

Welcome to the

PARTY

How to Be Successful in Special Event Rental

Rental at Kempker's True Value started out the way it might at countless other independent home improvement businesses. Owner Chuck Kempker rented tools and equipment mostly to contractors. But then he started getting requests for tables and chairs. Soon he was renting tents, then table linens and china. Today, nearly two decades later, he rents hundreds of items that can help customers host a party or a banquet.

If you're looking for a way to diversify your business with a new revenue stream, consider a niche in special event rental. But renting out a tent and chairs is different than renting out a jackhammer or skid loader. You need a different set of skills. Rather than

just renting tools and equipment to help customers complete a project, you are helping them host a successful event.

To understand the nuances of this category, *Hardware Retailing* spoke with Kempker, who has four hardware and rental locations in southeastern Iowa, and Dan Fitzgerald of McAuliffe's Ace Hardware in Marysville, Ohio. Both retailers have been successful in special event rentals. We also consulted Chuck Shipp, president of Shipp Cleaning systems (shippcleaningsystems.com and cleanatent.com), who has more than four decades of experience in the rental industry, specializing in equipment cleaning and maintenance. All three offered tips for success in the special event rental category.



Establish Your Market

Potential customers are everywhere. Families have birthday parties, weddings and graduation celebrations. A local church may want a tent for its annual picnic. The nearby community college may need a few extra tables and chairs for a fundraiser. Use your entrepreneurial skills to uncover opportunities.

“The party rental market has grown over the past 10 to 15 years,” Shipp says. While homeowners may have always been a solid market for party rentals, business-to-business opportunities are growing as more and more companies choose to rent rather than own their supplies. “A lot of companies across different industries are finding it is far less expensive to rent items for special events. They don’t have to clean and store all that equipment,” he says.

As you look for potential customers, understand your limits. Identify a target market rather than trying to serve everyone.

Fitzgerald, for example, has established his business as a destination for backyard parties. “We do a lot of backyard birthday parties, graduation parties, backyard weddings and barn weddings,” he says. “We usually refer larger events to someone else because we’ve found that we can’t provide the products and labor needed for those larger orders while maintaining our profit and quality standards. It’s important to identify exactly who you want to be, and then listen carefully to that customer base as you’re starting out.”



Owners **Chuck and Dawn Kempker** have been building up their party rental inventory for two decades in response to customer demand.

Start Small

As with any category, start small and build your special event rental selection as you learn the types of products your customers want. Ask yourself three questions, says Shipp. First, what are the opportunities in the market? While any size of market holds potential, rental can be strong for retailers in rural areas, as there may be fewer competitors but still a high demand.

Second, Shipp says retailers should consider their storage space commitment. Third, retailers should consider their labor commitment. Are you willing to dedicate a full-time person to the category? These questions will guide you in setting up your ideal rental category.

A good starter assortment might include tables and chairs. If that goes well, add a tent. As your department grows, you can add ancillary items to improve your selection, but the core products will make you money. “You’ll likely find that 20 percent of your inventory does 80 percent of your rental,” Shipp says.

Rental is a category that should pay for itself quickly. “Your return on investment may be better than you initially think. For most items, you can recoup your expenses within 10 times of that item being rented,” he says. “After that, it’s all profit.”

Hire Seasonal Help

As your special event rental category expands, you may discover peak seasons when you need to hire temporary staff. Or you may want to find part-time workers willing to work evening and weekend hours, which are often required in this department.

Both Kempker and Fitzgerald agree: Staffing is the largest learning curve in special event rental and can make or break your success there.

The average backyard party, for example, might require a tent, tables and chairs. Employees not only need to be in good physical shape to handle delivery and setup for multiple customers in a day, but they must also be professional, as they are still representing your business.

“Your reputation is on the line,” Kempker says. “Your employees have your name on their backs.” In addition to dealing with customers who are anxious about the success of their event, employees must ensure the event setup is professional.

Fitzgerald finds college students home for the summer are the perfect fit for hiring during the busy summer season. During that time, he might have two crews each making seven to 10 deliveries or pickups per day.

Keep It Clean

Just as your staff represents you every time they head out the door for a delivery, so do the products you rent. It's important to establish a routine for cleaning each item as it comes back from a rental customer so no item leaves the store dirty or in poor operating condition.

Remember that each time your rental items show up at a party, they will be surrounded by a large group of people. For example, if the chairs or tents you rent are dirty and not well-maintained, they will reflect poorly on your entire business.

Only buy the highest quality products for special events rental. Subpar products will only damage your reputation. Those items generally do not hold up to the rigors of repeated use, will wear out quickly, and customers will not be satisfied with the way they perform.

