



RENTAL EQUIPMENT REGISTER
State of the Industry
2004

- Investigation conducted exclusively for *Rental Equipment Register*.
- Methodology, data collection and analysis by Primedia Business Magazines & Media Marketing Research Department.
- Data collected June 17 through June 30, 2004.
- Methodology conforms to accepted marketing research methods, practices and procedures.

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Objectives & Methodology

Objectives:

Objectives of this study effort include:

1. Learn about subscribers' technology involvement.
2. Examine subscribers' views on the competitive environment.
3. Profile subscribers in terms of repair and service offerings.
4. Determine how subscribers view the future of the rental industry.

Methodology

Sample framework

e-mail Survey.

On June 17, Primedia Business e-mailed invitations to participate in an online survey to a total of 10,508 subscribers of RER's Product Wire e-newsletter and *RENTAL EQUIPMENT REGISTER* with email addresses.

Response motivation

To encourage prompt response and increase the response rate overall, the following marketing research techniques were used:

- A drawing was held for five \$50 amazon.com gift certificates.
- A link was included on the invitation to route respondents directly to the questionnaire.
- The magazine name was used on the invitation to tie the study effort to the magazine.
- A follow-up invitation was sent on June 23rd to the same list as the original group.

Survey instruments

Copies of the invitations and questionnaire are included in Appendix B.

Sample Statistics

A.	Total mailing	10,508
B.	Bouncebacks/undeliverables	833
C.	Effective mailing (A-B)	9,675
D.	Completed surveys	791
E.	Effective response rate	8.2%

Margin of Error

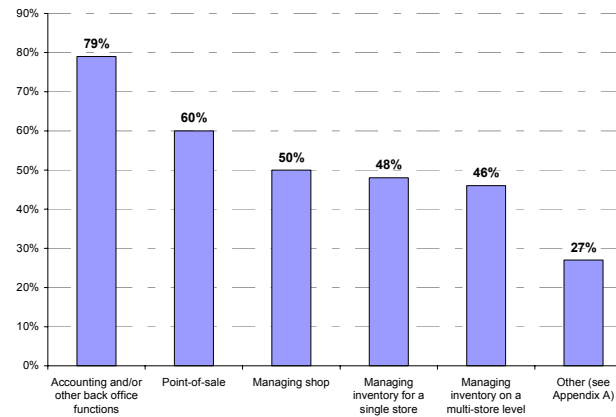
The most conservative estimate of error at the 95% confidence level is within +/- 3.4 percentage points.

Subscribers most often use their computers for accounting and similar back office functions.

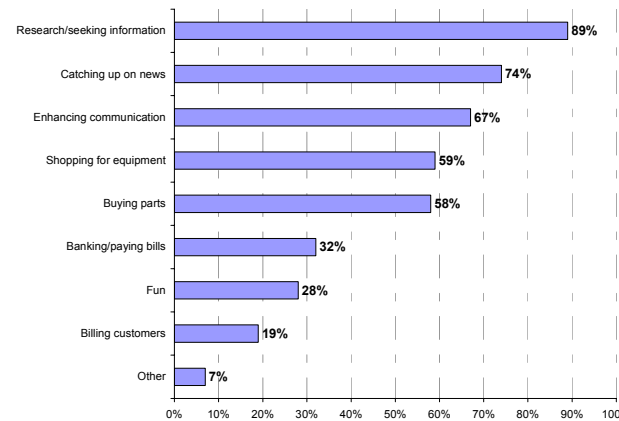
A majority of subscribers (60%) also use their computers for point-of-sale.

Computer and Internet Usage

- For which of the following do you use a computer?



- For which of the following do you use the Internet at work?



Base for both charts = all respondents or 791, multiple answers.

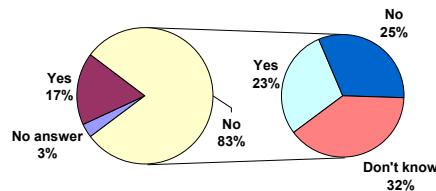
Less than one in five respondents uses GPS systems on their fleets.

Only another quarter of the respondents expect to use them in the future.

A majority of the respondents who use GPS systems use them to track the location of their equipment on the job site and for anti-theft purposes.

GPS Systems

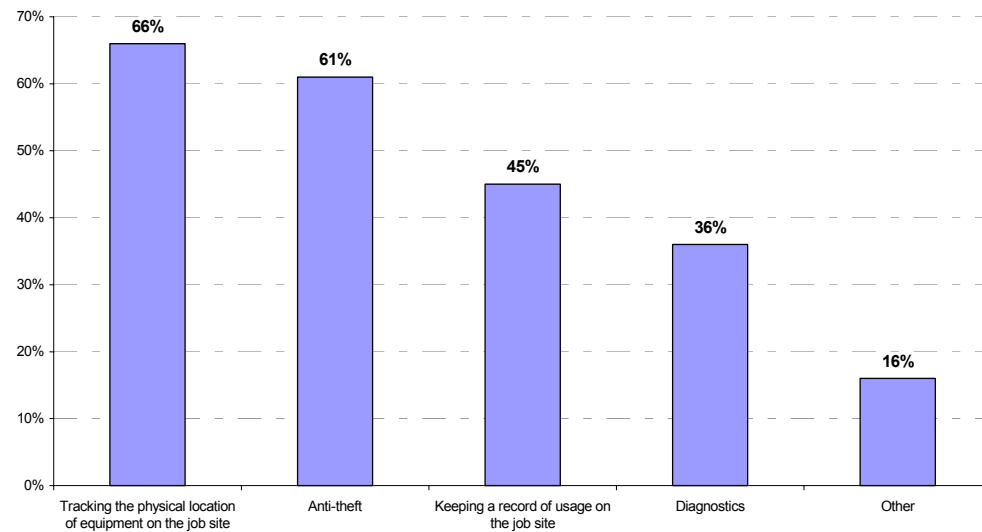
- Do you use GPS systems on your fleet?
- If not, do you expect to use GPS systems in the future?



Base = all respondents, or 791.

How GPS Systems are Used

- [If you use GPS systems, which of the following do you use [it] for?]



Base = respondents who use GPS systems, or 135.

More than half of the respondents compete with manufacturers in the rental business.

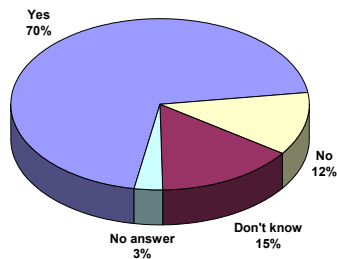
Nearly half of these respondents rate the competition as very significant, with a mean significance rating of 3.4.

Most commonly cited manufacturers in the rental business include CAT/Caterpillar (36%) and Volvo (18%).

The majority of respondents expect more manufacturers to directly rent equipment in the future.

Competing with Manufacturers

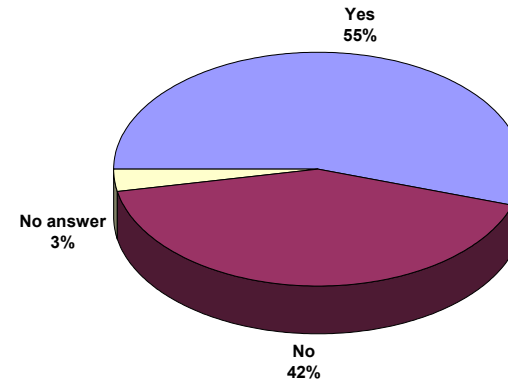
- Do you expect more manufacturers to directly rent equipment in the future...?



Base = all respondents, or 791.

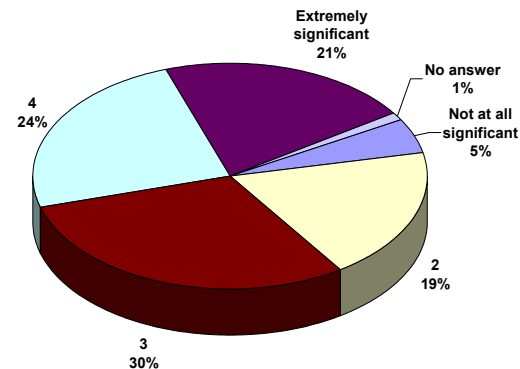
Competing with Manufacturers

- Do you compete with any manufacturers that are in the rental business?



Base = all respondents or 791.

- How significant is the competition?



Base = respondents who compete with manufacturers in the rental business, or 437.

More than one-third of respondents believe that the future bodes well for independent rental centers.

Nearly three-fourths of the respondents (72%) indicated that they think the same or more independent rental centers will be around three years from now.

Conversely, two-thirds of respondents (66%) say that there are the same number or fewer independent rental centers than there were three years ago.

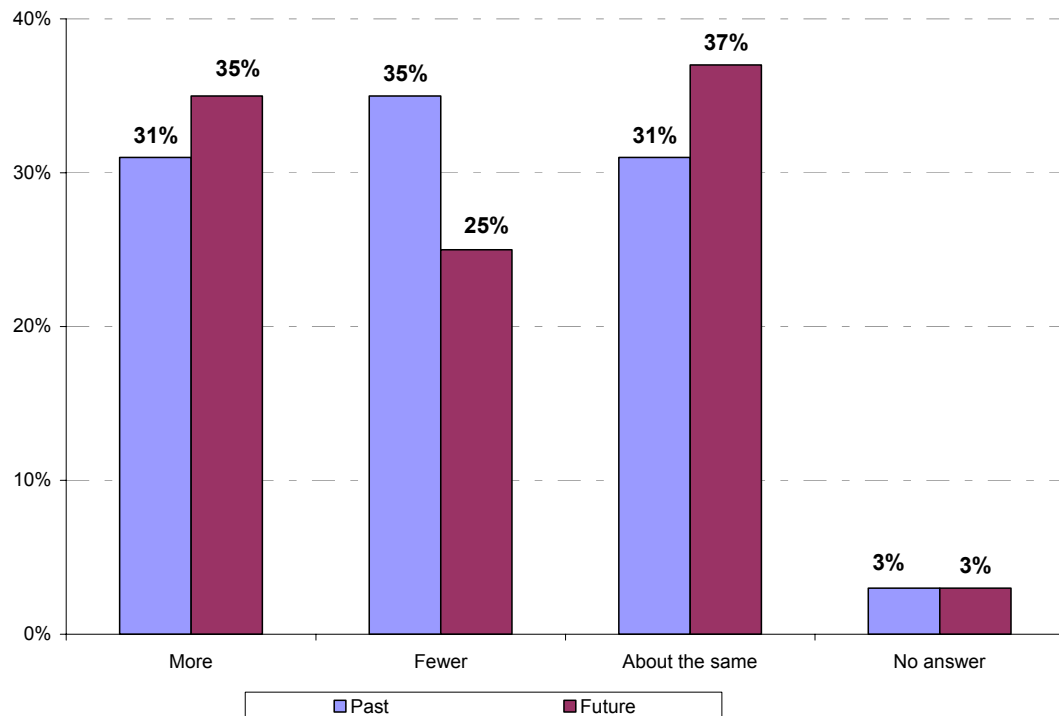
One-fourth of those saying there will be more independents cited re-entry by former owners whose non-competes have or will expire.

Those predicting fewer independents most commonly (23%) said it was due to competition from the majors and/or big boxes.

The tables beginning on page T-5 illustrate this data.

Change in the Number of Independent Rental Centers

- Compared to three years ago are there more independent rental centers in your region?
- Which of the following do you think is the most likely situation three years from now?



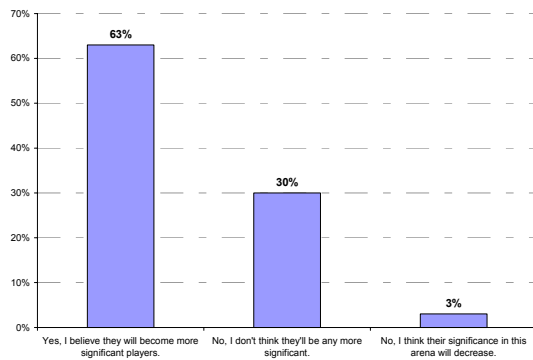
Base = all respondents, or 791.

Fewer than one in ten respondents report being impacted by big box improvement centers.

Only 14% of the respondents rated the impact of big boxes higher than neutral.

On the other hand, most (63%) believe that home-improvement rental efforts will grow significantly in the coming years.

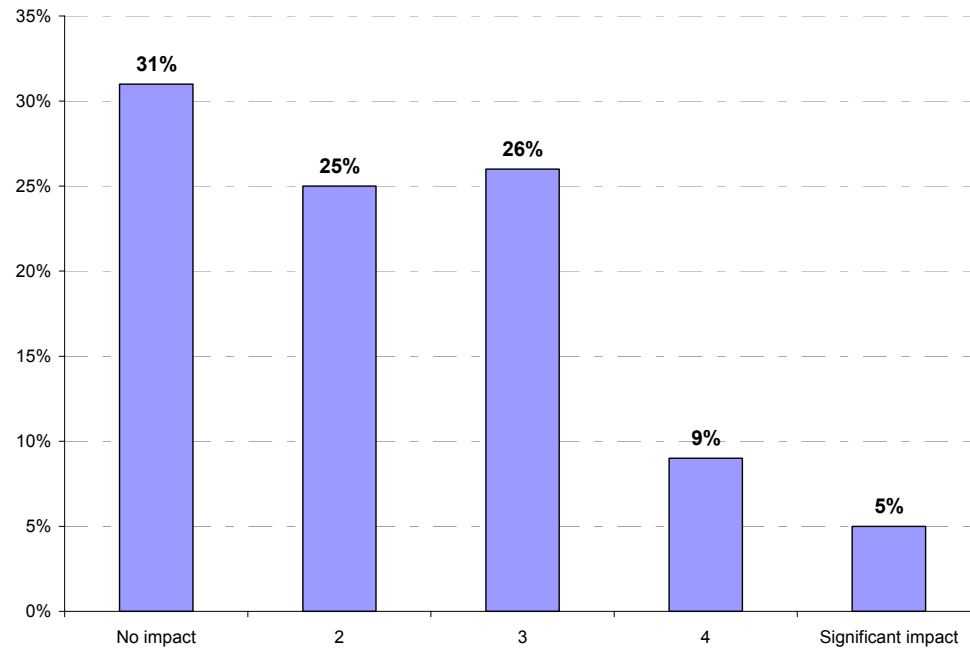
Growth of Home Improvement Rental Efforts



Base = all respondents, or 791.

Impact of Big Box Improvement Centers

- Please rate the impact that big box improvement centers have had on your business.



Base = all respondents, or 791.

The majority of respondents repair customer-owned equipment.

While 72% of respondents will repair customer-owned equipment, only 48% provide service contracts to their customers.

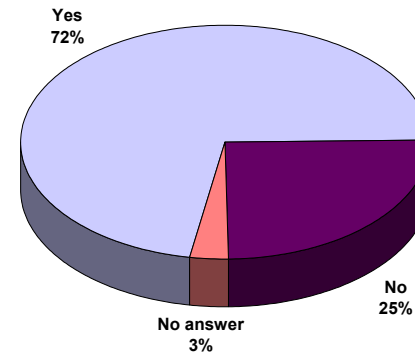
Of those who do provide service contracts or repair customer-owned equipment, more than three-fourths use service trucks to repair their equipment at the job sites. (See the table on page T-8.)

Service Contracts and Repairs

- *Do you provide service contracts for your customers?*



- *Do you repair customer-owned equipment?*



Base for both charts = all respondents, or 791.

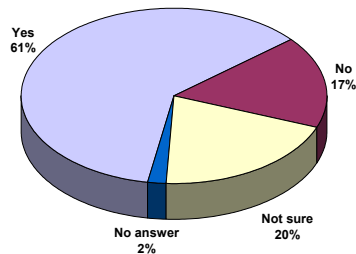
Nearly all of those offering service contracts and/or repairs report that the business has grown or remained the same.

More than half of the respondents have tried to grow this portion of the business; most have been successful.

More than half of all respondents (61%) expect to grow the service portion of their business in the future.

