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# UNLOCKING CUSTOMER VALUE

HOW AVIS INSPIRED CUSTOMER EXPERIENCE WITH DATA

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# Executive Summary

## It doesn't have to be like this

Car rental can be a world full of customer pain at critical stages of the customer journey (no pun intended!). When it matters most to customers - picking up the car and handing it back - a lot of customers' experience is, well, pretty miserable.

Avis wanted to change that and create a better rental experience, leading to greater customer advocacy, repeat business and increased customer value.

Their existing loyalty programme, Avis Preferred, gave us a vehicle to create a better customer experience and to use data to make hiring a car more fun. After all, driving a brand new car should be enjoyable and rewarding.

## What loyalty means for Avis

We created a meaningful measure of loyalty. In a category where many people only hire once or twice a year, gaining share of rental wallet is critical.

We analysed the customer base across EMEA, creating loyalty segments and segment strategies that would lead to increase rentals and rental related revenue per customer. At its heart was the concept of 'One More Rental.' For Avis this is a powerful business and income driver.

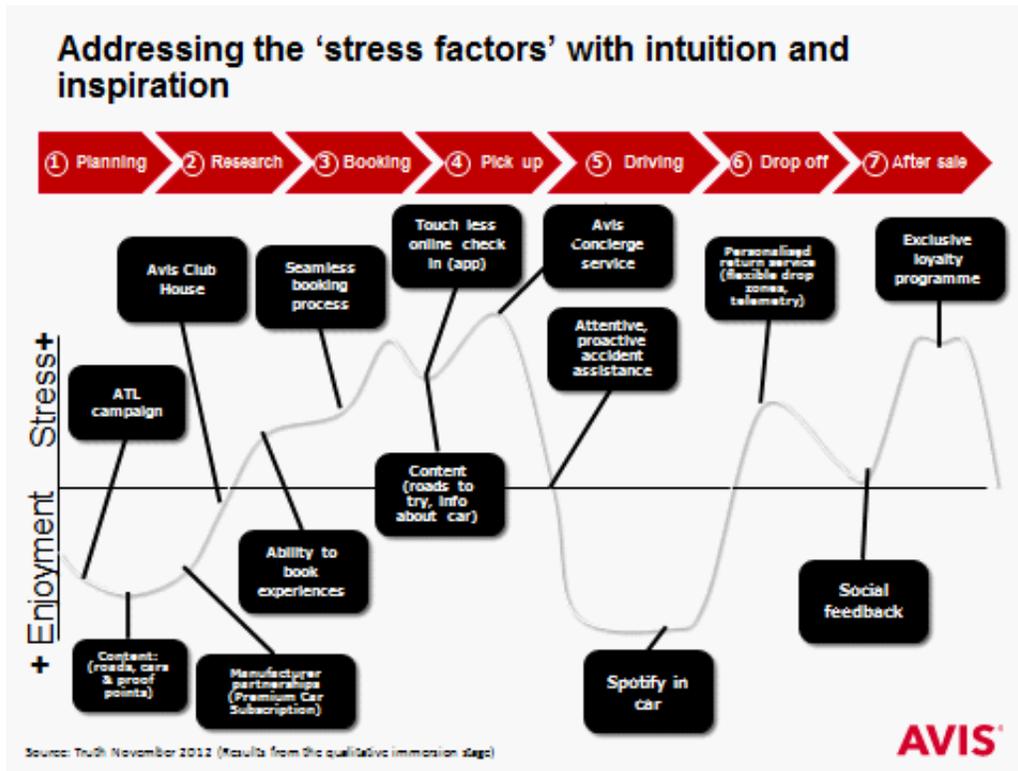
Our work helped to realign the role of Avis's CRM programme with a new Brand and advertising strategy.

## Inspiring experiences through data

As well as providing members with core benefits across different tiers of the loyalty programme, we introduced incentives and rewards to drive more personally relevant and inspiring experiences. We researched the customer journey, testing ideas that would appeal across the whole life-cycle from research through to booking, pick up, driving, return and post-hire.

This approach achieved a 79% reduction in customer lapsed rate and a 13% increase in revenue, as well as other benefits that are commercially confidential.

# About The Client



As one of the world's leading premium car rental companies, Avis want to lead the way in customer experience and are passionate about increasing customer loyalty and advocacy.

