

National Scores Three-Peat

By Michael B. Baker / June 14, 2017 / Contact Reporter

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What Travel Buyers Think of Their Car Rental Companies

On a scale of 1 (poor) to 5 (excellent)

1 National 4.34

2 Enterprise 4.21

3 Avis 3.99

4 Hertz 3.89

Source: BTN survey, conducted March 23 through April 10

National Car Rental and sister brand Enterprise earned the highest marks from travel buyers in BTN's annual Car Rental Survey, as they have since the survey launched in 2015. Avis Car Rental and Hertz ranked third and fourth, respectively, as they have since the survey's inception, as well. Though scores decreased for all brands in most of the survey's criteria, buyers did not report a decline in customer service. A third said their car rental suppliers' customer service has improved since last year, and only 8.4 percent said it had gotten worse.

National, which maintained a healthy lead over its two top competitors, is a "wildly successful company," said Abrams Consulting Group president Neil Abrams. "Since Enterprise acquired National, they've done a really good job in building and using those brands strategically and tactically to bring the best value proposition at a number of levels to the corporate customers," he said. "They've done an excellent job in developing

the one-two punch to the corporate buyer, with the high-end bells and whistles and a secondary more value-oriented offering that can be presented so the buyer has options."

How They Ranked in ...

On a scale of 1 (poor) to 5 (excellent)

	Negotiating Pricing	Negotiating Services & Amenities	Clean, Well-Serviced Cars	Quick & Effective Complaint Resolution	Communication with Buyers About Changes	Relationships with Account Managers & Sales Reps
National	4.3	4.46	4.49	4.35	4.14	4.25
Enterprise	4.31	4.02	4.2	4.25	4.15	4.3
Avis	3.98	4.18	4.24	3.93	3.85	3.8
Hertz	3.85	4.01	4.14	3.84	3.81	3.71

Source: BTN survey, conducted March 23 through April 10

Enterprise and National have a few advantages. For one, they are owned by a private company, which lets them make decisions and develop strategies without being under the microscope of investors, Abrams said. The brands also benefit from their policy of promoting from within. Sales executives generally come from the branch management level, said Enterprise Holdings VP Don Moore, who oversees the North American business and corporate accounts. "It gives us an advantage in the marketplace because we know what we can offer and do as a team. They know what they have already done as a rental employee in the past."

Survey respondents praised Enterprise and National's communication. One said their National account manager "is always helping us make the best financial decisions for our company" in addition to providing quarterly updates and reviews. Another buyer was pleased that Enterprise set up a Chick-fil-A-catered breakfast meeting for all employees to discuss the company's corporate rental agreement.

The lion's share of buyer commentary in the survey, however, centered on pricing. One buyer said National had decreased negotiated rates across the board and included insurance coverage, and another complimented Enterprise's "tremendous flexibility in extensions of contracts" as new contracts were negotiated.

Though car rental rates have been stagnant over the past few years, travel buyers continued to complain about their car rental partners' pricing and costs in general, mostly around upselling services and amenities at the counter. "Service is very good, but pricing is all over the map with fees and surcharges," one buyer said. "It's faster and cheaper to hop in a Lyft and expense that than to fiddle with after-the-fact receipts with charges that were not authorized." Thus, another buyer praised National for enabling travel managers to block unneeded extras.

Avis, however, was the only brand that improved its score for flexibility in negotiating transient pricing. Additionally, several buyers cited problem resolution as a key satisfier. One said Avis offered a smart solution after a traffic accident impacted a business traveler. Another noted the company was quick to change processes and staffing to improve a service issue in the buyer's top car rental market. Abrams said Avis remains a "great brand," noting that it "is being very aggressive in enhancing customer service and rental transaction processing based on new technologies."

Avis Budget Group SVP of sales Beth Kinerk said expansion of the company's connected cars program will improve service. Those cars provide real-time data on maintenance needs, so issues are addressed before a rental hits the road. The real-time data also includes fuel consumption, making billing more precise.

Avis Budget also is improving its team's ability to communicate with clients, she said. "We continue to invest in our employees so as to better equip the dedicated account team with the tools they need to deliver a customized mobility solution. This includes a suite of reporting tools so that corporate travel buyers have the right insights into their travelers' rental patterns, as well as informational materials and advice on how to best optimize their travel program."

Hertz, meanwhile, has been improving customer service, as well. EVP of sales Robert Stuart said that includes training for customer-facing employees and standardizing sales processes and quarterly business reviews. Several buyers praised Hertz's customer service team, including one who said its response to issues was "the best of all travel providers we work with." Another was impressed when Hertz scheduled an in-person visit to apologize for a problem that occurred with a rental.

The Hertz sales team also is relying more on data to help buyers tailor their car rental programs, Stuart said. "We're looking to be real consultants for them and help them from a total cost perspective," including comparing costs for car rental versus mileage reimbursement for personal cars.

Methodology

From March 23 through April 10, 2017, BTN surveyed 252 travel manager and buyer members of the BTN Research Council and a randomly selected subset of qualified subscribers of BTN and Travel Procurement. Equation Research hosted the survey and tabulated the results. Respondents graded only those car rental companies with which they had negotiated contracts or booked meaningful amounts of business in the past year. Brands that did not reach a minimum usage threshold were disqualified from the survey. BTN averaged the category scores to create an overall score for each car rental company. Participants who did not respond to questions for a particular category or brand were not included in that category or brand's average.

Over the past 16 months, Hertz has refreshed its fleet significantly. The vast majority of its fleet now includes such amenities as Bluetooth, rear-facing cameras and USB ports, Stuart said. Additionally, the company has invested in new car-washing equipment.

Though Hertz posted a \$223 million net loss in the first quarter of this year, it remains an "excellent company that provides an excellent service," according to Abrams. "They clearly have a lot of work to do, but the problems have been more internal problems, more subtle than the customer understands or cares about," Abrams said.

National, Avis and Hertz all improved their survey scores for services and amenities. All three brands have tapped technology to make the car rental process more touchless. National continues to enhance its Emerald Checkout process, through which travelers can begin the checkout process through the app, VP of marketing Rob Connors said. Hertz is expanding its Ultimate Choice, in which renters pick their own vehicle, and expects to double its availability to at least 50 locations by the end of this year, Stuart said. And Avis is tapping into its connected fleet to facilitate the car rental process through its app, as well, Kinerk said.