Growth of Service Portion

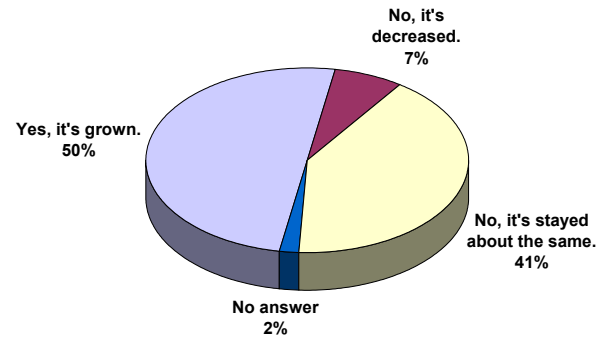
- *Do you expect to grow the service portion of your business in the future?*



Base = all respondents, or 791.

Service Contracts/Repair Portion of the Business

- *Has the portion of your business represented by service contracts and/or repair changed in the past two years?*



- *Have you made efforts to grow this portion of the business?*



Base for both charts = respondents who offer service contracts and/or repair customer-owned equipment, or 612.

The largest group of respondents reports an increase in parts inventory in the past two years.

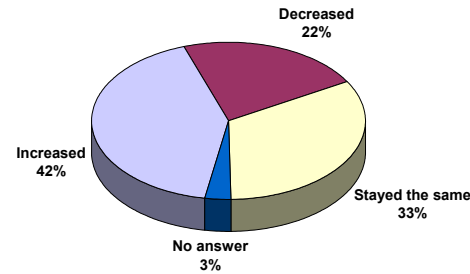
Parts inventory increased for 42% of respondents, and decreased for 22%.

Respondents are split between increasing their parts inventory over the next couple of years and keeping it the same (39% vs. 41%).

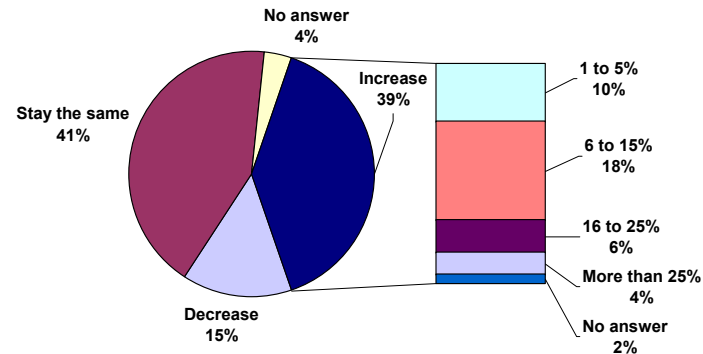
Just under one-fourth of respondents (24%) will increase their parts inventory 6 to 25% this year.

Parts Inventory

- Has your parts inventory increased or decreased in the past two years?



- Do you expect to increase or decrease your parts inventory over the next couple of years?
- If you are increasing inventory this year, by how much do you plan to add to your fleet?



Base for both charts = all respondents, or 791

Only one-fourth of the respondents perform fleet-management services for their customers.

Four in ten respondents (39%) is not even considering offering such services in the future.

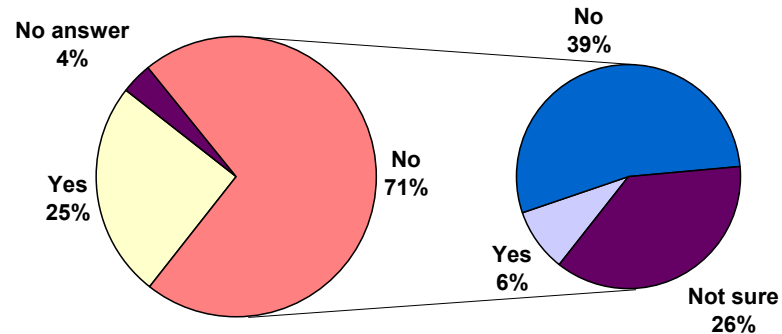
When services are offered, they are most likely to involve:

- Maintenance/preventive maintenance
- Custom or a variety of services
- Repairs.

The table on page T-11 shows full results for services offered.

Fleet Management Services

- *Does your company perform fleet-management services for customers?*
- *Is this an area you are considering?*



Base = all respondents, or 791.

One-third of respondents report that more than 50% of the equipment in their area is rented.

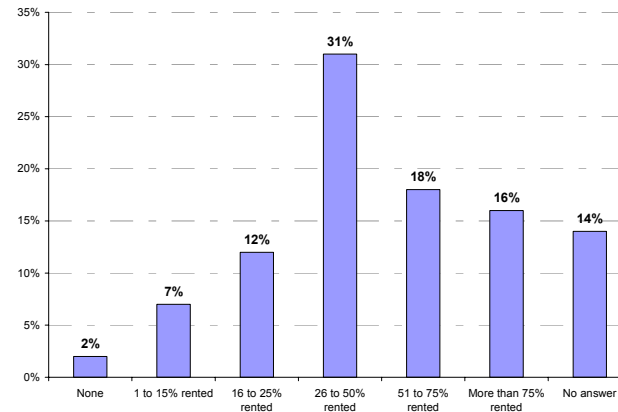
The largest group of respondents (31%) indicate that 26% to 50% is rented.

Six in ten respondents in areas where equipment is rented say that this percentage has grown in recent years, and 54% expect that trend to continue. (See the tables on page T-12.)

Nearly half of the respondents expecting an increase in the percentage of rented equipment believe the increase will be between 5% and 20% in the short-term.

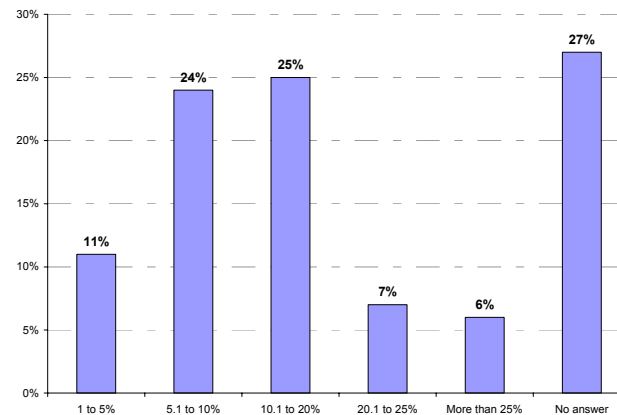
Equipment Rented by End Users

- Approximately what percentage of equipment in your area is rented (rather than purchased) by the end user?



Base all respondents, or 791.

- [How much do you expect this percentage to grow in the foreseeable future?]



Base = respondents expecting an increase in equipment rented, or 358.

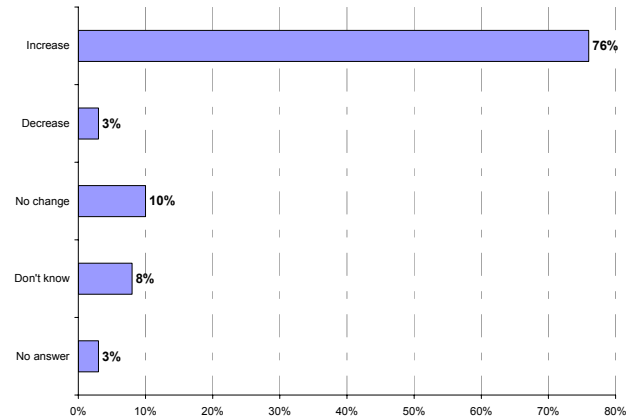
Respondents are bullish about the future.

Three-fourths (76%) believe that demand for rental will increase in the next few years.

The top reason given for the increase or decrease in demand is the cost/value of ownership. Those who don't foresee a change in demand attribute their thoughts to economic or construction trends.

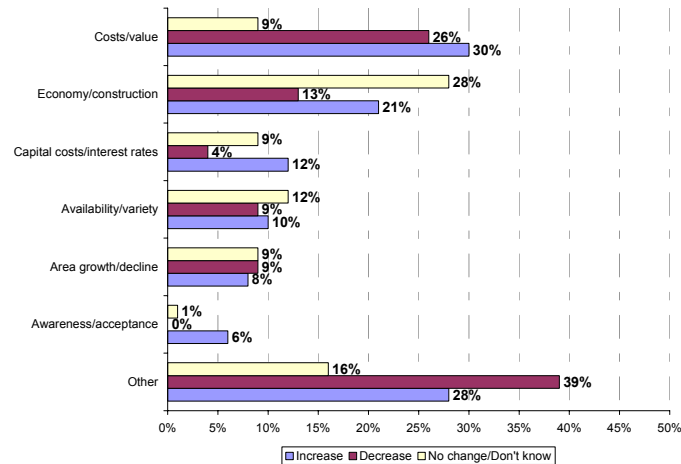
Rental Demand

- Do you believe demand for rental is likely to increase or decrease in the next few years?



Base = all respondents, or 791.

- What factors do you think will play a role in rental demand?



Base = all respondents, or 791; multiple answers.

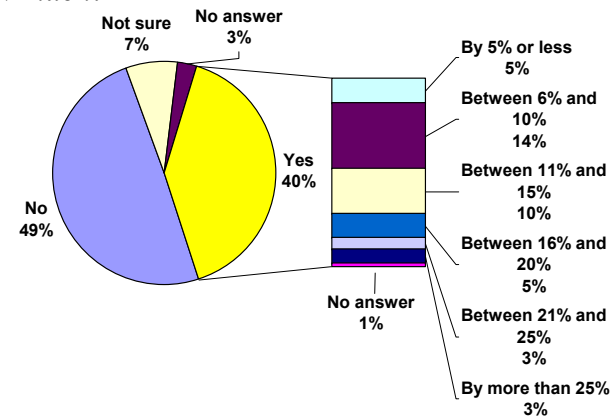
Respondents are evenly divided regarding changes in rental rates.

Four in ten respondents say that rental rates have decreased in their area recently; in most areas between 6% and 20%.

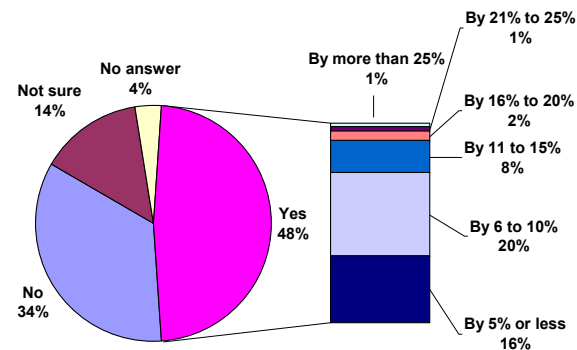
Conversely, nearly half (48%) of respondents say that rates are increasing in their area; in most areas by less than 10%.

Changes in Rental Rates

- *Have rental rates decreased in your area over the past two years?*
- *By about how much?*



- *Are rental rates increasing in your area?*
- *How much would you say rental rates will increase in 2004-05 over last year's rates?*



Base for both charts = all respondents, or 791.

1. For which of the following do you use a computer?

Base = all respondents; multiple answers.		
Accounting and/or other back office functions	622	78.6%
Managing inventory for a single store	382	48.3%
Managing inventory on a multi-store level	360	45.5%
Managing shop	395	49.9%
Point-of-sale	472	59.7%
Other (see Appendix A)	212	26.8%
No answer	26	3.3%
Total	791	100.0%

1. For which of the following do you use a computer?

Other Responses

Base = respondents specifying other uses; multiple answers.		
Advertising/marketing	24	11.3%
Financial/billing/budgeting	11	5.2%
CRM/Sales-related	34	16.0%
Email/Internet	22	10.4%
General business management	7	3.3%
Quotes/rentals	17	8.0%
Other	73	34.4%
No answer	50	23.6%
Total	212	100.0%

2. For which of the following do you use the Internet at work?

Base = all respondents; multiple answers.		
Banking/paying bills	249	31.5%
Billing customers	146	18.5%
Buying parts	455	57.5%
Catching up on news	587	74.2%
Enhancing communication	530	67.0%
Fun	223	28.2%
Research/seeking information	701	88.6%
Shopping for equipment	468	59.2%
Other (see Appendix A)	55	7.0%
No answer	29	3.7%
Total	791	100.0%

3. Do you use GPS systems on your fleet?

Base = all respondents.		
Yes	135	17.1%
No	629	79.5%
No answer	27	3.4%
Total	791	100.0%

3. If yes, which of the following do you use it for?

Base = respondents using GPS systems on their fleets; multiple answers.		
Anti-theft	82	60.7%
Diagnostics	48	35.6%
Keeping a record of usage on the job site	61	45.2%
Tracking the physical location of equipment on the job site	89	65.9%
Other (see Appendix A)	21	15.6%
No answer	2	1.5%
Total	135	100.0%

4. If not, do you expect to use GPS systems in the future?

Base = respondents not currently using GPS systems.		
Yes	182	28.9%
No	200	31.8%
Don't know	247	39.3%
Total	629	100.0%

5. Do you compete with any manufacturers that are in the rental business?

Base = all respondents.		
Yes	437	55.2%
No	328	41.5%
No answer	26	3.3%
Total	791	100.0%

5a. How significant is the competition?

Base = respondents indicating they compete with manufacturers.		
Not at all significant	22	5.0%
2	82	18.8%
3	133	30.4%
4	103	23.6%
Extremely significant	93	21.3%
No answer	4	.9%
Total	437	100.0%

	Mean Significance	
	3.4	N=433

5b. What manufacturers are involved?

Base = respondents specifying manufacturers; multiple answers.		
All	10	2.3%
Atlas Copco	23	5.3%
Bobcat	40	9.2%
Case	26	5.9%
Cat/Caterpillar	158	36.2%
JLG	21	4.8%
John Deere	69	15.8%
Ingersoll-Rand	41	9.4%
Komatsu	44	10.1%
Volvo	79	18.1%
Other (see Appendix A)	246	56.3%
No answer	84	19.2%
Total	437	100.0%

Answers were fill-in-the-blank and coded into the categories shown above.

6. Do you expect more manufacturers to directly rent equipment in the future, either through dealer-owned rental centers, franchises, or factory-owned rental efforts?

Base = all respondents.		
Yes	554	70.0%
No	96	12.1%
Don't know	116	14.7%
No answer	25	3.2%
Total	791	100.0%

7. Compared to three years ago are there more independent rental centers in your region, or fewer?

Base = all respondents.		
More	241	30.5%
Fewer	278	35.1%
About the same	248	31.4%
No answer	24	3.0%
Total	791	100.0%

8. Which of the following do you think is the most likely situation three years from now?

Base = all respondents.		
There will be more independent rental centers in the region.	274	34.6%
There will be fewer independent rental centers in my region.	201	25.4%
There will be about the same # of centers in my region.	291	36.8%
No answer	25	3.2%
Total	791	100.0%

**8a. Why do you say that?
There will be more independent rental centers in my region.**

Base = respondents indicating more.		
Reentry/non-competes expired	69	25.2%
Growing market/area	40	14.6%
Dissatisfaction with majors/consolidator problems	54	19.7%
Continuing a trend	10	3.6%
Big boxes are actually creating competition	11	4.0%
Rental is a good option/preferable to buying	9	3.3%
Other	34	12.4%
No answer	47	17.2%
Total	274	100.0%

Analyst note: Answers were fill-in-the-blank and coded into the categories shown above.

**8a. Why do you say that?
There will be fewer independent rental centers in my region.**

Base = respondents indicating fewer.		
Consolidation	35	17.4%
Competition from majors/big boxes	47	23.4%
Interest rates/access to capital	11	5.5%
Buying power/price competition	24	11.9%
Other	38	18.9%
No answer	46	22.9%
Total	201	100.0%

Analyst note: Answers were fill-in-the-blank and coded into the categories shown above.

**8a. Why do you say that?
There will be about the same number of independent rental centers in my region.**

Base = respondents indicating the same number.		
Market saturation/coverage	48	16.5%
Economy/market conditions	32	11.0%
Stable market/one-to-one replacement/no competition	54	18.6%
Small market	20	6.9%
Limited/slow growth	14	4.8%
Other	44	15.1%
No answer	79	27.1%
Total	291	100.0%

Analyst note: Answers were fill-in-the-blank and coded into the categories shown above.

