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Faster Car Rental Growth

**Strategies To Build Trust, Increase Revenue
And Crush The Competition**

⭐⭐⭐⭐⭐
Craig Lambert
I always use these guys when I need a car.

⭐⭐⭐⭐
Rob Flowers
Very easy to deal with.

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Emma Johnson
Modern clean cars – highly recommended.

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Foreword - What Drives the Car Rental Industry

What makes people rent cars from you?

This guide aims to explore the split-second unconscious decision making process that customers go through when they rent a car. We want to give you the ability to influence that process so that you can rent out more cars. Plus, we can show you the exact strategies that other Car Rental companies are using to put the entire process on autopilot.

While each individual improvement in margins may seem insignificant, at the end of the day it consistently increases your bottom line, which can be the make or break difference between success and failure. The best part is that you can automate it so that it doesn't take any extra work on your part - no late night number crunching or complicated bonus systems for front-line staff who have little control over the process anyways.
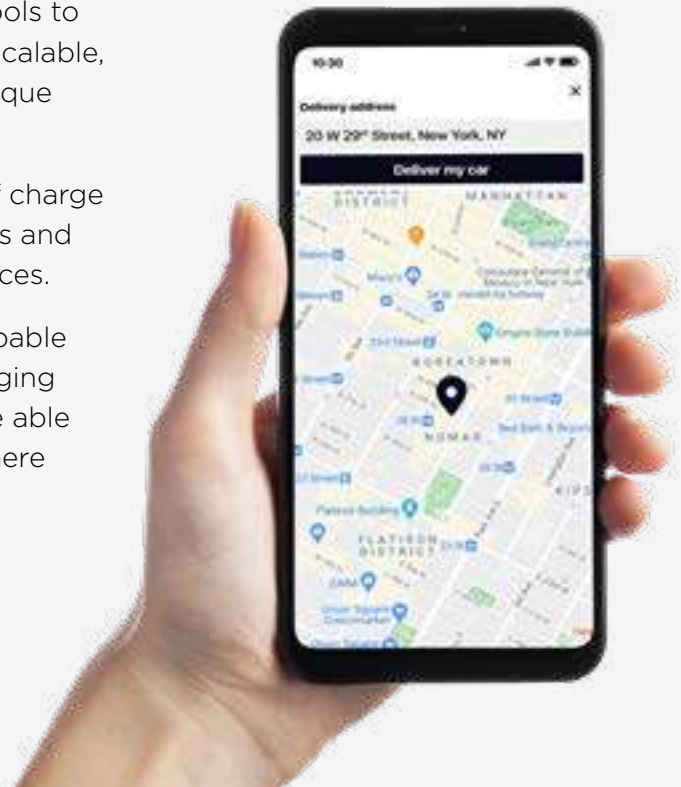
At Carcloud.com, we've spent 10 years building our business in collaboration with rental car companies like you, with eCommerce Solutions ranging from single-location independent companies to major brands with thousands of vehicles and complex requirements. We offer tools to outperform the competition and we specialize in scalable, premium digital solutions, which have given us unique insight into what makes customers tick.

We want to share that knowledge with you free of charge so that you can make your own informed decisions and incorporate those into your company's best practices.

The Car Rental industry is strong, resilient, and capable of becoming flexible enough to adapt to the changing needs of customers. Car rental companies that are able to use modern resources to pull ahead and stay there are positioned to scoop up more and more of the market share, and keep it.

To your continued success,

Chris
Co-founder at Carcloud.com

Introduction: Race For Survival

The Car Rental industry is highly competitive, with small margin wins and numbers-driven science defining the victors. Even with this constant push to outperform competitors, there are larger market shifts and dips to be wary of.

In addition to the tragic cost of human life and tragedy left in its wake, COVID was not kind to the Car Rental industry. Major brands and independents alike have been downsized, declared bankrupt, or just disappeared.

These unexpected downturns in the economy aren't predictable, but we know that they will happen again. For those of us operating in this industry, the pandemic was an important wakeup call to position ourselves for survival when the market is down, with a grand long-term vision of consistent growth and recovery.

This guide will help you make better-informed decisions on how you can:

- **Increase your profit margins**

- **Improve your customer's experience**

- **Strengthen your brand**

- **Increase your revenue**

These are not short-term fixes to try to counteract turbulent market conditions. They are sound investments that will improve your business right now and put you in the best possible position to accelerate your growth as the global market recovers.

