get it, or if they do, that aren't doing anything about it."

Wicks continues: "For its 25 or so years rental has always had its peaks and troughs, but unlike other troughs there isn't one single thing that you can point to as the cause, there are a number of issues compounding. At recent member meetings nationally we covered these in detail and how best to address today's business. But we aren't just talking from a pulpit, our guys are on the road as well working hand in hand with our members across the country."

"As there isn't one single issue, there isn't one single solution and anyone looking for that is setting



themselves up for disappointment. Consistent, cost effective marketing will be the key to longevity in this business."

"Additionally, driving the business today needs to be done with a vision to the future. Future proofing the business needs to be worked into today's strategy so as technology develops, our members are in the position to transition their business when the time is right. This won't be any time in the near future, but when the time is right groups will need management that ensures a future for their members based on the consumer needs at that point in time."

So don't believe everything you hear in the marketplace about Network; if you want the truth, go straight to the source. Network isn't what you might have heard, it's so much more.