9. Please rate the impact that big box improvement centers have had on your business.

Base = all respondents.		
No impact	247	31.2%
2	200	25.3%
3	204	25.8%
4	68	8.6%
Significant impact	39	4.9%
No answer	33	4.2%
Total	791	100.0%

	Mean Impact	
	2.3	N=758

10. Do you expect home-improvement rental efforts to grow in significance in coming years?

Base = all respondents.		
Yes, I believe they will become more significant players.	501	63.3%
No, I don't think they'll be any more significant...	240	30.3%
No, I think their significance in this arena will decrease.	23	2.9%
No answer	27	3.4%
Total	791	100.0%

11. Do you provide service contracts for your customers?

Base = all respondents.		
Yes	377	47.7%
No	385	48.7%
No answer	29	3.7%
Total	791	100.0%

12. Do you repair customer-owned equipment?

Base = all respondents.		
Yes	566	71.6%
No	201	25.4%
No answer	24	3.0%
Total	791	100.0%

13. Do you utilize service trucks to repair your equipment at the job sites?

Base = respondents who offer service contracts and/or repair customer-owned equipment.		
Yes	472	77.1%
No	139	22.7%
No answer	1	.2%
Total	612	100.0%

14. Has the portion of your business represented by service contracts and/or repair changed in the past two years?

Base = respondents who offer service contracts and/or repair customer-owned equipment.		
Yes, it's grown.	304	49.7%
No, it's decreased.	46	7.5%
No, it's stayed about the same.	251	41.0%
No answer	11	1.8%
Total	612	100.0%

15. Have you made efforts to grow this portion of the business?

Base = respondents who offer service contracts and/or repair customer-owned equipment.		
Yes	363	59.3%
No	243	39.7%
No answer	6	1.0%
Total	612	100.0%

16. Do you expect to grow the service portion of your business in the future?

Base = all respondents.		
Yes	482	60.9%
No	131	16.6%
Not sure	156	19.7%
No answer	22	2.8%
Total	791	100.0%

17. Has your parts inventory increased or decreased in the past two years?

Base = all respondents.		
Increased	331	41.8%
Decreased	177	22.4%
Stayed the same	257	32.5%
No answer	26	3.3%
Total	791	100.0%

17a. Do you expect to increase or decrease your parts inventory over the next couple of years?

Base = all respondents.		
Increase	312	39.4%
Decrease	115	14.5%
Stay the same	336	42.5%
No answer	28	3.5%
Total	791	100.0%

17b. If you are increasing inventory this year, by how much do you plan to add to your fleet?

Base = respondents increasing inventory.		
1 to 5%	83	26.6%
6 to 15%	140	44.9%
16 to 25%	46	14.7%
More than 25%	31	9.9%
No answer	12	3.8%
Total	312	100.0%

Estimated Mean Percent Increase		
	11.3%	N=300

18. Does your company perform fleet-management services for customers?

Base = all respondents.		
Yes	198	25.0%
No	565	71.4%
No answer	28	3.5%
Total	791	100.0%

19. Please describe the scope of the fleet-management services you provide.

Base = respondents providing fleet-management services; multiple answers.		
All/complete service	17	8.6%
Maintenance/preventive maintenance	34	17.2%
Onsite	12	6.1%
Warranty/service contract	11	5.6%
Varies/custom	25	12.6%
Asset management/tracking	14	7.1%
Repairs	21	10.6%
Other	38	19.2%
No answer	63	31.8%
Total	198	100.0%

Analyst note: Answers were fill-in-the-blank and coded into the categories shown above.

20. Is this an area you are considering adding?

Base = respondents not offering fleet-management services.		
Yes	51	9.0%
No	304	53.8%
Not sure	208	36.8%
No answer	2	.4%
Total	565	100.0%

21. Approximately what percentage of equipment in your area is rented (rather than purchased) by the end user?

Base = all respondents.		
None	17	2.1%
1 to 15% rented	57	7.2%
16 to 25% rented	96	12.1%
26 to 50% rented	245	31.0%
51 to 75% rented	142	18.0%
More than 75% rented	125	15.8%
No answer	109	13.8%
Total	791	100.0%

Answers were fill-in-the-blank and coded into the categories shown above.

22. Has this percentage grown in recent years?

Base = respondents in areas where equipment is rented.		
Yes	401	60.3%
No	257	38.6%
No answer	7	1.1%
Total	665	100.0%

23. Do you expect this percentage to grow in the foreseeable future?

Base = respondents in areas where equipment is rented.		
Yes	358	53.8%
No	111	16.7%
Not sure	195	29.3%
No answer	1	.2%
Total	665	100.0%

24. By how much?

Base = respondents expecting an increase in equipment rented.		
1 to 5%	40	11.2%
5.1 to 10%	84	23.5%
10.1 to 20%	88	24.6%
20.1 to 25%	24	6.7%
More than 25%	23	6.4%
No answer	99	27.7%
Total	358	100.0%

Analyst note: Answers were fill-in-the-blank and coded into the categories shown above.

25. Do you believe demand for rental is likely to increase or decrease in the next few years?

Base = all respondents.		
Increase	602	76.1%
Decrease	23	2.9%
No change	82	10.4%
Don't know	59	7.5%
No answer	25	3.2%
Total	791	100.0%

26. What factors do you think will play a role in rental demand?

Base = respondents expecting demand to increase; multiple answers.		
Availability/variety	58	9.6%
Costs/value	182	30.2%
Area growth/decline	45	7.5%
Economy/construction	127	21.1%
Capital costs/interest rates	72	12.0%
Awareness/acceptance	33	5.5%
Other (see Appendix A)	166	27.6%
No answer	106	17.6%
Total	602	100.0%

Analyst note:Answers were fill-in-the-blank and coded into the categories shown above.

26. What factors do you think will play a role in rental demand?

Base = respondents expecting demand to decrease; multiple answers.		
Availability/variety	2	8.7%
Costs/value	6	26.1%
Area growth/decline	2	8.7%
Economy/construction	3	13.0%
Capital costs/interest rates	1	4.3%
Other (see Appendix A)	9	39.1%
No answer	3	13.0%
Total	23	100.0%

Analyst note:Answers were fill-in-the-blank and coded into the categories shown above.

26. What factors do you think will play a role in rental demand?

Base = respondents expecting no change in demand or don't know what to expect; multiple answers.		
Availability/variety	17	12.1%
Costs/value	13	9.2%
Area growth/decline	12	8.5%
Economy/construction	40	28.4%
Capital costs/interest rates	13	9.2%
Awareness/acceptance	1	.7%
Other (see Appendix A)	22	15.6%
No answer	51	36.2%
Total	141	100.0%

Analyst note: Answers were fill-in-the-blank and coded into the categories shown above.

27. Have rental rates decreased in your area over the past two years?

Base = all respondents.		
Yes	318	40.2%
No	392	49.6%
Not sure	58	7.3%
No answer	23	2.9%
Total	791	100.0%

28. By about how much?

Base = respondents experiencing a decrease in rental rates.		
Decreased by 5% or less	43	13.5%
Decreased between 6% and 10%	111	34.9%
Decreased between 11% and 15%	76	23.9%
Decreased between 16% and 20%	40	12.6%
Decreased between 21% and 25%	20	6.3%
Decreased by more than 25%	24	7.5%
No answer	4	1.3%
Total	318	100.0%

	Estimated Mean Percent	
	12%	N=314

29. Are rental rates increasing in your area?

Base = all respondents.		
Yes	379	47.9%
No	271	34.3%
Not sure	112	14.2%
No answer	29	3.7%
Total	791	100.0%

30. How much would you say rental rates will increase in 2004-05 over last year's rates?

Base = respondents believing rental rates will increase in 2004-05.		
Increasing by more than 25%	8	2.1%
Increasing by 21% to 25%	9	2.4%
Increasing by 16% to 20%	18	4.7%
Increasing by 11% to 15%	60	15.8%
Increasing by 6% to 10%	157	41.4%
Increasing by 5% or less	125	33.0%
No answer	2	.5%
Total	379	100.0%

	Estimated Mean Percent	
	8%	N=377

Appendix A – Write-in answers

Q1. For which of the following do you use a computer? Other responses:

No answer (50)

2nd business on site
Account Maintenance
Advertising
Advertising/publishing
All applications
All aspects of our rental business
All financial operations
All phases of business
Analysis
Analysis of company financials
Asset management
Auto cad
Billing
Billing, tracking leads
Business management (2 mentions)
Budgeting, projections.
Business use
Call reports, sales quotes, etc
Communications (2 mentions)
Communications, projects
Contact management
Creating ad, brochures, safety
CRM, Communication
Customer Data Base Management
Customer database
Customer prospecting
Customer relationship mgmt.
Customer tracking and quotes
Database, word processing
Deployment, late equipment reporting
Desk-top publishing
Developing marketing materials
Dispatch
Dispatching & reports
Drafting/ design
E-mail (6 mentions)

E-mail, internet (3 mentions)
E-bay. ordering & looking up parts
Email, letters and spreadsheets
E-mail, presentations
Email, reports, etc.
Employee time clock
Engineering
Equipment maintenance, POs & work
Everything!
Executive management
Faxing and confirming PO's
Finance Products
Fleet maintenance
Fleet management (2 mentions)
GRAPHIC DESIGN WEB & PRINT
Graphic Design, Database management
Home office
Industry news
Information
Internet (3 mentions)
Internet access of products
Internet advertising
Internet advertising & sales
Internet research, e-mail
Invoicing
Letters, CAD, Create Web Site
Lotus Notes/Marketing Flyers
Mailers, sales orders, graphics
Mailings & sales control
Maintenance management (2 mentions)
Manage territory
Managing website
Manufacturing tracking
Marketing (7 mentions)
Marketing activities
Marketing analysis
Marketing and advertising
Marketing support
Marketing, brochures
Marketing, Databases, Web, Etc.

Non-business
Office support
Online sales
Ordering
Part Design, shopping
Parts department
Parts sales
PC's for general office use.
Personal
Planning & budgeting
Power Point
Prospecting research
Purchasing (2 mentions)
Purchasing & information
Quotations, communication
Quotes (3 mentions)
Quotes, contracts
Quoting and orders
Rental (4 mentions)
Rental business planning
Rental contracts (2 mentions)
Rental inventory, customers
Rentals, Sales, Parts, Service
Repair and Maintenance
Research/Marketing Analysis
Safety, Health & Environmental
Sales (5 mentions)
Sales account management
Sales analysis
Sales and operations management
Sales contact management
Sales leads, contacts, e-mail
Sales management (2 mentions)
Sales manager
Sales presentations & correspondence
Sales Presentations, On-Site Ma
Sales quotes
Sales rep
Sales reports
Scheduling deliveries

Appendix A – Write-in answers

Q1. For which of the following do you use a computer? Other responses: (continued)

SERVICE

Service and support functions
Shop maintenance recording
SS and word processing
Telemetry

TRACKING EMPLOYEES WORK

Tracking requests, logging quotes
Training (2 mentions)

Various

Various reports

Warranty

Web Site Management

Website

Word processing

Q2. For which of the following do you use the Internet at work? Other responses:

No answer (12)

Access to franchise/coop information

Accessing industry player websites

Accessing websites

All company reports

AUCTION

Auction results

Check on competition and current commodities prices

Commissions

Compare equipment pricing

CRM

Desktop publishing

Direct Marketing, online presentations

Download specifications & safety information for equipment by model

Education

E-mails, quotes

FIND ANSWERS FOR CUSTOMER QUESTIONS

Get parts breakdowns and Stihl's new feature printing price tags &

Graphic design and artwork

I also work from home at times

Listing equipment and products for sell.

Machine specs; map/distance info for shipping ;

Marketing, online auctions

MULTI STORE DATA TRANSMIT

Network server

Oobtaining transportation permits

Ordering from suppliers

Paper work

Presentations, training programs

Product information

Purchasing

Receiving and sending quotes

Research on customers and competitors

Sale of equipment

Selling on ebay

Service parts & manuals

Stock trading

Sweepstakes

System updates etc, multiple web-based applications

Tracking inbound & outbound shipments

Transferring Documents

Various

Warranty, travel, checking on orders

You name it, we use it

Q3. [If you use GPS systems on your fleet], which of the following do you use it for? Other responses:

No answer (2)

2 WAY COMMUNICATION WITH EQUIPMENT ON JOB SITES & TRUCK TRACKING DELIVERY

Delivery fleet tracking

DELIVERY VEHICLES

Dispatch assistance

Download fuel transactions

Employee

For my delivery fleet of trucks

Keeping track of delivery vehicles

Locating customers while on the road.

Maintenance

Monitoring our sales people and delivery truck

Only on our Del trucks

Preventative maintenance and damage control

Service vehicles start /finish times /location

weekend use

Track salesmen's vehicles

Tracking delivery trucks so we have a time

stamp of delivery

Tracking Delivery Vehicles

Transportation and service

Q5b. What manufacturers are involved?

No answer (83)

A 1 Plank, bil-jax, UFC

A-1 SCAFFOLD, GRANITE

Academy tent

Aerial OEMs

All (3 mentions)

All compact equipment manufacturers

Appendix A – Write-in answers

Q5b. What manufacturers are involved?

(continued)

All heavy equipment manufacturers: Deere,
Kobelco, Volvo, LinkBelt, Case, Komatsu
All major forklift houses and rental yards
All manufacturers of compaction equipment
All tents
Altec
Anza, Norstar
Atlas Copco *(3 mentions)*
Atlas Copco Drilling Solutions
Atlas Copco John Deere Komatsu Tachehuci
Bobcat IR
Atlas Copco, Aggreko, GEER, and others
ATLAS COPCO, INGERSOLL RAND, GODWIN
PUMP
Atlas Copco, Ingersoll Rand *(2 mentions)*
Atlas Copco, Ingersoll Rand and Toyota
Bobcat *(8 mentions)*
Bobcat Dealer, New Holland, John Deere,
Bobcat, John Deere, Case, Ingersoll Rand, Cat,
Bobcat- Volvo
BOBCAT, DITCH WITCH, NATIONSRENTS
Bobcat, Case *(2 mentions)*
BOBCAT, CASE, JOHN DEERE, AND
OTHERS
Bobcat, Deere
Bobcat, rental service corp
Bobcat, Vermeer,
Bobcat, Caterpillar, Komatsu, Volvo
Bobcat, Gehl, Ingersoll-Rand, Genie
Bobcat/Rand-Air
Bomag, Not sure how many others do direct rental
Can't release this information. Sorry
Case, bobcat, cat
Case, John Deere, Cat
Case, Deere, Cat, Volvo, Komatsu, New Holland,
Case, Deere, etc.
Case, Cat, Volvo, IR, Bobcat
Case, Komatsu,

CAT *(28 mentions)*
CAT ATLAS COPCO
Cat and IR
Cat, JCB, New Holland, Ingersoll Rand
Cat Rental *(5 mentions)*
Cat Rental Store but we have a good relationship
with them. Used for re-rentals
Cat, Volvo
CAT, AGGREKO
Cat, Atlas Copco *(3 mentions)*
Cat, Bobcat, JCB, JLG
Cat, Bobcat, John Deere, Vermeer,
Cat, JCB *(2 mentions)*
Cat, JLG sets up sweetheart deals, John Deere,
Volvo
Cat, John Deere *(2 mentions)*
Cat, Komatsu
Cat, Komatsu, Case, John Deere
Cat, Komatsu, John Deere *(2 mentions)*
Cat, Komatsu, Volvo, John Deere, Hitachi,
Independents
Cat, linkbelt
Cat, Skyjack, J.L.G., Genie,
CAT, Volvo *(11 mentions)*
Cat, Volvo, Case *(3 mentions)*
CAT, Volvo, Deere
Cat, Volvo, Deere, Bobcat
Cat, Volvo, Ingersoll Rand/Bobcat
Cat, Volvo, JLG,
CAT, Volvo, john deere, komatsu
CAT, VOLVO, KOMATSU
Cat, volvo, komatsu, case
Cat, case, j deere
CAT, KOMATSU, VOLVO, I.R.
Cat, komatsu, volvo, case, jcb
CAT, NEWHOLLAND, JOHN DEERE, ECT...
Caterpillar, john deere, kobelco
Caterpillar / Kohler
CATERPILLAR, KOMATSU, HITACHI,
Caterpillar & Volvo

Caterpillar, John Deere, Bobcat
Caterpillar *(14 mentions)*
CATERPILLAR - QUINN & CUMMINS -
CUMMINS CAL PACIFIC
Caterpillar & Volvo
Caterpillar (Cat Rental Store), Bobcat
Caterpillar, John Deere
Caterpillar rental stores, Rental Max, RSC
Caterpillar, Atlas Copco
Caterpillar, Bobcat, John Deere
Caterpillar, Bobcat/Ingersoll-Rand,
Caterpillar, Cummins, Aggreko, GE
Caterpillar, Cummins, Kohler, Trane, Carrier, York
Caterpillar, john deere, komatsu, volvo, Kobelco,
sumitoto
Caterpillar, Komatsu, John Deere
Caterpillar, Olympic tents
Caterpillar, Volvo, Atlas Copco, JLG
Caterpillar, Volvo, Case, New Holland,
Caterpillar, Volvo, Deere
Caterpillar, Volvo, Komatsu, Deere
Caterpillar; John Deere;
caterpillar, john deere, new holland, komatsu
CatRent
Champion Elevators/ Volvo / Cat /
Competitive products
Compressor
Cummins, GE, Stewart Stevenson, Kohler,
Deere, cat, Ingersoll Rand , Volvo, Deere
Deere, Case, Cat
Deere, Cat
Deere, Komastu, Case
Deere, komatsu, Volvo, Case, and more
DEERE, VOLVO, CASE, INDEPENDANTS
Diamond Products, MK Diamond, MQ.
Diamond tools and equipment manufacturers
Ditch Witch, Bobcat, Case, John Deere, JLG,
Ditch Witch, Case, Morbark, Brush Bandit, Rayco,
Carlton
Don't remember the exact names at this moment.