Car Rental companies that survived COVID are now facing a unique opportunity; by focusing on key growth areas, you can surge ahead of your competitors and disrupt the balance of the market.

This guide is for anyone involved in Car Rental management, marketing or operations. If that describes you, then you're going to get the most benefit out of this material.

No matter what the last couple of years have looked like for your business, by implementing the right processes you can move beyond a survival mindset and establish a solid platform that will protect and grow your business.

Backed by 10+ years of Car Rental eCommerce insight

At Carcloud.com, we've been running Car Rental eCommerce solutions for over 10 years. We work exclusively in the Car Rental industry, so our survival and success is tied directly to our customers.

We power websites, eCommerce and automation solutions for some of the world's biggest Car Rental brands and leading independents, as well as smaller locations that need better tools on a lower budget.

In the last decade our investment in cutting-edge Research & Development has increased every year. Being an industry leader has uniquely positioned us to analyze the data and operations of Car Rental companies worldwide. This has given us unparalleled insight into the online Car Rental space - and how technology can significantly improve the Car Rental experience.

We've put this guide together to help you make the most informed decisions for how you want to strategize the future of your company to remain competitive as we all continue to battle uncertainty.

COVID hasn't changed the rules, but it's really emphasized that some are more critical than others.

Now, more than ever, your reputation matters.

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Your rental business

What your customers are looking for

Every Car Rental company has a different mix of customers that come from unique backgrounds and present different needs. This is closely related to how your company is marketed.

Consider the differences between companies that target purely Leisure, Business or Insurance Replacement customers. A Leisure Car Rental company targeting "one-time" renters will behave quite differently to one that focuses on repeat renters.

No matter which type of customers you're targeting, your reputation is an increasingly important part of the customers decision making process.

In the past, different types of customers would assess your reputation in different ways. Leisure customers might read testimonials, while business customers would assess the quality of your formal presentation and ask to speak with existing customers.

Over the last decade, advances in mobile and social technology have led to a world where public reviews are common, trusted and frequently used. This is due in part to the platforms themselves, which offer:

1. **Trusted Reviews** from independant sources which companies can't pay to put up, or take down

2. **Genuine Reviews** from a real user community that wants their voices to be heard

3. **Easy Accessibility** from a smartphone, tablet, or laptop, to help buyers make more informed decisions in seconds

Because of these key factors, both consumer and business customers are increasingly assessing your company reputation and expecting a similar using experience, because they're consistently using these review sites.

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92%

92% of B2B buyers are more likely to purchase after reading a trusted review.

Source: https://learn.g2.com/consumer-reviews

The **risk** you face is that a few negative reviews might cost you an individual booking, an ongoing commercial contract, or both.

The **opportunity** presenting itself is that all of your potential customers are assessing your online reputation without you paying for that marketing. This means that if you can consolidate your efforts - and set your focus in the right areas, such as making sure that your reviews are outstanding, you will be rewarded with more attention and higher sales.

Even if your scores are already positive, customers become suspicious when only a small number of reviews are visible.

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What are your booking channels?

In addition to their differing customer segments, Car Rental companies also differ in how they get their bookings.

New Car Rental bookings can come through a range of sources, including:

- Your own website

- 3rd party websites (Car Rental brokers/aggregators)

- Partner/B2B portals (e.g. insurance replacement companies)

- GDS

- Over the phone, or at the counter (increasingly less common)

Every Car Rental company is unique in their mix of customers and booking channels.

★★★★★
Emma Johnson
Modern clean cars – highly recommended.

★★★★★
Craig Lambert
I always use these guys when I need a car.

★★★★☆
Rob Flowers
Very easy to deal with.

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Growing stronger

Importance of direct website bookings

Now more than ever, Car Rental companies are looking to strengthen their own brands and increase their direct bookings.

Direct Car Rental bookings (via your own website rather than 3rd parties/brokers) are important for a number of reasons, including:

- **Profitability**. You do not need to pay large commissions to 3rd parties.

- Increased **ability to upsell**, further increasing profitability. Brokers/ aggregators are more likely to sell their own insurance products, reducing (or eliminating) your ability to sell more profitable add-ons at the counter or in advance.