In addition to buying quality products, also look for products that will appeal to a wide range of styles and tastes. For example, if you're renting dance flooring, choose a style that could be used for a variety of occasions. Stay classic and simple. Universally appealing styles and colors are the best choices for an assortment that will appeal to a wide audience.

Be a Party Planner

Customers who come to you for special event rental items may never have planned an event before, but they want their occasion to be perfect. And they want your help.

"When a contractor wants to rent a tool, they usually want it that day," says Kempker. "When I get a phone call about someone wanting rental for a party, it's usually not about renting this week. They want to rent in three months. That first call just starts the conversation. They're likely to call several more times before the party with questions as they plan their event."

Essentially, he's helping them plan the party. Customers tell him how many partygoers they will have at the event, and they ask for advice on how large of a tent they should get and how many tables they need. He says it's important to ask them plenty of questions to help them think through everything they might need.

Kempker has a lot of different design options to offer his customers, so it helps to have someone running the department who has a designer's eye and a flair for style.

"The customer wants their event to have the wow factor," he says. "They have their ideas about what

they need for a perfect event, but we can also share with them about what we've seen or done with someone else's event and help them brainstorm. We've even gone to the site where they're having the event and helped them plan the setup."

Establish Expectations

When those planning a special event ask for your help, clearly communicate your role in the process and what their responsibilities are. Establishing expectations early will avoid confusion later, which can lead to a disgruntled customer. "For a parent planning a graduation party, for example, that is the most important thing in the world to them," says Fitzgerald. "They will have high demands. Managing those expectations becomes a challenge."

One common detail that needs to be covered is who will do the setup. During the peak busy season, Fitzgerald may have as many as 20 event deliveries in one weekend. Clear communication will help the delivery and setup for each go smoothly.

For example, if he is delivering a package that includes a tent, tables and chairs to an event site for a customer, he will set up the tent, not only for liability reasons, but also to make sure those doing



Retailers who rent tents often find they have the opportunity to build the transaction with add-on items such as tables, chairs and linens.



Customers for special event rental can include families hosting backyard weddings or businesses holding company picnics or fundraisers.

the setup treat the tent with care. But if the customer also wants him to set up the tables and chairs, he'll need to build more time into the delivery schedule and charge an extra fee for the service. Those kinds of details need to be worked out ahead of time.

"Communication up front when the customer first starts talking about the rental is critical," he says. "We try to have only one or two of our staff talk to customers about their orders to minimize the chance for cross communication or conflicting information."

Get Everything Online

The best marketers for your special event category will be satisfied customers. But it is also important to get your entire rental catalog online.

"It's very important to have a good website that includes everything you have to offer," says Fitzgerald. Don't just have a list of items, either. "Post pictures of everything so customers can see what you have."

Including item, delivery and setup costs is vital, too. The total rental cost of each item may include setup fees for certain items and extra delivery charges, which may vary based on the distance from the store or whether you need to pull a trailer to make the delivery.

While the website is the place for listing your catalog of items, use social media and other marketing to draw attention to your rental service. Facebook is a great place to share photos of events you've helped set up and reminders to customers to get their reservations in early for the busy party season, which usually starts as the weather warms up and people start scheduling weddings, graduation parties and family gatherings.

Another way to market your rental offering is by talking with other businesses that might have a frequent need for special event rental items. You could also build a relationship with local event coordinators and see if there is any way you can help them serve their customers.

Create Add-On Sales

With every rental, there may be opportunities for building the transaction with add-on rental items or retail items.

For nicer events, customers may want linens for the table and even china. Kempker also has outdoor lighting, dance floors, a sound system and food-service items such as chafing dishes. For more informal parties, he offers bounce houses and cotton candy machines. If you have the right selection, you could end up providing the customer with an entire package of items.

In addition to rental, look for opportunities with retail items. Some customers will be looking for disposable table covers or party decorations, such as balloons and streamers. But those items are not as popular in some markets as they were a few years ago, he says.

More people are looking for a way to personalize their parties, and that shows in the way they decorate. Table centerpieces for weddings, for example, are often homemade. Social media sites such as Pinterest help people share ideas, but the decorations don't always come with instructions.

"Customers often bring in a picture of what they want to make on their phone, and we'll help them figure out how to make it," Kempker says.

He has a gift area inside each of his hardware stores, which means customers might already be shopping there looking for decoration ideas, and offering the rental service makes him a destination for event planners.

If you do not have a party supply store in your area, there may be an opportunity in stocking disposable tableware. "There are opportunities for seasonal and holiday-themed items," Shipp says. "You might even consider looking for a way to sell tableware in the colors of your local high school teams or have their mascot printed on a disposable tablecloth." ➔



Dan Fitzgerald (right) and his son, Sean, hire seasonal staff during the peak party rental season to help with equipment deliveries, setup and teardown.