Appendix A – Write-in answers

Q5b. What manufacturers are involved?

(continued)

Ecco, preco
 Efficiency Production, GME, Trench Shoring,
 Steel Unlimited, Speed Shore
 Electric submersible and engine driven trash-pump
 manufacturers
 Engines and equipment
 European forming manufacturers, Peri,
 Hunnebeck, Symons and many others
 Fertilizer main product
 Forklift, Boomlift, Scissorlift, Backhoe, Excavator
 GE, Stewart & Stevenson
 Genie *(2 mentions)*
 Genie, Clark, JLG all majors
 GME, Efficiency, Speed Shore
 Haulotte
 Haulotte, JLG
 HENLEY MEDICAL
 Hilti *(2 mentions)*
 Hilti, Ingersol Rand, Vermeer, Atlas Copco
 Ingersoll Rand, Atlas Copco
 Ingersoll Rand, Air Pack
 Ingersoll Rand, Caterpillar *(3 mentions)*
 Ingersoll Rand, komatsu
 Ingersoll Rand, Terex, Hilti
 Ingersoll Rand *(6 mentions)*
 Ingersoll Rand / wacker / atlas copco / catapiller /
 john deere / case / volvo
 Ingersoll Rand, Atlas Copco, Ford, Bobcat
 Ingersoll Rand/Atlas Copco-RSC
 Ingersoll-Rand, Terex
 Intervak, Terex, Champion
 IR, Cat, Komatsu, Case, Bobcat
 IR, Cat, Volvo
 IR, Sullair, Atlas-Copco, Airman
 JLG
 JLG & Genie
 JLG and Terex
 JLG Gradall Grove

JLG Terex/Genie Snorkel
 JLG, Genie, SkyJack Snorkel UpRight Grove
 JLG, Genie, Volvo, Cat
 JLG, Grove, IR
 JLG, Haulotte
 JLG, Cat, Ir,Deere, Komatsu
 JLG, Terex
 JLG/NATIONAL/TADANO/BRODERSON/ME
 C/HYUNDAIGENIE/SNORKEL
 John Deere *(5 mentions)*
 John Deere, Komatsu, Bobcat, Kubota, Volvo
 HN DEERE
 John Deere and Case Dealer Network - Perhaps not
 the manufacturers themselves
 John Deere, Atlas Copco, Ingersol Rand
 John Deere, Bob Cat, Cat, Vermeer, Komatsu, Rand
 Air, Kubota, New Holland
 John Deere, Case IH, New Holland, Kubota
 John Deere, Case, Ingersol Rand, Bobcat
 John Deere, case, komatsu, clark, hyster, bobcat
 John Deere, Cat
 John Deere, New Holland, Bobcat, Gehl
 John Deere, Volvo
 John Deere, Volvo, Komatsu *(2 mentions)*
 John Deere, komatsu, genie
 John Deere/ sunstates
 Komatsu *(5 mentions)*
 KOMATSU, CASE, JOHN DEERE
 KOMATSU, CATERPILLAR, JCB, VOLVO
 Komatsu, John Deere *(2 mentions)*
 Komatsu, Kobelco, Deere, Volvo
 Komatsu, Volvo
 Komatsu, Volvo, Deere
 Komatsu, Volvo, Cat
 Kubota
 Landa
 Many
 MCFA
 MELROE
 Miller, DBI, Protecta,

Most all
 MQ Power, Trane, Carrier, Ingersoll Rand
 MQ, MBW, STOW, BOMAG, AMMAND
 Multiple vendors & manufacturers
 MultiQuip, Wacker, Dewalt
 N/A
 Nissan, Hyster, Yale, JLG, Genie, Skytrack, Lull
 Northridge rentals, rsc, hertz,
 Nunya
 Other financial institutions
 Party Rental, equipment Rental
 Power Generation
 Powqerteam, Enerpac, TK,
 Replacement sweeper broom manufactures
 RER
 Schmidt, International surface prep, etc
 Skyjack, J.L.G., Cat, Terex,
 Special Event (Tents, Lighting, Generators)
 Sullair of Houston
 Sullair, IR, Copco, GD, Compair, Quincy
 Symons, safway
 Target, MK, DP
 Tents, chairs, stages
 Terex *(3 mentions)*
 Thompson Pump, ITT Flygt Corp
 Track, Lull, Pettibone, CAT, Bobcat, Thomas,
 Case
 Tran
 Trane, York, GE, Kohler, CAT
 Truck, and water eq
 TT Tech, GME, Speed Shore
 UNITED
 United Building Center
 United rentals rsc rentals
 URI - RES -
 URI, TSS, NES,
 Volvo *(10 mentions)*
 Volvo, Cat *(11 mentions)*
 Volvo, Cat, Bobcat
 Volvo, Cat, Deere

Appendix A – Write-in answers

Q5b. What manufacturers are involved?

(continued)

Volvo, Cat, Deere, Komatsu
Volvo, cat, John Deere, Case, Komatsu, etc...
Volvo, Cummins,
Volvo, Deere, Komatsu, Cat
Volvo, JCB, Bobcat, Ingersoll Rand, Komatsu,
John Deere, Case
Volvo, John Deere, Bobcat,
Volvo, John Deere, Cat, Komatsu
Volvo, Komatsu
Wacker, Bomag, IR, Dynapac, Stone, MMD, Cat,
Volvo, Ammann, Allmond Bros, Gorman
Wacker, Multiquip, Bomag, DynaPac, Target,
Crown, IR
Wacker; Allen; Ingersoll Rand; etc.
Waco Scaffolding; Symons; Safeway Scaffolding
We are a distributor so there is a list of them.
Williams Machinery
You're kidding, right

Q8a. Why do you say that [is the most likely situation three years from now]?

More independent rental centers in my region:

No answer (47)

1) Growth in the industry will make room for entrepreneurial opportunity.
A few former rental people will return, and more rental employees will enter.
A lot of people who sold out are coming back into the business
APPARENTLY IS THE MANUFACTURERS TREND.
Area growth, more specialization in rental equipment and categories.
Area is expanding with people retiring here.
Area is growing in population/need

Area is growing rapidly with housing starts and businesses
As non-competes run out, owners will re-enter the rental business
As non-competes continue to expire, more former owners will start again.
At the moment construction is strong taking a lot of equipment, allowing startups
At this point we are the only rental store in a 200 mile area
Bakersfield is growing. It is only natural that the amount of stores will also
Because I sold to one of the consolidators, covenant expired and am reentering
Because of no-competes ending from consolidation.
Because people will rent versus buying for now
Because the big boys will have all imploded by then...
Because the major consolidators can't service the customer as well
Because they keep undercutting prices - also, this is a large market
Better choices and options
Big box can get the good people who know the equipment
Big business is hurting, people see rental as a viable business
Big chain non-competes will expire
Bigger market
Business cycle
Canada is behind the US in rental center activity, so more growth is likely
Cat seems to be losing interest, United needs to close some stores, Sunbelt woes
Competition from big boxes forcing hardware stores into rental to p/u sales
Construction market continues to grow creating niches to be filled
CONTINUATION OF CURRENT TREND

Contractor can deal directly with Owner. Can get an answer now, not wait for cor
Contractors are more comfortable renting, this is requiring more rental centers
Contractors are tired of the salesman of the month and big chain promises
Convenience
Customers are fed up with partial service Big Box, Big Boy Rental Companies
Customers are getting tired of the big business attitude
Customers are looking for locally owned businesses. (Local support/people)
Customers want individual service, response & flexibility offered by independents
Customers want the immediate one on one service to help solve their problems
Customer dislike for the larger rental co
Dallas will continue to grow and independent rental centers see the opportunity
Definite need for more competition in the area
Demand
DME IS A GROWING BUSINESS
Due to previous growth
Due to the growth that is going on!
End user are not getting the personalized service from national stores
End-user dissatisfaction with the publicly traded consolidators-URI, NES, Nations
Equipment rental is expanding in Europe
Everyone wants to be in the Special Event Temporary Power biz
Expansion of the city
Ex-rental owners getting back in the business when their non-competes run out
fast growing region
Finally, there is a realization that personalized customer service is important.
More independent rental centers in my region:
(continued)

Appendix A – Write-in answers

More independent rental centers in my region: (continued)

FORMER OWNERS ARE BEING RELEASED
FROM THEIR NON-COMPETE AND
MAY GET BACK INTO IT

Former owners returning to the business
Former rental center owners getting back into bus.
after non competes are over

Good opportunity
Growing area and the economy

Growing business
Growth to support it

HISTORY

I am one of the independent rental centers.

I believe many of the ex-owners that sold to the
majors will re-enter rental

I BELIEVE THAT PEOPLE ARE TIRED OF
THE SERVICE FROM THE BIG RENTAL
CENTERS.

I believe the large players leave many open
opportunities.

I do business planning for independent owners.

I feel that some who were bought out are now out
of the non compete time frame.

I know

I know a competitor is going to open a rental
department in their lumber yard.

I know of some that are going to start

I see the trend

I sold out to a consolidator and returned to the
business so will others

I think as the non competes begin to expire more
independents will get back into

Increasing customer base

Increasing demand for rental equipment from
customers

Independents re entering the market. Volvo
franchise concept.

Independents are taking advantage of flaws in
consolidator strategy.

Independents are always more responsive to
changing markets.

Independents are filling voids created by
companies with national footprint

Industry is growing in our area and there are only
3 to cover 125 mile radius

It appears that a lot of the people who sold out to
the nationals are coming back

It is expected that regional economy reactivated
and involve new investments.

It is not cost effective to buy and depreciate
equipment unless used on a daily

It is the best proven way to operate

It is time for a change, non competes are running
and people are fed up

It seems to be the trend

It's a quick way to make a buck.

It's hard for the big boys to train people to care,
and customers search for ven

Lack of profit among consolidators

Lack of service and equipment

Large box rent business do not take care of their
customers, only cheap rates

LARGE CO. HAVE A HIGHER COST OF
OPERATION

Large companies are cutting managers and they
are starting business

Large competitive market

Large consolidators are either choosing or not
equipped to deal w/cash/homeowner

Large corps closing unprofitable locations. Former
owners getting back in business

Large rental centers are going to crash.

Large rental companies will unload none
profitable centers, and Large rental cen

Large rental companies are not providing the
service customers expect.

Manufacturers will diversify, improvements in
customer service

Many former rental execs have non compete
clauses expiring

Many have been [bought] by larger rental
companies, should be room for additional

Many previous owners are re-entering the
industry. Nationals streamlining branch

MARKET AREA IS GROWING

Market History & The ability of a well run co to
gain some part of market.

Market is strengthening, many homeowner-types
aren't fond of large chains

MARKET IS TOWARD RENTAL AND
EVERYONE THINKS YOU MAKE BIG
DOLLARS OFF IT LITTLE

Mfg. aren't making the profit margin selling equip.
to the big rental companies

More demand for rental vs. purchase or
contractor.

More former owners are re-entering the business

More independent hardwares providing some
equip and places like NationsRent open

more non-competes expire, weak competition
allows for new companies

More people leaving the consolidators and starting
their own business

More previous owners re-entering industry

Most non-compete agreements are out, ex-owners
are coming back.

Mostly customers prefer to rent than buy

My region has grown and will continue to grow.

Nationals may divest less profitable locations, in
some cases back to original .

Nationals will close branches, entrepreneurs will
come in.

Next logical choice

Niche products

Niche markets that the major players are not in

No compete agreements are expiring (4 mentions)

No fun at the corporate world for the good
employees

Appendix A – Write-in answers

More independent rental centers in my region: (continued)

No-Competes are expiring and aggressive previous owners see opportunities
Non compete contracts running out
Non competes are ending (2 mentions)
Non competes are ending. Dissatisfied contractors.
Non competes are expiring and some of the national will not make it, making them
Non competes are over and old owners are getting back in
Non competes are up. (2 mentions)
Non complete clauses are over.
Non-compete agreements are expiring. Former rental owners re-entering rental.
Non-Compete clauses are expiring on previous owners of rental companies
Non-compete clauses for acquired owners will end.
Non-competes are expiring. National chains cannot serve specific customer needs
Non-competes are gone.
Non-competes expire (3 mentions)
Local market that the big boys ignore, just got both a Lowes and Home Depot
Old Players are getting back into the business
Opportunities to specialize on a specific line of equipment or market segment
Our area is growing with a lot of building.
Our area is growing, from Rural to Metropolitan - 40 mi. from state capital
Owners who sold to consolidators are coming out of their non-compete contracts.
PAST OWNERS WHO WERE BOUGHT OUT ARE GETTING BACK IN THE BUSINESS
Past smaller houses will return to market
PEOPLE ARE FINDING A NICHE IN THE MARKET NO MATTER HOW SMALL AND PURSUING IT.

PEOPLE THAT LEFT THE INDUSTRY ARE RETURNING AT THIS TIME.(AERIAL WORK PLATFORMS)
People who have sold out to the nationals are getting back in
Personalized service that large corp. forget
POPULATION
Population is rapidly expanding, lots of building starts.
PROFITABILITY
Providing personal customer service
Quicker decision making. Less corporate overhead.
Re-entry of independents that sold, poor customer service of nationals.
Regional needs
Rental Business is still very competitive.
Rental creates more revenue
Rental is becoming a larger business for companies
Rental rates are on the increase. The business will again become profitable
Return of those that sold to the consolidators
Roll ups will work out their non-compete & re-enter the business
Salesmen will set up anyone with a tax number
Saturation is estimated at 40%
Service and relationship they provide
Service overcomes price
Small Independents will continue to start up
Some are coming out of retirement, due to lousy stock buyouts by major chains.
Some companies are buying equipment
Some independents that sold out to corporations will probable reestablish
some of them can not compete with these low rates that the large chains can
Some past owners that have been bought out by larger companies are starting up

SOME PEOPLE ARE GETTING BACK INTO THE RENTAL AFTER TIME IS OVER ON COMPETE
Successful independents offer personal service & eqpt knowledge the chains lack.
The Mom and Pop Business is coming back because they are customer-driven.
The age of consolidation is over for now. And many non-compete agreements are over
The big boys aren't well run. Lots of opportunity for small tool rental
The big guys are starting to fall apart
The boom is over - the pyramid is collapsing
The business is there
The city here is growing rapidly--the more growth the more attractive for independents
The consolidators are in financial trouble and the availability of good use equip
The consolidators are steadily losing business /// this is a relationship based b
The consolidator's greed will have its due.
The consolidators have bottomed out
The consolidators seemed to have failed to provide the value required by users
The demand is growing
The Independent rental center will prosper because of the huge homeowner base.
The Independents do a better job
The independents provide better service than the chain stores
The large rental co's are losing it and old owners coming back
The market is growing, Rental awareness is coming up
The no compete contracts are running out with the consolidators
The non-compete agreements are coming to an end for the stores that sold out
There are certain segments that large rental companies don't like to participate.