- You have the most **control over this channel**. Once you have an efficient direct booking platform, you can scale it up through paid advertising if required.

- You have more control after the booking is made. With full customer details you can **provide a better rental experience** to people that book directly. Brokers often withhold key information in order to retain what they believe is their customer. This often leads to a poor experience for renters (and negative reviews for the Car Rental company).

- Direct bookings ensure that the renter becomes **your customer** (not a customer of the Broker), which leads to increased repeat business for you, not them.

It's no secret that Car Rental companies with a heavy reliance on brokers suffered the most through COVID. These companies held little control over their destiny and saw their revenue drop to record lows. Those with a stronger brand and a higher number of direct bookings were better positioned to survive.

Direct bookings increase profit margins and build resilience into your business, no matter what the future brings.

Given that the majority of direct bookings will happen through your website, increasing the number of direct bookings can only be done by:

1. **Increasing the traffic** to your website and/or

2. **Increasing your conversions** (the percentage of your website visitors that book a vehicle through you).

Getting More Website Traffic (and protecting your position)

Challenges of SEO and Paid Advertising

Increasing your website traffic often means investing in Search Engine Optimization (SEO) and paid advertising. These are both challenging and expensive, as independent Car Rental companies are competing against global brokers with huge marketing budgets and low operating overheads. Online brokers will often lose money on the initial Car Rental and make their profits on upsells like insurance, or other products.

The local opportunity

One major advantage that Car Rental companies have is that Car Rental brokers and aggregators, no matter how big they are, are not listed in Google's "Local" results for rental locations. This is reserved for actual Car Rental operators with physical locations.

Local reviews get shown on the front page of Google - and Car Rental companies with stronger review scores (both quality and quantity) are more likely to be shown.

Improving your online reviews means an opportunity to get on the front page of Google without paid advertising, even for smaller Car Rental companies.

Increasing your conversion rate - getting more people to book

Website traffic alone is not enough. Once people are on your website, you need to give them the confidence to make a booking (or an enquiry, for B2B customers).

Building trust is critical. Your potential customers check your online reviews before they book - and a few recent bad reviews can impact your bookings. You need a high volume of good reviews to dilute and push down the bad ones.

Showing reviews directly on your website can further increase conversion rates. Embedded reviews from genuine known platforms (e.g. Google) have the highest possible trust.

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Protecting your position

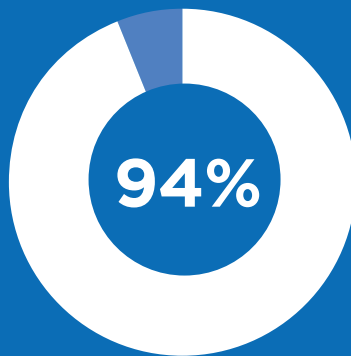Even if you're happy with your current online reputation, this doesn't mean you're safe.

You need a large quantity (a high number) of reviews, not just a few high quality reviews. Otherwise it is easy for savvy competitors to jump ahead of you in ratings, potentially reducing your traffic and conversion rate.

Consider also that all Car Rental depots/locations are reviewed separately. If you have 10 depots, you need to invest your effort into acquiring and managing the reviews of each location individually. You may also need to gather reviews (and monitor) multiple platforms such as Google, Facebook, and Yelp!. Different review platforms are popular and influential in different geographic regions, as well as different demographics of customers.
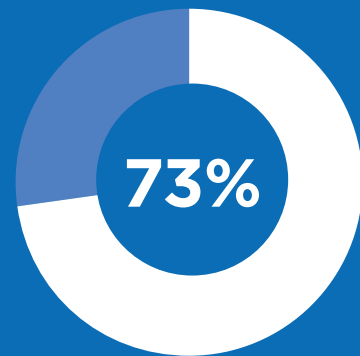
Staying ahead of the competition means making customer reviews an ongoing part of your rental process - and your reporting process.
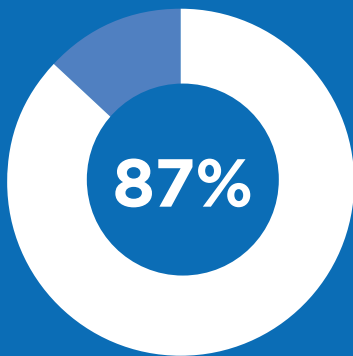
87%	**94%**	**73%**
of consumers read online reviews for local businesses	of consumers are more likely to buy from a business with positive reviews	of consumers only pay attention to reviews written in the last month

Source: https://www.brightlocal.com/research/local-consumer-review-survey/

Increasing revenue

Studies have also shown that customers are willing to spend more money on products that have better reviews to save themselves from having a bad experience. This means you can charge a premium for your product when you are confident of your online reputation.

