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with customers and travel agents

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A WINNING ENTERPRISE

The leader in car rentals works hard for that title

TALK ABOUT making a good thing even better: In 2007, Enterprise Rent-A-Car—owned by the Taylor family of St. Louis—had a respectable 9 percent of the airport car rental market. Then, in August of that year, the Taylors acquired the Alamo Rent A Car and National Car Rental brands, and the rest, as they say, is history—and an impressive history at that.

Today, Enterprise Holdings, still privately owned by the Taylor family, operates the Alamo, Enterprise and National brands through regional subsidiaries. And three years after the largest acquisition in the car rental industry, Enterprise Holdings leads the car rental industry with approximately a third of all airport business in the U.S. and Canada.

Ron Cerko, vice president of travel industry relations for all three brands, notes that each serves a distinct segment of the car rental market.

For example, Enterprise Rent-A-Car employs “a much more hands-on approach” and is really focused more on the value-minded consumer, because its rates can be as much as 20 percent lower than most other competitors. Enterprise Rent-A-Car also delivers an unparalleled network of airport and neighborhood branch offices, which are found within



Ron Cerko

15 miles of 90 percent of the U.S. population.

According to Cerko, Alamo—the largest car rental provider to international travelers visiting North America—is more of a leisure brand. “Alamo is really a vacation brand for us and perhaps our strongest travel agent brand,” Cerko says, not-

BY JOE PIKE

ing that Alamo has roughly 160 kiosks at its U.S. locations. “Alamo pays 10 percent commission on standard sales and 5 percent on discounted and promotional bookings.”

National Car Rental, on the other hand, complements the Alamo and Enterprise brands by offering clients more options, and often is the choice of business travelers. “With National, the main strength is the Emerald Club, which gives customers more freedom when choosing a car,” Cerko says. “The consumer can go past the rental counter, get checked in and if they are on a business trip, let’s say, and want a sportier two-door, they can get it. If there is a specific color they want, they can get that. It really just gives them more options.”

Even more significantly, the Alamo, Enterprise and National brands all deliver the kind of customer service that the Taylor family has always prided itself on. One good indicator: Less than three years after the acquisition, three of the top four rankings in the J.D. Power and Associates Rental Car Satisfaction Study went to the Enterprise Holdings portfolio of brands—Enterprise Rent-A-Car (ranking highest), National Car Rental (ranking second) and Alamo Rent A Car (ranking fourth).

Loyalty to Agents

As far as travel agents are concerned, perhaps one of the most important assets the Taylor family acquired in 2007 was the longstanding Cash-In Club (www.cashinclub.travel) loyalty rewards program for the Alamo and National brands. Cash-In Club originally was created in 1995 to give agents access to competitive rates and quality rental vehicles for their clients as well as reward them for their allegiance.

“We recently relaunched new tools and even better incentives to recognize agents’ years of steadfast loyalty and support,” says Cerko. “Plus, in honor of the program’s 15-year anniversary, we are offering 15,000 points to the winner of our new promotion.”

The Cash-In Club promotion is being offered to all U.S.-resident travel agents who book a qualified reservation through October 2010. Program members will be automatically entered to win every time they reserve a car

with Alamo or National, with the grand-prize winner to be awarded 15,000 points. The award for second place is 10,000 points and third place wins 5,000 points. New this year, the enhanced program enables agents to incorporate award points into American Express-branded reward cards.

Making Its Presence Known

There is more to winning over the travel agent community, however, than just offering rewards.

With size and influence comes responsibility, and Enterprise



Greg Stubblefield

Holdings is using its stature to stand up and fight for the travel industry. For instance, the company has taken a strong stand against excise taxes that single out car rental customers to fund unrelated projects and programs in local communities.

In all, the number of U.S. car rental excise taxes has tripled during the past 15 years, with more than 100 such taxes in place across 43 states and the District of Columbia. In response,

Enterprise Holdings, along with other car rental and car-sharing companies—as well as travel industry, consumer and insurance organizations—have come together to establish the Coalition Against Discriminatory Car Rental Excise Taxes.

(Andy Taylor, chairman and CEO of Enterprise Holdings, was inducted into the U.S. Travel Association's Hall of Leaders last year for his role in challenging these taxes.)

Enterprise Holdings is very much in tune with the needs of the travel industry as a whole, says Greg Stubblefield, executive vice president and chief strategy officer, who also serves as an outspoken advocate for the tourism and travel industry through his participation on the U.S. Travel and Tourism Advisory Board. As a board member, Stubblefield helps counsel the Secretary of Commerce on current tourism industry concerns, emerging issues and government policies, including car rental excise taxes. He also chairs the Board's Marketing, Outreach and Coordination subcommittee.

In addition, Stubblefield serves on the U.S. Travel Association's board of directors on be-

half of the Alamo, Enterprise and National car rental brands. "One out of nine Americans is working within the travel industry in some capacity," he says and points out that there needs to be a "voice of the industry," a way to articulate the travel industry's position in terms of recommendations when it comes to crisis management (as in the current Gulf of Mexico situation) or legislative issues such as car rental excise taxes.

Stubblefield believes that organizations like the U.S.T.A. and initiatives such as the Travel Promotion Act are critical to providing that voice—and that "it's important as leaders in the industry to take on a proactive role," he notes.