Appendix A – Write-in answers

More independent rental centers in my region: (continued)

There is a lot of home stores building in the area.
There is a lot of opportunity in my area
There is room for specialty rentals that national groups don't do
They don't have the Corp. over head exp. which makes more money for individual.
They sold out to national chains and there no competes are up. need more \$
They will be smaller in scope and more customer relationship
This is a high growth area
Those that were bought out by the big companies are starting to re-surface.
Trend
Trend toward consolidation is slowing, prev. owners with non-competes returning
United house of cards should come crumbling down and be filled by little guys.
Urban growth
URI, NES, NATIONS WILL BE GONE.
BROKEN UP AND SOLD OFF TO INDEPENDENT FRACHISES
Volvo and Deere are adding fleets
Volvo's entry into the Rental Service market, increasing trend to rent vs. own
We are in a growing area, I have heard of new company's looking to move in.
WE SEE THEM OPENING UP LOCATIONS NOW
When business is good entrepreneurs may likely decide to get into the business.
When the big guys bought up all the independents in the 90's it left a hole 4 small
Wider coverage
With 25 years in the lift business, you will see the consolidators fall apart
With non competes expiring from consolidation, many former owner will get back

With the cost of equipment going up and no place to put it.

Fewer independent rental centers in my region:

No answer (46)

Acquisition, mergers and/or consolidations
AREA IS NOT GROWING
As the region grows in population the national chains move in
Base on the amount of work
BECAUSE
Because independent rental companies can not compete with the major players
Because more and more franchises are trying [to] push into the market
Because of price and competition
Because of the economy and competition
BECAUSE THE NATIONAL ACCOUNTS ARE KEEPING TO PROFITS DOWN
Believe the independent centers are being bought up by the larger rental centers
Big boxes are starting to expand out into stand alones and more manufacturers
Big boys have come to town
Big companies buying local and regional businesses
Big keeps getting bigger
Big rental companies that continue to buy smaller rental houses.
Bigger companies are tough to cpmpete with, volume will be key.
BOX STORES RENTAL CENTERS, ECONOMY,
Buy- outs
BUY OUTS AND FAILURES
Buying power (2 mentions)
Cannot compete with the price dropping and survive

Capitol funding, buying power, manufacturer and price competition work against them
Competition & Insurance requirements
Competition from larger corporate rental centers.
Home D. / Nations / Sunbelt
Competition is increasing from the big box stores
Competition will force smaller firms out White
Cap will become Home DepotRental
Competition, especially Home Depot
Consolidation & poor ROI
Consolidation continues (5 mentions)
Consolidation in the rental market continues and fewer/larger players operate
Consolidation inevitable.
Consolidation of the smaller centers.
Consolidators
Corporate greed
Corporations are capable of competing easier with their large volume of money
Cost of staying in business and ROI
Costs are too great for a startup to enter our market area and survive
Declining Industrial Market Size
Difficult to compete with factory distributed rental stores
Don't believe they will be able to compete with larger firms
Due to the box stores
Economic conditions and high rents in our area.
Economy
Fewer people willing to risk the cap dollars
General business climate of larger is better
GENERATION CHANGES - CAN'T KEEP UP WITH INDUSTRY CHANGES
Hard to compete on a price and perceived value
Harder to get a business going & keep it going. with today's cost.
High Competition
High Cost of Capital for Independents
History (2 mentions)

Appendix A – Write-in answers

Fewer independent rental centers in my region: (continued)

Home Depot (2 mentions)
HOME DEPOT RECENTLY OPENED THEIR
TOOL CENTRE - TWO LOCAL
INDEPENDENTS ARE STRUGGLING
Home Depot takes care of the Homeowners; the
Nationals take care of the contract
I am not sure how they keep up with the price
cutting.
I BELIEVE TIMES WILL BE TOUGHER FOR
INDEPENDENTS BECAUSE OF MORE
COMPETITION
I can see further consolidation and increased
pressure on independents.
I do not think the smaller store can survive the
regulations it takes to be in t
I feel that the large rental companies will continue
to grow market share.
I think the big store will push the little guy out.
(One stop shopping)
Inability to compete with larger fleet of national
chains
Increasing interest rates will force some out of
business and consolidations
Independent centers cannot compete with the
dealer/franchise centers
Independent rental centers cannot keep up with
manufacturers stores
Independents are becoming a rare breed
Industry appears to be consolidating, expense of
an independent becomes prohibit
Industry consolidation - economies advantages for
multi unit companies
Industry consolidation will continue, liability
issues
Investment backing
It is hard to compete with the larger rental centers
It is no longer profitable with rental rates low,
margins on new is the 3% net10

It will be too tough for the independents to
compete with limited resources
Lack of capital available (3 mentions)
Lack the buying power of the nationals, but
cannot charge more rate.
Large consolidators are still willing to rent at rates
that prohibit startups.
Large corps are buying small independents to
compete
Large National Companies get better rates and
have larger range of equip.
Larger companies are merging or buying smaller
companies as a means of expansion
Larger competitors will take over the smaller ones
Larger rental companies are buying smaller ones
Larger stores & Home Depot
LOWES AND HOME DEPOT ARE
BUILDING RIGHT NEXT TO A FEW
INDEPENDENT RENTAL CENTER
Manufacturers have better credit access
Manufacturers recognize the importance of rental
on SOM.
Market is not large enough to support all the rental
centers.
Market too competitive for independents to thrive.
Mergers and buy outs.
Mom & pops are selling out, the national chains
want to buy a market & drive out
Mom and Pop shops do not have the buying
power of the larger rental chains.
Mom and pops will consolidate and Home Depot
will take more homeowner business
More big boxes in the area
More and more companies that are renting
equipment
More consolidation
More nationally owned chains getting into rental
More opening now
Most don't make a profit-rent too low & will
destroy the rates and Go out of Business.

Most people think bigger is better
Much growth & expansion creates much
opportunity; larger co's want to zero in
National accounts taking over
National Clients looking for National coverage
from one rental supplier
National companies will gain share and
independents will survive to serve niche
National rental chains will begin to grow again
through acquisitions.
Not enough business
One is marginal; the other has professed that not
having fun any longer
Our city economy is not growing, town is too
conservative
Overhead labor,
Poor financial performance and oversupply of
equipment/equipment suppliers
POORLY RUN AND MANAGED
INDEPENDENT DEALERS. LARGER
FACTORY STORES ARE BETTER
MANAGED
PRICE CUTTING
Purchasing power of the majors is greater
Rates, cost, insurance
Rental rates don't support long term profitability
See question 6&7
Selling out and continued consolidation
Smaller companies can't compete with the buying
power of the larger companies.
Smaller independent operations are struggling
against the Home Depots and Nation
SMALLER ONES BEING BOUGHT UP BY
LARGER CORPORATIONS
Smaller stores in today's economy have a hard
time competing with lg. operations
Some independents will close; too expensive to
open new ones.
Start-up and operation cost are too high
Store consolidation

Appendix A – Write-in answers

Fewer independent rental centers in my region: (continued)

Strong survive
The age of the owner/operators and their options to sell for retirement
THE BIG COMPANIES CONTINUE TO GOBBLE UP ALL THE MOM & POP SHOPS.
The big guys are overwhelming the industry w/buying power.
The big will get bigger and squeeze the small owners out. The Walmart effect
The business climate in CA makes it very difficult to compete for the small bus
The can't get the funds to buy fleet
The enlarging of the Home Depot's, Nations, TruServ, etc...
The larger companies continually buying out the mom & pop operations.
The market is dying
The national firms emphasize market share not profit and discount accordingly
There are a lot of majors coming into my market
They are being bought up
They can't compete with the ridiculously low rental rates offered.
Too many rental centers
Too many in the territory
Top Ten Company Penetration
Trend watching
United Rentals is #1, others will have a hard time competing.
UNITED RENTS
United, CAT & other rental assoc. will keep the rates down---a lot of equipment
Very tough to make it as single store, multi's will grow.
Volvo Rental is coming
With rates the way they are don't know if independents can compete

There will be about the same number...

No answer (77)
A very stable region- no new centers in several years- competition from Home Depot and...
Access to capital and too many competitors in the market currently
Almost full saturation now.
Already have several competitors in market as well as several Home Depot rentals
Ample supply for the local demand
AREA ALREADY SATURATED
Area covered by competent stores
Area is not growing - primarily agricultural, little new industry moving in
As one fades away, another takes its place.
At this time construction both residential and commercial has flat lined..
Base on the economical grow and the industrial situation
BECAUSE
Because independents know what they are doing
Because of the area I live (2 mentions)
Because of the current building and job market slowing down
Because the few that exist are due to the nature of their business.
Because we serve a small market that is already saturated
Big boxes are not operating efficiently, quality independents are needed.
Buying your own equipment is a good way to reduce your taxes at the end of the y
'cause, even talking with the current ones, I think so
Complex answers need more than one line
Consolidation capital is lacking in the market
Cost of Capital, increasing barriers to entry, lack of experienced personnel

Costs of doing business too high too start a business
Current supply & demand seems to be in balance
Current trends and opportunity
Despite high growth percentage we are still a small municipal area
Difficult business to get into- a lot of capital and know-how required
Do not see indications of exceptional demand growth.
Don't have the surge of interest that was present in the past.
Don't see any majors leaving, most independents have consolidated
Don't see anybody quitting the rental business
ECONOMICS
Economy (2 mentions)
ECONOMY IMPROVING
Enough now
Equipment needs will remain the same for my area.
Every location is taken and the big boys service every where anyway!
Everyone is making money at this time.
Experience day to day
GEOGRAPHICS
Growth should be stagnant in the coming years not decrease but also not grow
Growth in the area is slow and will remain low.
Growth rate for my area is not projected to increase very much.
Guessing
Gut feeling
HARDER TO COMPETE IN MY MARKET AREA.
I am the only one left
I BELIEVE THE MAJOR CONSOLIDATIONS ARE OVER
I believe there always will be room for the independents to participate.

Appendix A – Write-in answers

There will be about the same number...

(continued)

I don't foresee any major ups or downs in the local market
 I expect a flat but strong economy
 I feel the major acquisitions have already taken place. The industry is stabilizing
 I haven't seen a significant change yet.
 I think consolidation is slowing down drastically!
 I think independents will stay about the same, it's the top 20 that will be less
 I think it's too expensive for independents startup costs ..
 I'm in a unique area, Monterey Bay. If we lose an independent I would expect another
 In the past two years we have had four independents. open. I think we are full.
 In this area there isn't much new business or construction going on right now. T
 Independents that are still around can survive anything
 Industry becoming more mature -very capital intensive
 Initial cost is too high without Mfg involvement
 It has not changed much in the past five years.
 It is doubtful the population can support another rental center.
 It is expensive to get into the rental business, and different from other retail
 It would be hard for a new independent to gain market share, but existing are ok
 JUST A HUNCH
 Lack of business.
 Large franchises aren't the answer for smaller communities
 Laws of balance in a near saturated market.
 Limited population
 Local Dealers give better service to local customers
 Local economy is not growing

Location of Rental center, People don't want to deal with the nationals
 Locations available and terrain
 Low growth economy
 Many customers appreciate the personal svc. & flexibility of independents
 Many of the smaller rental stores have already consolidated
 MARKET
 MARKET IS NOT GROWING THAT FAST
 Market is overpopulated with consolidators rental rates are horrible
 Market is steady (2 mentions)
 Market is well saturated with existing competitors market needs are being met, startup costs are to high & large box store are com
 Market saturation (5 mentions)
 market saturation and the increase of Home Depot's rental department
 Most are solid businesses
 Most of wanted independents have now sold off
 Mostly The Home depots, Lowe's, Volvo's are moving in.
 Nationals aren't opening many new stores. Old timers are hanging in there.
 Nearing a balance point.
 Nearly every town in our area of the state has a rental center
 Niche markets, lawn, garden and homeowner industries
 NO NEED FOR ANYMORE
 No need for more or less, industry is too much like a roller coaster
 No one else is dumb enough to get into this race, and we can't get out
 No one new has entered this region in 5 years.
 No problem
 no room for more
 not a very large city

Not enough rents to split any more in my area due to demographics
 Not much activity in the past 5 years
 Not sure the rental volume will support any more
 Only two of us left.
 People
 Population per capita by region
 Population limits
 Practically no more to be sold in Quebec, Simplex was 2 stores now 28 stores
 Pretty stable market
 Rather slow rate of growth in the region would not seem to support more centers.
 Rental rates too low for independents, but OEM's not leaving.
 Roll ups are stalled
 Room for extra is not there some will die some will be born
 Rural area (2 mentions)
 Saturated market (2 mentions)
 SEEMS AS ONE GOES ANOTHER COMES DOWN
 Size of the towns
 Slow business last 6 months in transportation sector, more competition also
 Small town (2 mentions)
 Smaller locations cannot purchase at same pricing.
 Some are doing good some aren't
 Some are selling but others are opening again
 Some independents will start up, some will close others bought out
 Some will come and some will go
 Some will go out of business while others start up
 Some will go, but there will be others to take their place
 STATISTICS OF THE REGION
 Supply and demand
 Takes much capital to start up, returns too low for risk
 That is the way it looks to me

Appendix A – Write-in answers

There will be about the same number...

(continued)

The Big Box rental stores are seen as not quite as knowledgeable.

The amount of renters that we have now pretty much cover this area pretty well

The area I live in is very growth controlled; difficult for outsiders start up

The area is still growing.

The big guys have maxed on the easy acquisitions

The big players are not buying at the same pace and now do more research before

The Cincinnati market is saturated at this point but I do not see any of the ind

THE CONSOLIDATION PERIOD IS OVER.....

The economic increase will allow for the independents to stick around longer

The existing rental operations might expand but no additional companies

The few of us that are here are well-established and the market is well-covered.

The independents that have survived are very strong.

The independents now are stable and the larger chains will move in.

The independents seem to have carved a niche in the market for the guy operating

The investment, and unions.

The larger competition tends to weed them out

The major centers are well established now, and it's too costly to start new one

The Market at this time and in our area is weak

THE MARKET DOESN'T FLUCTUATE THAT MUCH

The market has reached its balance. Only so much debt can be serviced by the sm

The market is highly competitive in this area. Not much room for mistakes.

The market is saturated

The market is saturated, only niche companies can compete with the big boys

The process of amalgamation seems to be slowing quickly.

The ratio of rental stores to the population of the geographic area is reaching

The Region Economics aren't expected to change much

The region is well served by the diversity of the rental centers currently here

The rental business is tough.

The size of the market could not support any more

THE SMALLER BUSINESS (LIKE WE ARE) ARE GROWING

The war in Iraq, the cost of steel and fuel.

There are only two of us left and I don't think either will quit.

There has not been much growth in this area due to the price of real estate.

There is already an excess of equipment for the markets served.

There is enough rental stores for the population

THERE IS NEED FOR BOTH

THERE IS NOT MUCH GROWTH IN THIS AREA.

There will always be a need for the local independent rental centers

There will be opportunities in small towns with new population growth.

They are outgrowing the need

They come & go at about the same rate.

They fill a niche market

They have a niche but limited capital. We have bought up 15 independents as well

They offer a different level of service

They seem to have weathered the industry consolidation and some have expanded.

This area is not growing enough to support any one else.

Too many now (2 mentions)

Too many for market now, but demographics predict 100% growth in next 3-5 yrs

Too many large corporate stores and Home Depot

Town population = 65 000, we have 5 rental stores..., market is pretty saturated

Type of area we are in is rural; customer base is limited

Unless consolidation happens again the market is bought up

Us independents and the other chain rental centers are well established.

Very small town

We already have all the nationals, the only mkt left open is for manufacturer a

We are in a growing area. The independent will know how to compete to retain mar

We are in smaller community lot of work for medium income

We are located in a small market

We are located in a smaller area and I think the current stores are sufficient.

We are not a metropolitan area

WE ARE NOW SATURATED

We are the only one left in the city.

we don't have any now and I don't think there will be any in the future

We have been the #1 Store for many years, Us Rentals Modesto, now United Rentals

We have seen little change of late. Most change was prior to that period.