> **Website Revenue = Website Traffic x Conversion rate x Rental Value.**

An increase in your traffic, conversions, and value can each offer an opportunity for significant improvements in your revenue.

Compare the following 3 website examples:

	WEBSITE TRAFFIC (VISITORS PER MONTH)	BOOKING CONVERSION RATE	AVERAGE RENTAL VALUE	MONTHLY REVENUE
EXAMPLE 1	30000	3%	$200	$180,000
EXAMPLE 2	45000	5%	$220	$495,000
EXAMPLE 3	60000	7%	$250	$1,050,000

Your reputation alone can affect your Website traffic, Conversion rate and Average rental value.

There are other factors that affect *some* of the above, but **only Reputation** affects *all* of the above: for the better, or for the worse.

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Review Management Solutions

Improving your core business

Online reviews are the best way to alter your reputation. Review Management Solutions help ensure that you're able to change it for the better. Wider customer review processes have the potential to improve your core business.

This means more than just asking people to leave a public review - that could go either way, especially if a customer is already having a bad experience and feels like they're not being heard or understood, then they're asked to leave you a review. The secret to better reviews is all in how and when you ask for them.

With an intelligent reviews solution that asks for customer feedback at the right time (and in the right way), you can:

- **Privately capture feedback.** Deal with unhappy customers, help to resolve their issues and prevent them leaving negative reviews

- **Identify & fix issues** with customer service or other aspects of the business

- **Prompt happy customers** to leave public reviews

With a fully implemented reviews and feedback process, customers are divided into two segments.

Unhappy customers can help you gain new insights into what they want and what they are missing. When allowed the opportunity to fix a mistake, you can turn a bad customer experience into a good one, potentially saving you from a bad review and earning you a good one from that same customer. Using that customer feedback can in turn lead to ongoing improvements in your future customers' rental experiences, which will also improve your review scores from them.

Happy customers who have just clicked that they are satisfied with your service are prompted to leave you an honest review, which is very likely to be a positive review, since they just clicked that they're satisfied.

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To implement this, it's more than just automated review gathering, but also automated review processes:

- Negative issues are automatically assigned to the correct service agent (central helpdesk or the depot that they rented from)

- Happy renters leave a public review (on the correct review page for the location they rented from)

- Ongoing reporting on customer sentiment and specific issues.

Your main goal is to prevent unhappy customers from leaving you bad feedback before you've had a chance to identify their issues, resolve their problems, and use the information to improve your services.

This leads to a positive cycle:

Increased bookings

Higher traffic and conversion rate

Automated review processes

$

Better customer reviews

Increased insight

Ongoing process improvement

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Intelligent reviews solutions:
How to ask for reviews?

The goal of an intelligent reviews solution is to use the most effective means to reach your customers - and to give them the best experience when gathering feedback. This means understanding:

- **When** to contact renters

- **How** to contact renters

- **What** to send to renters

When?

The best time to send automated messages is as soon as the vehicle is returned. This means you are getting the right feedback at the right time, when the experience is still fresh. By sending at this time, you also have the opportunity to proactively identify and respond to any issues the renter might have had. Without this follow-up, you risk unhappy renters venting their frustrations online.

How?

The best way to send review requests is via SMS. Emails are often unread or deleted. Can you afford to have an unhappy customer miss your customer service email? SMS cuts through the noise and is seen when it matters most. An automated SMS sent shortly after the vehicle is returned has a high read rate and a high response rate.

98%
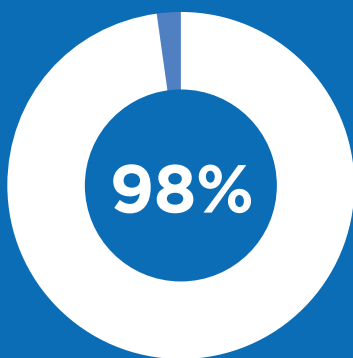
SMS has a 98% open rate compared to email's 14% open rate
Source: https://www.twilio.com/blog/sms-marketing-pros-cons

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What?

