



THE MARKET

The car rental market was born out of the need of business travellers for convenient and flexible ground transportation at their destination airports. Whilst the market has clearly evolved considerably into many other sectors, particularly private holiday travel, airport business rentals remain the cornerstone of the market.

The world market is worth approximately \$40 billion annually, across more than 200 million rentals utilising 3 million rental vehicles. Whilst there are nearly 15,000 car rental companies around the world, the top 4 companies account for approximately half the revenue.

Consistent market growth is predicted for car rental, but increasing price competition and the continuing need to innovate while providing superior levels of customer service and added value, are placing pressure on profit levels.

ACHIEVEMENTS

Avis has seen more than 50 years of successful operation, and now has over 4000 locations worldwide (1400 of them are at airports) in 135 countries. Avis has more than 400,000 vehicles and 20,000 employees.

The key to the Avis success story has been the "We Try Harder" culture which supports everything the company does. This culture insists on a total focus on customer service, quality and innovation.

In Australia, Avis has won a series of major awards including the prestigious Australian Quality Award and the Qantas Award for Outstanding



Achievement in Customer Service, widely regarded as the pinnacle in customer service recognition in this country.

HISTORY

Avis is the world's best known car rental company. Avis has had more books and articles written about it than almost any other company of its size. The reason seems to be that Avis has its own unique personality, a personality that began in 1946.

Today's international Avis network grew out of an idea conceived by Warren E Avis, who was among the first to foresee the rapid development of commercial aviation following World War II.

He reasoned that the growth in air travel would lead to a need for ground transportation at destination airports. Mr Avis, a Detroit Ford dealer, opened the first

airport rent a car counter at Detroit's Willow Run Airport in December 1946. Almost simultaneously, an Avis location opened at Miami International Airport, then the country's busiest rent a car market. The fledgling business was called Avis Airlines Rent-A-Car System.

The idea of a national airport rent a car system was a valid one. Mr Avis expanded his business at a steady pace primarily by licensing local independent operators to do business under the Avis name at airports. New York, Chicago, Dallas, Washington, Los Angeles, and Houston soon joined the Avis System.

By 1948, system operations were opening in US downtown locations to serve hotels and office buildings and the word "Airlines" was dropped from the company's name.

In Australia, the beginning of the car rental business and Avis were virtually simultaneous. The late Eric McIlree, the company's founder, pioneered car rental in this country. In the early 1950s with the tremendous growth of air travel and the great distances between capital cities, he saw the potential in operating a national service, providing rental cars at airports throughout the country. The original idea was the "Fly and Drive" concept.

In 1955, Eric McIlree successfully negotiated for the right to use the name of Avis Rent A Car in Australia and so the company started out on the first step of the path of tremendous progress that has led to Avis' leadership in the Australian car rental business.

McIlree started Avis Australia with 150 FJ Holdens stationed at 9 Australian airports. He pioneered the Fly/Drive concept and the first International Fly/Drive Holiday Schemes. He lobbied for government approval of car rental facilities on airports.

Avis Europe corporate offices were established in the United Kingdom in 1960 and during the 1960s and 1970s Avis expanded rapidly throughout Europe, Africa and the Middle East. Avis is today market leader in the region.

As the local market leader today, Avis Australia has approximately 220 locations, employs nearly 1000 staff and operates a fleet of 10,000 vehicles.

THE PRODUCT

Avis has a long history of aggressive, innovative



industry leadership. New ideas, techniques and services have been implemented by Avis people with continuing energy and enthusiasm. This is the essential ingredient of the "We Try Harder" spirit.

The company has structured comprehensive training programs for its employees so that they comprise a team of specialists whose across-the-board efforts are focused on delivering first-class service to every customer. This means providing a clean, safe, reliable car at the appointed place and time; and checking-in the car promptly when the customer returns.

Standards of performance are based on customer expectations and honed by the employees themselves. They consistently strive to improve their own levels of customer service which they monitor continuously to assure the same high degree of service is maintained throughout the Avis System.

Avis has remained a leader in product and service innovation with an endless list of developments over its 50 year history. One of these was the first central billing charge card system

for corporate accounts in the car rental industry. Avis introduced Wizard, the first and the largest on-line, real time rental, reservation and management information system in the industry. Rapid Return, a mobile, automated check-in service that eliminated the need for the customer to go to the counter to return the vehicle was another Avis first. It was all done at the vehicle, in less than a minute. Avis' Preferred Service eliminated paperwork and queues for regular renters. Employee Participation Groups (EPG) were among the most important innovations. At monthly meetings staff members identify problems and opportunities in their work location and develop appropriate programs leading to further improvement in customer service.



RECENT DEVELOPMENTS

Within the very competitive car rental market, Avis recognises that the two areas where product differentiation and superiority can be demonstrated to the consumer are customer service and technological innovation.

In 1994 Avis launched the "Raving Fans" concept. The challenge for every Avis employee is to "create one Raving Fan per day". A key component of Avis success in creating Raving Fan customers has been management's belief that this can only be achieved by first

creating Raving Fan employees. To achieve this effective communication amongst employees and departments has been a priority and Avis has set up processes through which employees can both talk and listen to each other. From this internal Raving Fan culture has evolved a program by which external (customer) Raving Fans are created every day through excellence in customer service.

Avis prides itself on its technological leadership and was first in the car rental industry in Australia to provide an in-car navigation system in the average sedan - Avis Navigator.

At Sydney and Brisbane airports, a leading edge service has been developed in which regular customers are directed straight to their rental car by large screens featuring their name and their car's bay number. There they find the keys and rental agreement already in the vehicle. All they have to do is drive past a window, show their driver's licence and drive off; it's the fastest way to rent a car!

PROMOTION

Avis has one of the most remembered advertising slogans ever developed - acknowledged as one of the ten all-time best: "We Try Harder" has been an essential element of all Avis advertising since 1962. This slogan has become a culture within Avis and has provided the company's advertising with a consistent image of service and quality.

The "We Try Harder" slogan has been very effectively supported by the inclusions of the distinctively dressed "Avis Girl" which has strengthened the core value of customer service.



As loyalty programs and partnership arrangements become increasingly important in consumers' travel planning, so Avis' advertising and promotional activity is increasingly involved in joint programs with airline, hotel and other partners. Customer retention is strengthened by linked partner loyalty programs.

Whilst Avis continues to be a strong advertiser, funds are increasingly being channelled into direct marketing programs which focus on building the loyalty of the renter base and the frequency with which it uses Avis services.

BRAND VALUES

The "We Try Harder" philosophy is the linchpin of Avis. Avis is always looking for ways to do even better - in quality, service and innovation. That's what makes Avis different and it's the reason why customers keep coming back.

THINGS YOU DIDN'T KNOW ABOUT AVIS

- The Avis Wizard system can process up to 90,000 reservations and 1.2 million transactions each day and is capable of processing 1.5 million credit card authorisations per month.
- Avis is the most awarded car rental company in Australia, securing many awards for quality and customer service from both consumer and travel agency groups.
- Eric McIlree started Avis Australia from a tiny office in Kings Cross with staff of 15 including 3 uniformed Avis girls.
- At one point Eric McIlree owned the brand names Avis, Budget, National and Hertz in Australia.
- Avis at O'Hare Airport in Chicago rent approximately 3,000 cars every day!
- Avis staff will literally give you the shirt off their back. Recently, an Avis client had coffee spilt on his shirt during a flight to Melbourne. When he picked up his car, the Avis staffer lent him his own, clean shirt while he attended a meeting.