WE LIVE IN A VERY SMALL AREA WITH A VERY SMALL POPULATION

We seem to be saturated with centers now

Weaker competition is already gone, all that is left are large IRC or dealers

Your span of six years involves consolidation slowdown

Zoning restrictions

Appendix A – Write-in answers

Q19. Please describe the scope of the fleet management services you provide.

No answer (59)

100% for certain industrial cutomers in an on-site environment

A staff of PSSR's (Product Support Sales Representatives) to measure wear and schedule preventive maintenance service, fluid samples.

A to Z

Administrative / clerical

Aerial equipment service and maintenance full line construction equipment asset management construction tool asset management

All (3 mentions)

All aspects. From procurement to maintenance of all equipment. We offer detail analysis on the asset. We measure returns as well as maintenance.

Annuals and normal customer repairs.

ARI, ge fleet

As a Caterpillar dealer, we offer preventative maintenance contracts to full service lifetime service contracts.

As involved or as limited as the customer needs, short of leasing operators.

AWP inspections and repair primarily

Basic oil change to full MARC contracts

Battery and truck and aerial pms, battery watering maintenance and repair

Battery, truck maintenance etc

BUY SALE AND REPAIR EVERYTHING THAT WE HAVE

Buying their fleet and renting it back to them.

By keeping customer owned units current with safety requirements by finding small problems before they turn into major downtime for the customer

Complete Care of Scissor Lift, Boom Lifts, Reach Forklifts Preventative Maintenance, Maintenance repairs 24hr 7 Days A week

Complete fleet management. We will purchase the customers fleet and lease back to them with total maintenance and repair contract if needed. We will analyze their fleet and provide data reports for fleet costs.

Complete life cycle

COMPLETE SERVICE

Complete service & repair

COMPLETE SERVICE FOR ALL CUSTOMER EQUIPMENT

Complete service value package

Complete Servicing at job site.

Consultation basis performance analysis, including ROI solutions

Contracts by job or by customer, range from repair to monitoring

Cost containment on service.

Cost, efficiency, equipment depreciation, time utilization

Crane, Forklift, AWP, Sweepers...full maintenance, sales, service, parts.

Custom designed to meet clients level of commitment

Customized maintenance inspections and services

Different division, not sure how it works

Equipment for shutdowns for construction gas plants

Equipment moving--30-60-90 or annual

P.M.'s/inspections--storage of units with cleaning and pre delivery check outs--on site service of all types and intervals

Everything except fuel and operator

Factory warranty and extended warranty plans
FIELD SERVICE, PERIODIC SERVICE,
MAINTENANCE PLAN, ETC

For very specific customers in the energy marketplace we call it Total Control
From nothing to having people on their job full time

From turnkey including ownership of inventory to maintenance only

Full Service & Maintenance = secure continuous production

Full service fleet audit, tracking, management reports, consolidated billing

Full service, repair on all makes of equipment, Field service, A/C service, Lube service general maintenance and inspections as needed to prevent major down time

I am with GE, we finance and manage everything.

IF WE ARE THE SOLE PROVIDER OF SERVICE REPAIR PARTS, WE HAVE THE ABILITY OF COST PER HR. COST LIFE TO DATE.COST ANUALLY HOW EVER THE CUSTOMER WANTS IT BROKEN DOWN.SOMTIMES TGHESI REPORTS CAN WORK AGAINST THE SERVICE DEPT.

In Canada (and soon in the US) we provide complete dewatering solutions on construction sites, municipal sewage bypass projects etc. In Australia we provide total pump management in mines (a total mine drainage system, outsourced from the mining co. to us). In the UK we provide sewage handling solutions during refurb and plant extension projects. etc

In house deliveries

In testing stages in select markets.

Inspection and documentation

Appendix A – Write-in answers

Q19. Please describe the scope of the fleet management services you provide.

(continued)

Internet based, program to track customers owner equipment
Inventory controls, maint., spot rentals
IPM, Integrated Plant Management. Manage and maintain small plant, provide UTL and ROI reports, by integrating our computer system into the clients business.
Jobsite and office reg. maint. and repairs on equipment types tat we sell. such as Blaw-Knox pavers / Ingersoll rollers, backhoes,utility /stone, MQ, mixers / Lull, Skytrak forklifts.
Jobsite service, customer owned service, safety inspections, equipment training, etc.
Limited service to full service with drivers
Long Term Leasing with extended warranty and maintenance
Maint & repairs
Maintenance contracts for facilities equipment.
Maintenance of all equip. including competitors
Maintenance, inventory, management
Manage Onsite locations including tracking customers equipment.
Management, safety interface, spot rental, expense control, manpower utilization, fleet disposal, fleet purchase, training, vendor management
Monthly checks. preventive regular maintenance
None *(2 mentions)*
Oil & filter changes, equipment assessments for safety etc.
Oil free compressors, generator set, lighting tower
Oil sampling and preventative maintenance with extended warranty on new equipment.

Oil wear analysis,
On site location, sole source agreements.
On site, off site, and technology based systems
Ongoing advice based upon repairs needed and their ownership/operating costs
On-site industrial
Our parent company has maintenance programs with many large construction and industrial customers. Any thing from PM agreements to T & M contracts, to guarantee up time agreements.
Outsourcing contracts with on-site service technicians.
planned maintenance contracts
Plant On site service. Ex keeping up whith their fleet.
PM's, field and shop repairs
Pressure wash trucks
Preventative maintenance including oil changes, lubrication, tires, batteries, air-conditioning repair, minor body work.
Preventative maintenance and repairs.
Preventative maintenance through complete rebuilds.
Preventative maintenance, Field and shop repair, inspections
Preventative maintenance, repair and inspection
Primarily provided to distributions centers using the forklift trucks we sold as the point of entry
Provide a web view of all rental and customer owned fleet. Including location, off rent date etc.
Provide management of fleet on rent to customers.
Provide onsite services
Provides quarterly inspections & preventative maintenance on customer owned equipment
Purchase and rent back and provide a complete Maintenance and rental package.

Purchase and setup to disposal sale
Rental, sales service We pride ourselves on being a one stop shop
Regular PM on a variety of equipment, trucks, trailers, plus extensive rehab
REGULAR SERVICE MAJOR REPAIRS
Rent, repair and manage for work projects.
Rental, Finance or Leasing Agreements all inclusive (except fuel, insurance & operators). Total cost by the hour. Min / max fleet long term rental contracts allowing for contractor to send -10% each 12 months based upon demand. - guaranteed by-backs on conditional sales.
Repair *(2 mentions)*
Repair & Preventative maint contracts
Repair and Maintenance primarily
Repairs, scheduled maintenance
Sales by auction
Sales, service, parts, transport, storage and training
Service
Service and Annual Inspections.
Service contracts for maintenance
SERVICING EQUIP. ONLY
Short answer whatever the customer needs.
Sourcing and liquidating, lubrication
Staff selection, buy vs. Rent Decision, Disposal Services, Valuation of fleet
Storage, maintenance/repairs, ANSI Inspections, delivery & tracking of customer owned Aerial & Material Handling equipment
Through service contracts on equipment purchased and on existing equipment customer owns
Tool cribs for shut downs
Total Control on large sites and industrial applications
Total Maintenance & Repair contracts

Appendix A – Write-in answers

Q19. Please describe the scope of the fleet management services you provide.

(continued)

Total transport and fleet control

Unable to quote

Unknown specifics

Variable levels from weekly to monthly to scheduled maintenance

Various as the customer needs, like over all fleet planning, or redirect the flow in other region/country, etc

Visits and continue contact we give it information of products, applications and administrations of business

We are a full service lease with maintenance provider

We are a manufacturer, we offer assistance to our distributors

We call it Total Asset Management and is performed by our Plant Services division. We manage ALL tools and equipment for the customer on their job.

We have a system that monitors the equipment usage for a customer in order to optimize utilization and bill him for actual use.

We have several contracts where we maintain all engine powered equipment in accordance with the manufacturer's maintenance schedule.

We have several customers that have purchased lifts that are delivered from job to job and maintained by us

We have supervisory employees leased to customers

We lease or rent equipment and perform all services required via customer service contracts.

We offer a complete evaluation, followed by surveys, in house demo's and followed up a complete assessment of site in conjunction with industry growth pattern

We offer a complete maint. program for cust. owned fleets

We offer a variety of service levels, from on-call, to leased technician, to total fleet management.

We offer GPS equipment, site surveys, production surveys etc to coal mining and uranium mining companies. We work with contractors to qualify the equipment they use on jobs they are bidding & upgrading their equipment/filling in missing sizes for jobs, either thru rentals or sales. Also rebuilding or customizing equipment to meet job requirements.

We offer Total control to some major General Contractors in the area

We provide annual service contracts with large industrial companies in our area

We provide it for a couple of industrial accounts

We provide planned maintenances for each unit, based on the hours of service used. These hours are collected during the rental of the unit and maintained with either a GPS system (when available) or by contact with the customer.

We service, move, store, inspect customer owned equip.

We store, deliver and maintain about 75 customer owned AWP's...from pre delivery check outs, ANSI Inspections, and major repairs to complete refurbishment

Whatever is needed with good fast reliable service and good parts backup.

What suits the needs of our customer

Whatever works for the client. Everything from outright purchase of client's existing fleet and leasing back new/used equip. fully maintained to managing client's fleet and their service department.

WIDE VARIEY ON A ASK BASIS

www.dplamerica.com The TITAN Solution

Q26. What factors do you think will play a role in rental demand?

Demand will increase

No answer (104)

#1 equipment cost of ownership when purchased new. #2 education and realization by users if the efficiency of rental over ownership in many areas.

1) rental awareness built by Home Depot and Lowe's, and 2) better service by national rental companies

1) the transfer of fix cost to variable cost by the end user 2) the expansion of equipment range (for example use of micro excavator in building refurbishment)

1.people doing own work

A method of cost savings

a) The 'cost' of money will rise; b) Entry of new customers into market who are unwilling / unable to service more complex equipment; c)Small surge in rental by those unsure of new EPA regs.

Acquisition costs and interest rates

AREA GROWTH

Aerial lifts will continue to looked at as a rental commodity

After the Nov. election I look for an even better year..

Appendix A – Write-in answers

Demand will increase (continued)

Again, the area we are in is growing but does have certain building/growth restrictions but the population is predominately weekend-warriors with this area being the 2nd home so despite ownership at their primary residence they don't want the hassle or expense of hauling tools/equipment back and forth. Our customer niche is based on that.

Age of fleets, increased construction, easier to rent than buy mentality

All the building going on

ALOT OF PEOPLE ARE TRYING TO DO IT THEM SELVES

Amount of work in the area.

As inventory selections increase

Availability and cost (2 mentions)

Availability of money, core business philosophies

Availability of specialty tools that are more economically rented than purchased.

Availability, low pricing from end-user perspective

Avoiding property taxes by not reporting rental equipment for taxation

BENEFITS OF RENTING VERSUS OWNING
IE MANTAINANCE, TAX DEDUCTIONS..

Better economy (3 mentions)

Better economy, elections year.

Better economy, lots of remodeling in our area, more people aware of rentals, people don't have space for storing unused equipment.

BETTER ECONOMY. BUSH OUT. KERRY IN.

Bonding requirements and balance sheet issues.
Banks will insist on this

Building

Busy economy and realization of customers that we can manage their fleet better and save them money.

California is growing rapidly

Cap dollars

Capital and specialized types of equip.

CAPITAL COST, MAINTAINENCE COSTS, SHORT TERM DEMAND

Capital expenditures to purchase equipment for fleets

Capital expense, taxes & maintenance costs

Capital, storage, transportation, maintenance and repair

Cash flow (2 mentions)

Catch up on construction that has been put off.

Changing work opportunities, specialized equipment, distance between jobs

Cheaper to rent than to own

Cheaper to rent. low cost maintenance. low to no insurance cost.

Collaboration between companies will play a major role in our ability to be solution providers, contractors would rather make one phone call and have everything they need. It is not possible for you to have every piece a customer needs but that contractor doesn't care if you get that equipment from someone else as long as you have it on his job on time.

Competitive pricing in the Construction and Civil Market creating lower margins. Cost of purchasing and compliance of new equipment for the end user.

Competitive market ,high owner maintenance costs

Complexity and liability exposure requiring sophisticated maintenance and repair techniques

Construction growth

Construction growth is over 20% year over year and bookings are 5 years out.

Construction management versus self performing general contractors.

Construction spending, low interest rates

Construction trade boom

Construction, customer fleets aging

Consumer Awareness and Cost of Ownership

Containing growth of fleets, need to use rental to have larger access to more work.

Continued rebuild and rehabilitation of our inner city, increasing housing

Contractor's cost of doing business, increased availability of rental equip, falling rental rates, less pride of ownership , more pride of profits

Contractors streamlining their fleets to core equipment in order to preserve cash.

Contractors want to save on storage and repairs.
Rental rates have dipped to a point where it is more efficient to rent than to own.

Convenience (2 mentions)

Convenience, no maintenance worries, more cash flow in building projects, homeowners save \$ by doing the work themselves

Core business philosophies within the customers we serve

Cost of owning

Cost (2 mentions)

Cost and lack of technicians and mechanics

Cost effectiveness and a wider selection from well equipped outlets makes rental a more attractive operative option, compared to purchased plant.

Cost effectiveness, time management, worry free maintenance and upkeep, disposal of aged equipment or equipment that's no longer needed

Cost interest rates and variety

Cost of buying and more new construction companies starting-up

Cost of buying equipment, job specific tasks,

Cost of capital

Cost of capital increasing. Liability and compliance issues.

Cost of capital, technician shortages, maintenance complexities.

Appendix A – Write-in answers

Demand will increase (continued)

Cost of doing business for the contractor. Up time of equipment.
Cost of eqpt, availability of rental fleet, contractors realizing the benefits of rental,
Cost of equipment and lack of qualified tech to keep it running. rental rates going up may make some to contractor buy the equipment.
Cost of equip and availability
Cost of equipment (4 mentions)
cost of equipment and ease of rental
Cost of equipment and maintenance will continue to grow
Cost of equipment and specialization of equipment functions
COST OF EQUIPMENT AND THE AMOUNT OF SPECIALIZED EQUIPMENT AVAILABLE
Cost of equipment at the consumer end and the availability of the equipment in the rental inds. rather than purchase and advertisement.
Cost of equipment, education of consumer on benefits of rental and full asset management
Cost of equipment, repair costs, ease of rental
Cost of Equipment Availability Cost of upkeep
Cost of fuel, taxes, and individual unit costs where equipment is not utilized on a daily or weekly basis, especially in the seasonal areas.
Cost of goods
Cost of goods, insurance rates, rent vs. buy rates, interest rates
Cost of maintenance and cash flow
Cost of money will increase, thus making capital \$\$\$ harder to get. Cost of ownership equates to lack of productivity and will cause delays. Rental make more sense.
Cost of new equipment, growth in the economy
Cost of new equipment. Ease of renting. Availability of equipment. Contractors not working in there home area.

Cost of OEC
Cost of ownership, increase construction
Cost of ownership, known cost of rental, someone else provides the maintenance, low rental rates, availability of rental units
Cost of ownership and cost of repair/ service
Cost of ownership and service
Cost of ownership of equipment; new technology improving things; Baby boomers reaching retirement age renting things.
Cost of ownership vs need based rental
Cost of ownership vs. lease/rental
Cost of ownership will increase
Cost of ownership, getting qualified service people
Cost of ownership, need for specialty equipment
Cost of ownership, regulations, safety issues, maintenance, product technology,
Cost of ownership. (3 mentions)
Cost of ownership--smarter customers
Cost of owning and maintenance. plus moving of equip site to site
Cost of owning and operating. Better and more specialized equipment available
Cost of owning weighs balance sheet
Cost of purchasing new equipment
Cost of purchasing, holding, storing, repairing equipment. the ups and downs of the construction business.
Cost of rental vs. purchase, increase acceptance of rental,
Cost of replacing new equipment
Cost of steel for equipment to be made.
Cost saving to customer overall
Cost to purchase
Cost, limited need, inventory and repair aggravation, right tool for job at the right time.
Cost, transport, storage, specific equipment designed for job

Cost/value (2 mentions)

Cost; both equipment cost and repair cost
Costing
COSTS
Costs of equipment, construction companies not wanting to purchase equipment to sit for periods of time idle, renting is getting widely advertised and part of today's cost of doing business, customers are more aware of renting versus purchasing or own
Customer involvement
Customer acceptance, cost of funds for contractors
Customer awareness
Customer awareness of tools to do the job better, faster, more profitable. The customer does not have to maintain those tools.
Customer expenses to maintain the used equipment they purchase from rental stores during the down turn will grow and these customers will sell off the equipment vs paying large repair bills once the loose the deductions for owning equipment
Customer maintenance costs. the ability to do more work with less capital spent
Customers are not required to use their own capital for equipment purchases and therefore can use surplus capital for other business needs.
Customers becoming better at risk management and understanding the true costs of ownership.
Customers don't want long term commitment of ownership, want the right piece for the job, and want newer, reliable equipment all the time.
Customers getting smarter, rates going down and new cost going up

Appendix A – Write-in answers

Demand will increase (continued)

Customers need various equip. and tools on their jobs (big and small). It's not feasible to own and maintain. As long as the Rental Stores will keep up on the demand of good service and quality product we will have Rental demand.