The EMEA region comprises a range of owned and franchise businesses with a common systems platform. Avis's own research showed that customers find car rental can be a very frustrating experience. Queues at pick up, getting the right car, add-ons and hidden charges, fuel surcharges, collision damage waiver...the list goes on. There are a lot of stresses and this takes away from the enjoyment of hiring and driving a new car – often a car that is newer/better than the car the customer usually drives.

With a change in loyalty platform Avis had the opportunity to review not only their loyalty programme but also their whole brand strategy to focus on the customer experience.

Our challenge was to help Avis shape this programme across EMEA, whilst still integrating with a global loyalty programme that customers can use in any country across the world.

# The Big Questions

**How do we build a differentiated loyalty programme that has a positive, measurable effect on the number of rentals per customer and aligns the whole enterprise?**

## What is loyalty anyway?

We needed to be clear about how to measure loyalty in a category where some customers hire regularly, whilst others only hire once or twice a year. Share of rental wallet was the key metric.

We also created a new metric of rental related revenue per day – as the length of rental duration is another dynamic in customer profitability.

Overall we needed a simple metric to focus on and **“one more rental”** was our rallying cry. Achieving this would generate significant uplift in customer rentals and income.

## How to create emotional loyalty?

The current loyalty programme was a very transactional programme with tiers of benefits based on rental volumes.

This is OK but we needed to go beyond this basic programme to create an emotional engagement with customers – especially as rental frequency was not that high for the vast majority of customers.

## How do we escape the sea of sameness?

All car rental companies' loyalty programmes were essentially the same: points mean prizes.

Avis's brand strategy called for something different, more inspiring and that focused on solving customers core stresses.

Our challenge was how to do this on a personal level?

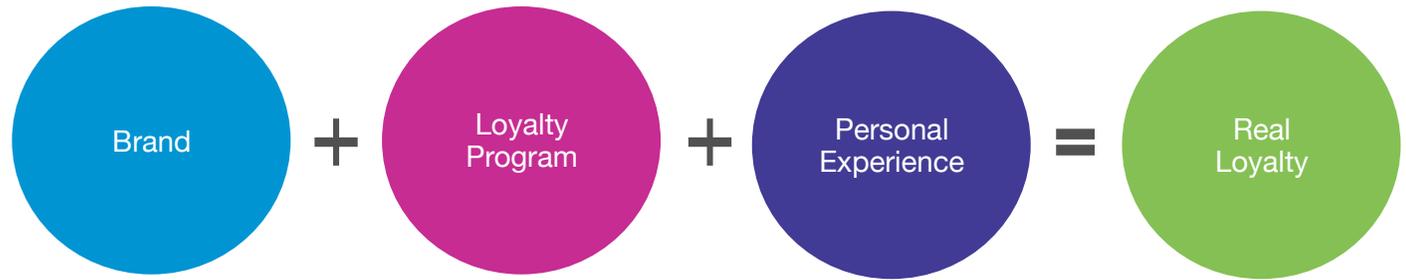
## How do we join all this up globally?

Avis Preferred is a global programme – with local market variations.

We needed to ensure that we developed solutions that, from a customer perspective, were portable across different countries where they rented.

And from an Avis perspective the solutions needed to be deliverable across all the regions – including franchise rental stations where Avis has less direct control.

# The Solution



## Clear metrics and segment strategies

We started with a clear analysis of customer profitability and value, so that we could set segment benchmarks based on profile and rental frequency.

This gave us clear objectives and a way of measuring performance across rental centre and country – across the whole customer journey..

## Benefits, incentives and rewards

We clearly set out the difference between core benefits of the loyalty programme (ones that everyone at each tier received and were publicly promoted) with incentives and rewards (which could be personalised based on customer data).

## Unlocking moments of brilliance

Within every tier the more you 'do', the more benefits you **unlock** within each tier, but to change tier you have to rent more cars. This gave us a way of rewarding customers who had no realistic way to reach a higher tier.

## Integration of brand, CRM and the loyalty programme

Surprising rewards were given to customers using data about previous rentals. These included guides and discounts on their destinations, in car WIFI/Spotify and other added value benefits. All were aimed at making the driving and rental experience more inspiring and demonstrating that Avis tries harder – its core brand essence.

The unlocking concept at the heart of the strategy became the central advertising idea for Avis, **truly integrating loyalty with the brand and CRM.**

# Results

We can't disclose all the results because of commercial confidentiality.

However there are two big numbers we can reveal.

There was a 13% increase in revenue and a 79% reduction in lapsed customers.

Not only that, customer satisfaction increased, as did Net Promoter Score ratings.

**Overall our strategy and implementation unlocked significant customer value for Avis.**



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