If you're contacting renters by SMS, it follows that they'll then be interacting with you on their smartphones. Customer expectations on smartphones are for rich mobile experiences; anything less is going to reflect negatively on your company.

Consider SMS as just the launch point, with a personalized URL for online interactions that is unique for each renter. Do not ask renters to enter their name or reservation number. Renters expect that you should already have this information. Asking for such details will drastically decrease response rates (as well as further irritate any unhappy renters).

Your interactive reviews process should:

- **Identify renters** without them needing to enter any information

- **Ask specific questions** to identify customer service issues

- **Send any issues** to specific customer service to the appropriate customer service agent (either central helpdesk or the depot they rented from)

- Ask happy renters to **leave a public review** for their rental location

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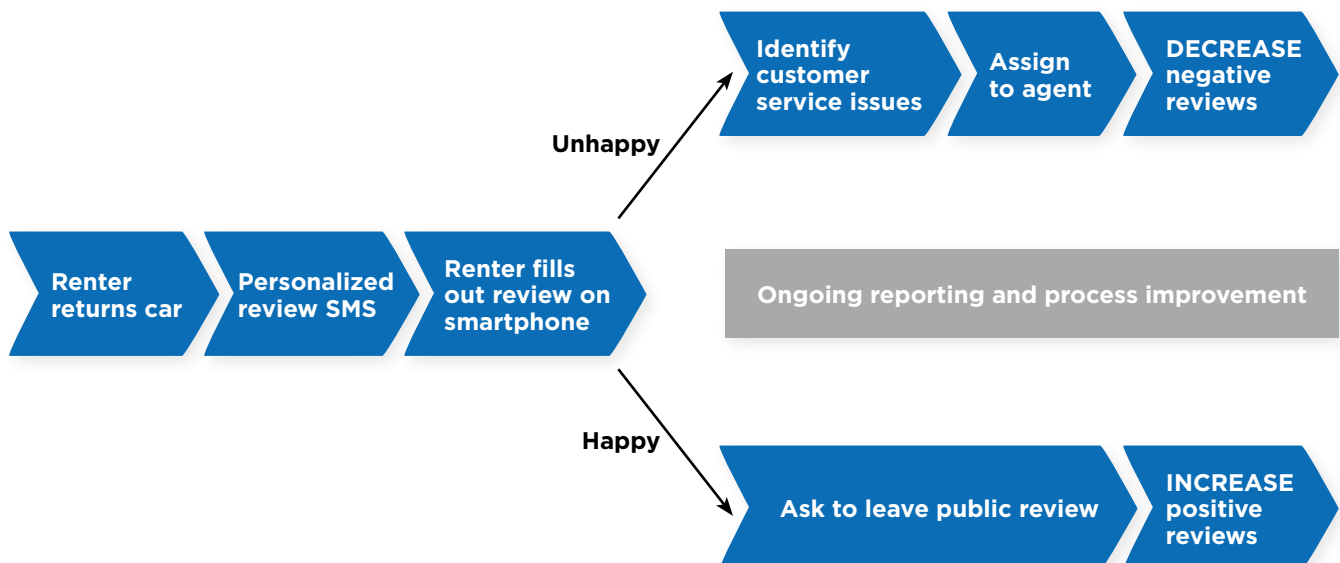
Ongoing improvement

The information from your review management process can be used to identify specific issues, uncover opportunities and track your performance.

By continually feeding this information back into your process improvement activities, this leads to a genuinely improved experience. This in turn will lead to an enhanced reputation and bookings across all sales channels.

In addition to the information gathered from private feedback, monitoring your reviews on public platforms allows you to track the effectiveness of your solutions and their impact on your traffic and revenue.

"When a company demonstrates an ability to anticipate needs and incorporate feedback to improve the overall experience, consumers rewarded them with a 1.5x increase in brand loyalty"

Source: 2019 Deloitte Travel and Hospitality Survey. Deloitte surveyed 5,898 people in August of 2019 across the Hotel, Airline, Dining, Rideshare, and Rental Car industries.

By making intelligent reviews a core part of your rental processes, you can deliver immediate and long-term improvements that will increase your revenue and protect your business, whatever the future brings.

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Next Steps

Implementing a review management process like the one we've laid out can seem daunting, since there are a number of technological pieces that need to fit together seamlessly.