As travel and tourism begin to recover, Stubblefield sees a new kind of traveler emerging, one that's more conscious of time and money and more likely to need more guidance from industry leaders and travel agents. "People are continuing to travel," he says, "but they're more thoughtful about how many days, how long they're traveling, and how much they're spending. Niche markets are continuing to develop, such as green travel, culinary, medical tourism."

All of these developing segments require support, and that is something that can be accomplished through action-driven organizations such as the U.S.T.A. and government-affiliated commissions like the U.S. Travel and Tourism Advisory Board.

Green Initiatives

One way for a company to build both agent and consumer loyalty—while doing its part for the environment—is by going green. To this end, Enterprise Holdings recently announced its "20/20 Vision" for energy conservation. The program is a powerful strategy for energy conservation that aims to reduce both energy use and energy costs by 20 percent over the next five years across the company's operations.

And as part of Enterprise's commitment to alternative fuels, it now uses at least 5 percent biodiesel (B5) in its fleet of more than 600 Alamo Rent A Car, Enterprise Rent-A-Car and National Car Rental airport shuttle buses across more

2009 U.S. Car Rental Market

Fleet, Locations and Revenue

COMPANY	U.S. CARS IN SERVICE (AVG.) 2009	# U.S. LOCATIONS	2009 REVENUE EST. (in millions)	2008 REVENUE (in millions)
Enterprise Holdings (Includes Alamo Rent A Car, Enterprise Rent-A-Car, National Car Rental)	842,376	6,113	\$10,700	\$10,400
Hertz	286,000	1,700	\$3,310	\$3,670
Avis Budget Group	300,000	2100	\$3,940	\$4,700
Dollar Thrifty Automotive Group	106,245	600	\$1,520	\$1,690
U-Save Auto Rental System Inc.	11,000	350	\$102	\$98
TOTAL*	1,637,448	16,625	\$20.464B	\$21.489B

*Total figures include all U.S. car rental firms and independents.

Source: Auto Rental News



Lee Broughton, Enterprise Rent-A-Car's director of corporate sustainability, at the 2010 National Biodiesel Conference Expo. An Enterprise biodiesel fueled airport shuttle is behind him.

than 50 North American markets.

Further, the company is converting buses in nine markets to 20 percent biodiesel (B20) as a first step toward its goal of having its entire bus fleet run on the fuel in the next five years. Enterprise Holdings completed the total conversion to B5 this year and at least 50 percent will be upgraded to B20 by the end of next year.

In addition to embracing biodiesel and other alternative fuels as they become commercially viable, Enterprise Holdings provides strong support for renewable fuels research and an overall more environmentally conscious business model, including:

- **The world's largest fleet of fuel-efficient vehicles.** More than 410,000 cars in the combined Alamo, Enterprise and National fleet average a highway fuel efficiency rating of at least 28 mpg or better; approximately 230,000 average 32 mpg or better; and nearly 470,000 have earned the U.S. Environmental Protection Agency's SmartWay certification mark.

- **Customer Carbon Offsets.** Alamo,

Enterprise and National customers can offset the CO₂ emissions of their rental cars by opting to pay \$1.25 per rental to fund certified offset projects through TerraPass. The company's charitable foundation will match customer contributions dollar-for-dollar, up to \$1 million.

- **Conservation.** This year the 5 millionth tree was planted as part of the company's charitable foundation pledge of \$50 million to plant 50 million trees over 50 years around the world.

- **Embracing new, clean technologies.** Enterprise Rent-A-Car offers approximately 7,000 gas/electric hybrid vehicles throughout nearly 100 "hybrid branches" in 30 markets across the country, including at the 10 busiest airports for business travel.

- **Renewable fuels research.** Significant strides have been made in alternative fuel research at the Enterprise Institute for Renewable Fuels, which was created in 2007 through a partnership between Enterprise and the Donald Danforth Plant Science Center. To date, it has been awarded approximately \$75 mil-

lion in additional research grants.

All told, over the past several years Enterprise Holdings and the Taylor family have contributed or pledged more than \$120 million to environmental initiatives.

Upholding Company Tradition

"Customer service" has long been the watchword for the Enterprise Rent-A-Car brand since it was founded in 1957, and it's a hallmark of the best practices embraced by all of Enterprise Holdings' car rental brands.

For instance, the Alamo and National brands now report a Service Quality index (ASQi and NSQi, respectively), based on Enterprise's well-known ESQi program, to ensure that employees make a positive impression on each customer. Meanwhile, Alamo's and National's Brand Integrity Audit program likewise has been extended to the Enterprise Rent-A-Car brand. Under the program, every location is evaluated for customer service: bus service and condition; counter, return and exit booth service; brand image; facilities and wait times; and vehicle cleanliness and condition.

Such service and attention to detail not only resonate with travel agents who bring business to all three brands, but also with the media. For instance, Enterprise Rent-A-Car was named to *Business Week* magazine's annual list of "Customer Service Champs" in 2007, 2008, 2009 and 2010—a list that has included such leading brands as Jaguar, Ritz-Carlton, Nordstrom and Apple.

These types of accolades, Cerko says, "help validate what we are trying to do with our brands and what founder Jack Taylor has always tried to do—and that's take care of our customers. We are not perfect and we never claim to be, but we pride ourselves on listening carefully and using that customer feedback to continue to please them." ■