Customers not having to use they capital

Customers only want focus in their business rather manage their own fleet

Customers want to control their cost and investment.

Customers who do not have the time to service there own fleet, and they do not want the responsibility to store the equipment.

competitive pricing. new equipment. The job market, and the need for more equipment on job sites. Contractors whose equipment goes down, and they need a new one ASAP.(the key to this one is who can delivery ASAP, with good equipment, good customer service, and keeping tabs on the customer to make sure there needs are met, after the before, during and after the rental).

Customers will not be able to repair/service their equipment, therefore, they will take a long look at whether they should own equipment, and will conclude that it is much easier to rent than own.

Customers would rather keep capital costs lower and rent equipment

Deductions of taxes

Depleted Infrastructure. In the remote TV world, we have entered High-Definition ...the new mobile trucks need higher ampacity then the existing Arena's can provide

Depressed rental rates, freight and upkeep would discourage most rental customers from buying, or encourage them to continue renting.

Deregulation in utility industry, lack of capital funding for fleets in the IOUs, rebound of distribution and transmission power line construction

Desire to reduce investment in hard costs and ability to pass rental costs along to the customer as a part of the job.

Development, equipment availability

difficult economy limiting capital goods purchases

diversity of construction companies, on the type project they will bid and be awarded, plus the demand for more sub contractor companies that will be needed to keep up with growth.

DO IT YOURSELF ATTITUDE

Ease of renting versus buying

Easier to rent than own. less down-time.

Economic Conditions / Changing Attitude

Towards Equipment Rental in Marketplace

Increased Customer Awareness

Economics

ECONOMICS INTEREST RATES

Economy (8 mentions)

Economy appears to be gaining strength

Economy improvement.

Economy Interest Rate State & Federal Funding

Economy will grow for next 4 years

Economy would be #1, new equipment availability would be #2, and new equipment cost would be #3, and used equipment following suit would be #4

Economy, available water, etc

Economy, equipment manufactures,

Economy, interest rates, time available by individuals/ homeowners

Economy, knowledge of cost of ownership preserving capital for core businesses

Economy, new contractors coming in to the area, more houses,

Economy, Rental Rates, Interest Rates

Economy-interest rates-housing starts

Education of the customer on utilization of equipment on job

EDUCATION OF WHAT A RENTAL CENTER IS AND HOW IT CAN HELP GROW YOUR BUSINESS

Eq. availability, contractors not having to hire mechanics, drivers, service personnel, etc.

educating contractors to the equipment available to help increase the turnaround of their jobs. they are able to expense equipment rental.

Equipment & labor costs, & specialized equipment development.

Equipment acquisition cost. specialized pieces of equipment for certain applications. cost to maintain equipment

Equipment acquisition costs.

Equipment availability and continued competitive pricing by the Big Rental companies

EQUIPMENT AVAILABILITY,GENERAL DECREASE IN RENTAL RATES

Equipment cost and jobs profitability based on rentals

Equipment cost and R&M

Equipment cost and service issues

Equipment cost, maintenance cost, liability of ownership. insurance cost. owning equipment effect on profitability versus renting equipment

Equipment costs (2 mentions)

Equipment costt, federally funded projects, new residential & non-residential construction projects.

Equipment is more accessible to all party's, safety, time saver

Equipment maintenance, cost of equipment, placement of equipment on job sites, improvement in construction management

Equipment price, variety and availability of equipment and tax incentives.

Appendix A – Write-in answers

Demand will increase (continued)

EQUIPMENT PRICING, COMPETITIVE BIDS ON JOBS, EQUIPMENT IS EASILY ACCESSIBLE

Equipment repair

Equipment specialization for jobsite applications.

Fleet flexibility. Service costs of ownership.

Equipment storage and service, capital cost of the equipment.

Expense of owning your own equipment, customer convenience, quality of service

FEDERAL ELECTION, INFRASTRUCTURE BUDGETS

Fleet management will play a role - such things as long-term cost of ownership, fuel costs, cement costs and other economic factors.

They will make it more conducive to rent.

Fluctuating economy, increasing interest rates

For the business or consumer to eliminate the expense of owning equipment and tools that they do not use on a frequent basis

Future construction projects, new investments, marketing.

General construction, residential and commercial

General Growth, Interest Rates and their impact on small contractors ability to purchase rather than rent.

General increase in jobs requiring our equipment.

Global economic upturn

Good Economy, more construction or restoration.

GOOD ECONOMY /

Good service & economics

Government increases and local interests

Government provide incentives to rent vs. purchase. Flexibility that renting provides vs. purchasing. Rental companies better

promoting to the public

GOVERNMENT SPENDING

Growing economy (3 mentions)

Growing society

GROWTH (2 mentions)

Hard to find repair shops for customer owned equipment. Cheap rental rates cost less to rent vs. purchase

Hi cost of equipment for limited use

High cost and lack inventory

High cost of buying equipment Vs. renting.

High cost of equipment

High cost of new and used equipment and the high cost to maintain it

High cost of purchase and high cost of maintenance

High cost of purchasing equipment. High cost of maintaining equipment.

High cost of repairs, financing

High equipment acquisition costs, more sophisticated and harder to maintain equipment.

Higher cost of equipment

Higher cost of new equipment and maintenance. More companies are starting to realize that renting is a better deal in the long run. By renting they can free up more operating capital instead of having it sitting around tied up in equipment that may o

Higher cost of steel will cause the purchase price for new equipment to increase along with the value of used equipment purchases.

Higher equipment purchase prices, Greater rental awareness

Higher interest rates will discourage investment. Renting is a good way for end-users to hedge their bet

Higher priced equipment (new)

Home improvement, education to rental concept.

HOMEOWNERS, INSURANCE PREMIUMS, EXPENSE OF VEHICLES TO TRANSPORT

I believe if we are doing our job correctly we can sell to our respective customers the benefit of rental over ownership

I don't believe everybody has been reached and educated in the benefits of rental of equipment over ownership

I HAVE SEEN A GROWING TREND FOR THE RENTAL INDUSTRY IN OUR AREA OVER THE PAST 3 YEARS

I think that the Service Industry will grow in which a entire laundry list of services will be offered however with this uncertainty the company will rent the nec. tools to perform the service at least until they can justify the purchase.

I think the interest rates are going to start moving up which will depress sales

IMPROVED CONSTRUCTION ENVIRONMENT

Improved economy (4 mentions)

Improved economy, continued population growth, low interest rates

In my area, increase as the area increases. There is a large increase in the homes, townhouses, and condos in our area, creating more year round customers.

In our area there is continuing growth. Therefore there will be the need for rental equipment.

Increase in commercial development

Increase in construction

Increase in construction jobs

Increase in equipment costs & maintenance & population growth

Increase in large jobs bid, proposed or scheduled.

Increase in new construction

Increase in population, housing, and business

INCREASE IN RENTAL DEMAND FROM MY CUSTOMERS IS DUE TO OUTSERVICING THE COMPETITION.

Appendix A – Write-in answers

Demand will increase (continued)

Increase marketing by national chains and big box home improvement stores.
Increased awareness from big box efforts. Ageing of baby boomers may increase use as they retire and have more time and less income.
Increased Building
Increased capital costs Increased complexity of servicing equipment Shortage of mechanics / techs to service equipment Greater awareness of rental equipment available to the customer base
Increased carrying costs of equipment.
Increased construction activity
Increased construction activity, increasing interest rates - cost of capital
Increased demand because of new growth in the area-new building phases
Increased exposure and acceptance of rental as an alternative to purchase; the tax advantages; the equipment is there and operational when needed
Increased finance costs, higher interest rates
Increased population (2 mentions)
INCREASED POPULATION AND MORE RENOVATION NEEDS
Increased work volume. Contractors will want to increase profit before they begin purchasing capital assets
Increasing cost of equipment, larger jobs, insurance requirements.
Increasing costs of purchasing equipment, and ever changing products
Increasing costs, especially on limited use products may drive customers to rental alternatives
Increasing interest rates, one time jobs
Inflation
INFLATION - COST OF MONEY

Insurance, experienced operators & required certification, rental rates vs cost of owning,
Intense end-user competition and improved rental operations
Interest Rates
Interest Rates - Ownership Cost - Convenience - Cost Estimating for Jobs
Interest rates will increase, and an unsure future of the const growth
Interest rates, construction demand, security of supply
Interest rates, home building & commercial building
Interest rates, investment stimulation/incentives provided by government and/or manufacturers. The fast pace of growth/development in the area will require contractors to supplement their own equipment inventory to keep pace with demand for new development/building. A contractor can add more crews easier than he can purchase new equipment, so some crews will run with rental equipment-especially if interest rates increase and buyer's incentives decrease. These type of economic changes may also direct a contractor to purchase used equipment versus new - especially if a glut of quality, used equipment exists in the market. The availability of quality used equipment at a good price would negatively impact rental demand in our market. It is common for a small contractor or even homeowner/rancher to buy a piece of equipment, like a backhoe, at auction, use it for one specific project, and at the end of the project, re-sell the backhoe at auction. They view this as an investment of dollars and potential ...
Interest rates, economy.
Interest rates ,local infrastructure such as sewage and drinking water cap, terror attacks

Interest rates increasing, contractors taking advantage of low rental rates, contractors reducing capital investment
Inventory supply and its costs purchase relative to rental
Investment needed, fluctuation in local construction markets, rise in attractiveness of rental vs. purchase (no maintenance, storage, capital requirements, and more), awareness of rental on the rise, more of a do it yourself mentality is taking shape
I think steel prices, interest rates, etc. will affect it. It truly makes more sense to rent rather than own, as old time business owners retire and their son and daughters take more & more control then they will focus more on rental and owning more of the cash flow than by depleting cash flow with their p
Keep assets off balance sheet, bonding capacity, financial flexibility, availability of product in more rental centers
Knowledgeable personal
LACK AND COST OF CAPITAL
Lack of asset dollars tied up in equipment. Why buy and have dollars just sitting when they can rent and not have to pay depreciation.
Lack of consumer money
Lack of skilled service technicians. More people are seeking professions in which they will not be crippled by the time they are 60, cost of storing equipment, cost of insurance and other costs associated with owning equipment.
Large jobs, newer equipment in rentals, variety of seasonal equipment in rentals
Larger markets.
Length of use cost new or replacement
Less overhead
Less used equipment on the market, longer wait times for new equipment, increases in commercial construction

Appendix A – Write-in answers

Demand will increase (continued)

Liability, servicing, owner responsibility
Liability of owning some types of equipment, long-term purchase from manufacturers disguised as rental.
Limited availability of equip for sale in area, marketing
Local construction activity, farm revitalization, influx of new residents to existing farms and houses.
Local construction is projected to increase.
LONGER LEAD TIMES ON MACHINERY, HIGHER PRICES,, STRONG DEMAND IN THE USED EQUIPMENT AREA.
Low prices and decent service from all big players
Low rates
Low rental rates, uncertainty in construction markets.
Lower supply, higher cost to buy and maintain Machinery and service cost.
Maint. costs capital output,
Maintenance and original cost
Maintenance cost. Labor cost. Abundant access to rental equipment.
Maintenance, Transportation, Liability, Insurance, Tax issues
Major commercial construction starts, fleet ages, primary supply shortages
MAJOR JOB SITES ECONOMIC GROWTH WHICH SUPPORTS THE AERIAL WORK PLATFORM INDUSTRY MARKET
MARKET CONDITIONS
Metropolitan expansion
Money available
More and better equipment available, more options of types and size of equipment more specialized equipment available to supplement owners core equipment, ridiculous prices from our competitors

More and more customers wanting dealers to handle equipment inventory for reasons of cost efficiency for them.
More awareness of rental concept particularly to homeowners
More consolidation of smaller stores by larger national brand stores.
More construction
More equipment flexibility
More events and larger events will take place in the US in the coming years because of the uncertainty of world conditions.
More home owners and more businesses
MORE HOMEOWNERS AND FARMERS USING EQUIPMENT - MORE IMPROVEMENTS AND NEW CONSTRUCTION
More independents are returning to the industry. Local users prefer the personalized customer service of a local company.
More jobs each year than previous. Customers do not wish to maintain own fleet of equipment.
More knowledge by general public of rentals
More need for equipment on a seasonal basis
More people are looking to reduce overheads and risk with the rough economy, a good way to do that is by reducing investment. Also there is a big market for used equipment being export from this country, that reduce the amount of equipment out there
More people have purchased homes due to low interest rates over the past few years.
More people trying to get into construction without the financial backing that is required to be a player in the market
More specialized equipment is being made that will allow the rental store to provide at a much lower cost to the user
More works sites. The idea of renting is still growing

National firms attract more rental demand
New building, bridges, roads
New construction (3 mentions)
New contractors entering market with little or no capital, planned expansion in geographical area. major metropolitan area with tremendous increase in immigration
New equipment cost, such low current rental rates
New equipment costs and costs to transport
New Equipment Pricing
New equipment, service, price, and availability
New home construction increases
New home growth
New markets and industries getting involved
Newer more productive demand for a specific project.
Niche markets, storage, consumer realization that cheap equipment is poorer quality
No capital needed for equip. Customers can rent a variety of diff machines. No ownership downside, (maintenance, repair, ins.)
NO MAINTENANCE WORRIES, LESS DOWN TIME CORRECT UNIT FOR THE JOB
No service, no capital outlay
Not sure (2 mentions)
Not wanting to spend the r and m costs
OBS management by commercial contractors.
Old equipment
Once the depreciation bonuses expire there will be less incentive to own equipment. Monthly rental payments are easier to predict for job costing than equipment ownership costs.
One time task or jobs that vary in equipment needs/uses.
Operating costs and labor
Over abundance of fleet bought in 90s getting older
Ownership and associated costs are expensive

Appendix A – Write-in answers

Demand will increase (continued)

People are becoming more aware of things they can rent because of the big houses and the do it yourself TV shows.

People are used to renting more now

People do not want to own for just a one time job people do not want to have equipment just sitting around

People doing more themselves

POOR EQUIP. OFFERED BY NATIONAL COMPANIES. THEY CAN'T PLAY THE TRADE IN PROFIT GAME FOREVER.

POPULATION DEMOGRAPHICS

Population growth in our area

population growth, environmental demands, and out of recessions desperate workers, create new ideas, new business what will grow to larger businesses.

Population increase - more discretionary spending
PRICE AND AVAILIBLITY

Price increases on new product, economic conditions

Price of equipment (3 mentions)

Price of new equipment that is not utilized on a daily basis

Price of New Equipment. Cost to buy verses Rent. No repair cost on rental and no payments if you are not using the equipment send it back

Price, fuel, availability, growth rate of construction, & customer satisfaction

Price, quality of fleet, savings in renting verses buying

PRICE, RELAIABILITY, SERVICE

PRICES OF EQUIPMENT, LEASE PROGRAMS, ETC.

Pricing, service

Purchasing equipment too expensive, maintaining equipment is difficult, etc.

Recovering market, uncertainty will keep people from purchasing

Reduction of the customer Cap-X refineries and chemical plants etc. are about to spend millions of \$'s in the near future

Reliable equipment without the capital investment
Remodeling of homes in area.