However, there's an easier option.

We've already done the hard work of putting together this exact process and incorporating all the necessary elements for massive success. If you want an economical ready-to-go solution that pays for itself and earns you additional income, you can trial our services to see what we can do for you.

Our proven solution was designed specifically to manage reviews, reputation and customer feedback for Car Rental companies.

Making Carcloud Reviews part of your rental process can:

- Improve your online reputation through public reviews, leading to increased online bookings and revenue

- Identify and respond to unhappy renters, solving their issues and avoiding negative reviews

- Deliver insights that help you improve your core rental experience

Carcloud Reviews supports your growth and protects your business.

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Still not sure if Carcloud Reviews can help your business?

Request a complimentary "Car Rental Reputation Report" for your business. Our analysts will investigate your current online reputation and provide you with valuable insight that can help your business today.
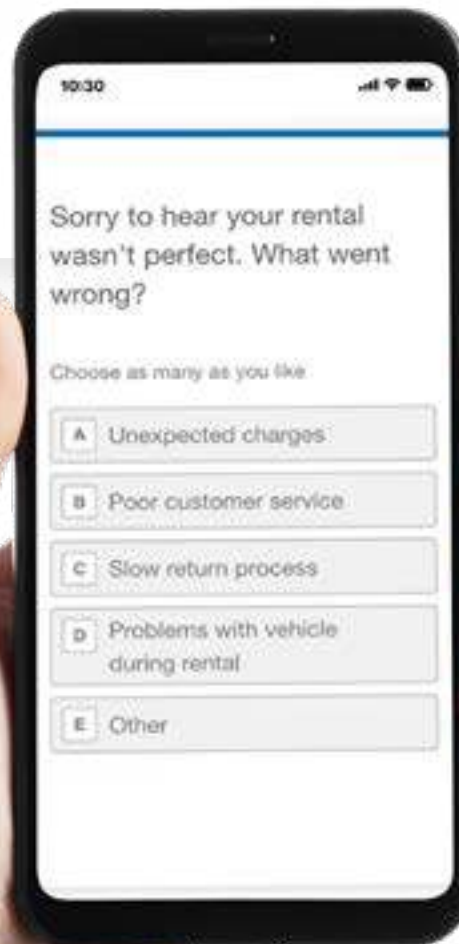
To request a Car Rental Reputation Report or for a personalized demonstration, email us at:
sales@carcloud.com

Learn more:
www.carcloud.com/reviews

<div>Learn more</div>

Beyond reputation

While your reputation is the most essential element that your customers will use in their decision making process, you need to get those people to find you in the first place so that they can make an informed decision. It's also important to set up a seamless workflow so you can scale your business automatically.

Carcloud provides Automation and eCommerce solutions designed specifically for the Car Rental industry.

Our **Automation solutions** help optimize workflows after a booking is made, lowering your ongoing costs and improving your renter experience at all stages of the rental process, including:

STAGE	SOLUTIONS
Pre-rental	• Renter check-in • Prepayment
Pre-return	• Rental extension requests
Post-rental	• Rental reviews

This is a selection of the most popular automations our customers talk about - but how can Automation help your business?

Our **eCommerce solutions** manage online booking for Car Rental companies so that you can earn more money by renting out more cars directly from your own site, with features including:

- Reservation system integration with leading Car Rental software

- Secure credit card payments

- Customer login

- B2B Car Rental portals

- Vehicle delivery (with map-based search)

- Loyalty and coupons

Online Car Rental marketing is constantly changing. We've spent 10 years building promotional and management features for the most demanding Car Rental companies. A Carcloud subscription gives you access to advanced features, fully supported and with no long-term commitment.

https://www.carcloud.com/ecommerce/

To learn more or request a personalized demonstration on any of our products, contact **sales@carcloud.com**.

I really appreciate you taking the time to read this guide. I hope that it brings you greater success in your business. But as they say, luck is when preparation meets opportunity.

If you need a little extra preparation to take advantage of the opportunity that's presenting itself in the industry right now, reach out and chat with us.

We're so happy to help because your success is our success.

Talk to you soon,

Chris

Co-founder at **Carcloud.com**

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Everything you need to grow your online business

Proven solutions for Car Rental companies

Our goal is to transform the Car Rental industry into something that renters love.