Renewed awareness about the ability to rent rather than purchase

Rental awareness and cost of new equipment

Rental companies will be seen as a valuable business partner as contractors look to control costs.

Rental demand will increase due to the changes in the economy and cost of raw materials

Rental is cheaper than purchase if you do not need to use the equipment most of the time. Also fits the outsourcing trend seen in other industries

Rental provides a great alternative to capital outlay, as always

Rental rates and both new & used equipment prices

Rental Rates, Available equipment

Rental rates, cost of money

Renting is more cost effective than buying for many customers who utilize some equipment only occasionally.

Residential consumers playing a larger role

Rising cost of steel, versatility (or the lack thereof), # of projects

Rising costs of equipment and new people coming into the area

Rising costs of owning and maintaining up to date equipment.

Rising equipment costs and increased residential and commercial construction. Many contractors do not want to be responsible for servicing their own equipment. Fewer mechanics qualified to work on equipment.

Rising interest rates & lack of capital

Rising interest rates, equipment availability

ROI in ownership and rise in interest rates making companies invest less in equipment and keep capitol for growing their business

Seems like there are a lot of smaller updating jobs going on rather than big projects.

Service

Service & Maint., Let someone else have the problems of taking care of repairs and maint. on equipment. Mechanics will be hard to find so let rental companies take care of repairing equipment. Money not tied up in equipment.

Service and quality

SERVICE UPKEEP . TRANSPORTATION AND STORAGE

Servicing customers, growth

Shorter projects and hand labor deficit.

Significant

Simply as the economy gets better the demand will increase

Small works

Smaller contractors are starting to take advantage of rental equipment rather than doing work by hand, used to be just large construction corps

Smart thing to do

Space & capital considerations

Specialization Jobs that need one type of equipment for it and not the next job coming up...Uncertainty of securing futures jobs because the bidding is so close..

State of the building industry ,, economy ,, rates
Steel

Steel Prices, Back log of new equipment orders, the need for industry to become more efficient

Steel Prices, equipment becoming more expensive. Less of the gray market fleet that was available in late 90's. Economic instability as far as interest rates go, no more 0% interest deals.

Steel prices, fuel prices (overall equipment costs)

Appendix A – Write-in answers

Demand will increase (continued)

Strengthening economy, prudent option for contractors/homeowners
Stronger economy, high cost of steel/gas-rental better deal. Mechanics harder to come by so contractors happy to have us do maintenance on equipment
Stronger economy will hopefully facilitate more need for building & construction.
Stronger economy, government contracts.
Success of outsourcing, customer service & liability
Tax considerations, interest rates, availability, reliability, maintenance.
Tax laws, Next generation of owners may not be interested in owning equipment
the amount of growth in this area
The Big Boxes are making customers more aware that rental is an option, I see them having the same effect on the Rental business that they have on the D-I-Y Building Materials and Hardware Industry 10-15 years ago
THE COST OF EQUIPMENT, THE HIGH COST OF INSURANCE, MAINTENANCE COST. THE HIGH DEMAND FOR MECHANICS.
The current state of the economy, for one. Why buy when they can rent? As our level of service increases, customer satisfaction rises as well. Dollars are just too tight out there, right now.
The difficulty construction co. will have retaining service personnel.
The economy (2 mentions)
The economy and growth of region
The economy is not picking up very quickly and people will continue to do their own repairs/remodeling.
The growth around Houston
The high cost of ownership.

The high cost of purchasing equipment. The do-it-yourself people trying to do a job.
The improving economy.
The increase cost in owning the equipment, the economy, fuel prices
The increased cost to purchase and operate maintenance facilities required in owning equipment.
The increasingly complexity of owning/maintaining equipment is leading more contractors to rent rather than buy.
Competition in the building market is also helping to increase demand for rental products.
The large rental companies can offer diversified fleets that are highly utilized thereby offering a lower cost alternative than ownership.
The rising economy and the benefits of renting vs. buying(cost).
The size & availability of jobs at any given time of the year effect the equipment needs of the contractors. This drives their rental needs.
THERE HAS ALREADY BEEN AN INCREASE.
Tight capital
Tighter capital management, economy/construction
Tighter margins on bids, fixed costs, higher sales prices. the need for very high utilization.
TIME SERVICE ASSET MANAGEMENT
Transient companies who send personnel from job to job and rent the equipment needed. Startup companies who rent to keep from having maint. costs.

TURN AROUND IN THE ECONOMY. THE GLUT OF EQUIPMENT IN SOUTHERN CALIFORNIA FOLLOWING THE POWER CRISIS WILL DECREASE AND CUSTOMERS WHO SWITCHED TO THE BIG COMPANIES DUE PURELY TO COST SAVINGS WILL START TO GO BACK TO THE SMALLER COMPANIES AS THEY FIND
Type of project, contractor location, economy
Type of work and growth in road reconstruction and commercial work
Uncertainty about the economy, and global events.
Increased focus on investment in fleet, and deployment of capital.
Upswing in economy, increase in construction and new homes
Upturn in economy
Utilization of equipment, cost of new
Varied types of machines available to do different types of work
Variety of equipment
Variety of equipment available, cost of rental vs. ownership, increased sophistication and service provided by large rental companies.
Very low rental rates will force the end user to rent rather than buy.
Vibrant economy in our area, rising cost of maintenance and improved marketing skills.
Volume of business
Volume of construction; economy (interest rates ,fear of inflation); cost of renting vs. owning (particularly small equipment);
We are on the verge of some pretty exciting projects such as the Voisey's bay miness , The lower Churchill Power developments and an ever increase in the offshore oil industry.
We have a growing population of older do it yourselfers

Appendix A – Write-in answers

Demand will increase (continued)

Wider availability of rental equipment. Increased cost in equipment acquisitions, unfamiliarity to service & maintain equipment by user
Work load. interest costs, tax rules.
World economy - Funding the Highway programs - Energy
Would rather rent for short term than own thus no repair bills and rental outfit to repair

Demand will decrease

No answer (3)

All the machines that the big boys had when they went belly up will hit the auction block and be bought up by the smaller contractors that rented in the past...

AUCTION RESALE PRICE VS RENTAL COSTS

Available used equipment, and special financing to buyers vs. renting.
Balance sheet requirements for less debt and inventory; fleet upgrades by rental companies; consolidation within the rental industry
Big box stores
Boom in construction. Manufactures can not keep up with demand of equipment.
Customers do not like to pay rental charges if they can own.
Customers would prefer to destroy somebody else's equipment.
Economic decline will create slowdown in rentals
Economy
Favorable financing and depreciation benefits
Higher equipment costs
Home building permits.
LOWER PRICED EQUIPMENT FOR CONSUMERS TO BUY AND WAREHOUSE STORES

Ownership

People do not like throwing away money on rental. They would rather purchase the equipment if they need it several times per season in our area!
Price, services, quality, name recognition
Rental will decrease based on manufacturers doing rental purchases to keep manf. going do to rates being lowers large chains are keeping equip longer.
Renters buying there own, competition, opening of new area for construction, restructuring of military bases around
Saturation, excess inventory

Demand will not change

No answer (18)

An improved economy
AREA Growth
Better Rates
Cheap interest rates causing companies to purchase rather than rent. also gov tax benefits that help people to purchase as well.
Construction upswings
Construction, the economy, interest rates
CONTINUED ECONOMIC GROWTH AND INTEREST RATES
Continued economic growth.
Cost of equipment and location of rental stores
Cost of equipment, availability of service.
Cost of equipment...loan rates..
Cost of purchasing new equipment, cost of land for contractors to keep equipment instead of renting it, shortage of good mechanical help, costs of financing new equipment
Cost to own
CUSTOMER WORKLOAD - STRENGTH OF ECONOMY

Depends on economy - current concerns are income statement focused - if it turns back to the balance sheet, we will see less capital spending and more rental.
Economy, overall well being of the community
Economic conditions
Economy (3 mentions)
Economy and backlog of work.
Economy and projects, along with rate of large rental company expansion.
Economy, insurance demands.
Equipment availability, fuel cost, new equipment development
Growth in area
Higher manufacturing cost therefore higher retail prices
If projections are wrong for my area in regards to population increases, more people will mean an increase for several areas.
If the construction market in this area does not see the down turn other areas have experienced then the market may continue to grow. Road construction dollars have slowed this year but forecast is they will pick back up after the elections.
If the economy stays strong
Increase in purchase price
Interest rates (2 mentions)
Interest rates & machine operating costs
Interest rates, job growth and the local economy
ITC rental rates, condition of equipment
Land in the area diminishing to build on.
Homeowners playing key factor in rentals then.
LIMITED WORK IN OUR AREA
Low/No growth city/region.
MARKET WILL DETERMINE RENTAL FLEET RIGHT NOW SLOW GROWTH
More availability

Appendix A – Write-in answers

Demand will not change (continued)

More specialized equipment in the construction field. Cost too much to purchase when it will only be used on one job.

No comment

Price, service, availability (2 mentions)

Pricing and tax regulation will influence rental demand as much as the state of the economy.

Rates and equipment availability

RENTAL RATES AND AVAILABILITY

Rising rates are promoting more equip sales than before

Site development, housing, road building

Size of community and locations.

Slow industrial business.

Specialty equipment or attachments will be rented. Basic products are purchased.

Specialized applications and attachments

State of the economy

Supply still exceeds demand in many areas. In particular the high lift and heavy compaction. Rates are too low. Utilization is too low for many companies

Tax laws

Tax laws, long term contracts

THE AGE OF OUR OLD EQUIPMENT

THE AMOUNT OF USED EQUIPMENT AVAILABLE THE AMOUNT OF NEW CONSTRUCTION PROJECTS

The economy

Uncertainty in the economy and the war against terrorism. Rising interest rates.

Utility reliability of supply of electricity. Growth of the population/electricity demand. Utility's lead time for permanent service

With lower interest rates more rental customers are purchasing

Don't know

No answer (30)

Availability of equipment

Big Boxes, economy factors, election

Construction

Construction, avail.of affordable equip

Customer knowledge of what they can rent to make the job easier and better.

Demand

Don't know

Economic Good economy require more equipment - Auto MFG are set to retool over the next 28 - 36 months, CND dollar will likely fall which promotes foiegn investment

Economics, Availability of items required

Economy (3 mentions)

How fast the end user wants their construction site up and running

If machine breaks down they exchange it and keep working instead of fixing there own stuff and then having to rent a piece

Interest rates which affect home improvement projects and new growth

Interest rates, fuel, rental rates

Manufacturer's not selling direct to end users, short circuiting their distribution channel

Need and population growth

Not sure

Note - on next questions aerial rates remain the same forklift rental rates have increased

Overall economy and interest rates

Overall economy in general.

Positive=Improving economy, Negatives= Steel, cement, lumber price increases, Funding for fed and state const projects are questionable.

Purchase price on some equipment is cheap enough to warrant buying vs. rental

Quality, pricing and availability.

THE STABILITY OF THE ECONOMY IN THIS AREA.

The state of the economy, more than anything.

Upkeep of equipment

Weak economic growth will promote more rental.

Will the economy pick up we are still quite depressed in our area

Question INTRO



2004 State of the Industry

Please click the NEXT button to begin the survey.

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Question q1q2

1. For which of the following do you use a computer?

(Mark all that apply.)

- Accounting and/or other back office functions
- Managing inventory for a single store
- Managing inventory on a multi-store level
- Managing shop
- Point-of-sale
- Other

2. For which of the following do you use the Internet at work?

(Mark all that apply.)

- Banking/paying bills
- Billing customers
- Buying parts
- Catching up on news
- Enhancing communication
- Fun
- Research/seeking information
- Shopping for equipment
- Other

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Question THREE

3. Do you use GPS systems on your fleet?

- Yes
- No

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Question THREEB

3b. If yes, which of the following do you use it for?

(Mark all that apply.)

- Anti-theft
- Diagnostics
- Keeping a record of usage on the job site
- Tracking the physical location of equipment on the job site
- Other

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Question FOUR

4. If not, do you expect to use GPS systems in the future?

- Yes
- No
- Don't know

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Question FIVE

5. Do you compete with any manufacturers that are in the rental business?

- Yes
- No

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Question FIVEAB

5a. How significant is the competition?

(Please use a scale of 1 to 5, with 1 being Not at all Significant and 5 being Extremely Significant)

- 1
- 2
- 3
- 4
- 5

5b. What manufacturers are involved?

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Question SIX

6. Do you expect more manufacturers to directly rent equipment in the future, either through dealer-owned rental centers, franchises, or factory-owned rental efforts?

- Yes
- No
- Don't know

7. Compared to three years ago are there more independent rental centers in your region or fewer?

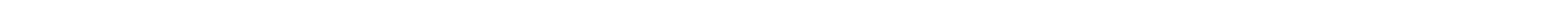
- More
- Fewer
- About the same

8. Which of the following do you think is the most likely situation three years from now?

- There will be more independent rental centers in my region.
- There will be fewer independent rental centers in my region.
- There will be about the same number of independent rental centers in my region.

8a. Why do you say that?

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Question NINE

9. Please rate the impact that big box improvement centers have had on your business.

(Use a scale of 1 to 5 where 1 is No Impact and 5 is Significant Impact.)

- 1
- 2
- 3
- 4
- 5

10. Do you expect home-improvement rental efforts to grow in significance in coming years?

- Yes, I believe they will become more significant players.
- No, I don't think they'll be any more significant than they are now.
- No, I think their significance in this arena will decrease.

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Question ELEVEN

11. Do you provide service contracts for your customers?

- Yes
- No

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Question TWELVE

12. Do you repair customer-owned equipment?

- Yes
- No

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Question THIRTEEN

13. Do you utilize service trucks to repair your equipment at the job sites?

- Yes
- No

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Question FOURTEEN

14. Has the portion of your business represented by service contracts and/or repair changed in the past two years?

- Yes, it's grown.
- No, it's decreased.
- No, it's stayed about the same.

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Question FIFTEEN

15. Have you made efforts to grow this portion of the business?

- Yes
- No

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Question SIXTEEN

16. Do you expect to grow the service portion of your business in future years?

- Yes
- No
- Not sure

17. Has your parts inventory increased or decreased in the past two years?

- Increased
- Decreased
- Stayed about the same

17a. Do you expect to increase or decrease your parts inventory over the next couple of years?

- Increase
- Decrease
- Stay about the same

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Question SEVENTNA

17b. If you are increasing inventory this year, by how much do you plan to add to your fleet?

- 1 to 5%
- 6 to 15%
- 16 to 25%
- More than 25%

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Question EIGHTEEN

18. Does your company perform fleet-management services for customers?

- Yes
- No

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Question NINETEEN

19. Please describe the scope of the fleet-management services you provide.

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Question TWENTY

20. Is this an area you are considering adding?

- Yes
- No
- Not sure

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Question TWENTY1

21. Approximately what percentage of equipment in your area is rented (rather than purchased) by the end user?

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Question TWENTY2

22. Has this percentage grown in recent years?

- Yes
- No

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Question TWENTY3

23. Do you expect this percentage to grow in the foreseeable future?

- Yes
- No
- Not sure

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Question TWENTY4

24. By how much?

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Question TWENTY5

25. Do you believe demand for rental is likely to increase or decrease in the next few years?

- Increase
- Decrease
- No change
- Don't know

26. What factors do you think will play a role in rental demand?

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Question TWENTY7

27. Have rental rates decreased in your area over the past two years?

- Yes
- No
- Not sure

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Question TWENTY8

28. By about how much?

- Decreased by 5% or less
- Decreased between 6% and 10%
- Decreased between 11% and 15%
- Decreased between 16% and 20%
- Decreased between 21% and 25%
- Decreased by more than 25%

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Question TWENTY9

29. Are rental rates increasing in your area?

- Yes
- No
- Not sure

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Question THIRTY

30. How much would you say rental rates will increase in 2004-05 over last year's rates?

- Increasing by more than 25%
- Increasing by 21% to 25%
- Increasing by 16% to 20%
- Increasing by 11% to 15%
- Increasing by 6% to 10%
- Increasing by 5% or less

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Question FINAL

**Thank you for your participation in our survey.
Look for the results in our November issue.**

**If you'd like to enter the drawing, please enter your name,
email address and phone number in the blanks below. This information
will ONLY be used to notify you if your name is drawn.**

Name

Email

Phone