

COMPANY Case

Enterprise Rent-A-Car: Measuring Service Quality

SURVEYING CUSTOMERS

Kevin Kirkman wheeled his shiny blue BMW coupe into his driveway, put the gearshift into park, set the parking brake, and got out to check his mailbox as he did every day when he returned home. As he flipped through the deluge of catalogs and credit card offers, he noticed a letter from Enterprise Rent-A-Car. He wondered why Enterprise would be writing him.

THE WRECK

Then he remembered. Earlier that month, Kevin had been involved in a wreck. As he was driving to work one rainy morning, another car had been unable to stop on the slick pavement and had plowed into his car as he waited at a stoplight. Thankfully, neither he nor the other driver was hurt, but both cars had sustained considerable damage. In fact, he was not able to drive his car.

Kevin had used his cell phone to call the police, and while he was waiting for the officers to come, he had called his auto insurance agent. The agent had assured Kevin that his policy included coverage to pay for a rental car while he was having his car repaired. He told Kevin to have the car towed to a nearby auto repair shop and gave him the telephone number for the Enterprise Rent-A-Car office that served his area. The agent noted that his company recommended using Enterprise for replacement rentals and that Kevin's policy would cover up to \$20 per day of the rental fee.

Once Kevin had checked his car in at the shop and made the necessary arrangements, he telephoned the Enterprise office. Within 10 minutes, an Enterprise employee had driven to the repair shop and picked him up. They drove back to the Enterprise office, where Kevin completed the paperwork and rented a Ford Taurus. He drove the rental car for 12 days before the repair shop completed work on his car.

"Don't know why Enterprise would be writing me," Kevin thought. "The insurance company paid the \$20 per day, and I paid the extra because the Taurus cost more than that. Wonder what the problem could be?"

TRACKING SATISFACTION

Kevin tossed the mail on the passenger's seat and drove up the driveway. Once inside his house, he opened the Enterprise letter to find that it was a survey to determine how satisfied he was with his rental. The survey itself was only one page long and consisted of 13 questions (see exhibit).

Enterprise's executives believed that the company had become the largest rent-a-car company in the United States (in terms of number of cars, rental locations, and revenue) because of its laserlike focus on customer satisfaction and because of its concentration on serving the home-city replacement market. It aimed to serve customers like Kevin who were involved in wrecks and suddenly found themselves without a car. While the more well-known companies like Hertz and Avis battled for business in the cutthroat airport market, Enterprise quietly built its business by cultivating insurance agents and body-shop managers as referral agents so that when one of their clients or customers needed a replacement vehicle, they would recommend Enterprise. Although such replacement rentals accounted for about 80 percent of the company's business, it also served the discretionary

market (leisure/vacation rentals), and the business market (renting cars to businesses for their short-term needs). It had also begun to provide on-site and off-site service at some airports.

Throughout its history, Enterprise had followed founder Jack Taylor's advice. Taylor believed that if the company took care of its customers and employees first, profits would follow. So the company was careful to track customer satisfaction.

About 1 in 20 randomly selected customers received a letter like Kevin's. An independent company mailed the letter and a postage-paid return envelope to the selected customers. Customers who completed the survey used the envelope to return it to the independent company. That company compiled the results and provided them to Enterprise.

CONTINUOUS IMPROVEMENT

Meanwhile, back at Enterprise's St. Louis headquarters, the company's top managers were interested in taking the next steps in their customer satisfaction program. Enterprise had used the percentage of customers who were completely satisfied to develop its Enterprise Service Quality index (ESQi). It used the survey results to calculate an overall average ESQi score for the company and a score for each individual branch. The company's branch managers believed in and supported the process.

However, top management believed that to really "walk the walk" on customer satisfaction, it needed to make the ESQi a key factor in the promotion process. The company wanted to take the ESQi for the branch or branches a manager supervised into consideration when it evaluated that manager for a promotion. Top management believed that such a process would ensure that its managers and all its employees would focus on satisfying Enterprise's customers.

However, the top managers realized they had two problems in taking the next step. First, they wanted a better survey response rate. Although the company got a 25 percent response rate, which was good for this type of survey, it was concerned that it might still be missing important information. Second, it could take up to two months to get results back, and Enterprise believed it needed a process that would get the customer satisfaction information more quickly, at least on a monthly basis, so its branch managers could identify and take action on customer service problems quickly and efficiently.

Enterprise's managers wondered how they could improve the customer-satisfaction-tracking process.

Questions for Discussion

1. Analyze Enterprise's Service Quality Survey. What information is it trying to gather? What are its research objectives?
2. What decisions has Enterprise made with regard to primary data collection—research approach, contact methods, sampling plan, and research instruments?
3. In addition to or instead of the mail survey, what other means could Enterprise use to gather customer satisfaction information?
4. What specific recommendations would you make to Enterprise to improve the response rate and the timeliness of feedback from the process?

Source: Officials at Enterprise Rent-A-Car contributed to and supported the development of this case.

SERVICE QUALITY SURVEY

Please mark the box that best reflects your response to each question.

	Completely Satisfied	Somewhat Satisfied	Neither Satisfied Nor Dissatisfied	Somewhat Dissatisfied	Completely Dissatisfied		
1. Overall, how satisfied were you with your recent car rental from Enterprise?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2. What, if anything, could Enterprise have done better? <i>(Please be specific)</i>							
3a. Did you experience any problems during the rental process?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	3b. If you mentioned any problems to Enterprise, did they resolve them to your satisfaction?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
				Did not mention <input type="checkbox"/>			
4. If you personally called Enterprise to reserve a vehicle, how would you rate the telephone reservation process?	Excellent <input type="checkbox"/>	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	N/A <input type="checkbox"/>		
5. Did you go to the Enterprise office	Both at start and end of rental <input type="checkbox"/>	Just at start of rental <input type="checkbox"/>	Just at end of rental <input type="checkbox"/>	Neither time <input type="checkbox"/>			
6. Did an Enterprise employee give you a ride to help with your transportation needs	Both at start and end of rental <input type="checkbox"/>	Just at start of rental <input type="checkbox"/>	Just at end of rental <input type="checkbox"/>	Neither time <input type="checkbox"/>			
7. After you arrived at the Enterprise office, how long did it take you to:	Less than 5 minutes	5-10 minutes	11-15 minutes	16-20 minutes	21-30 minutes	More than 30 minutes	N/A
• pick up your rental car?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• return your rental car?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. How would you rate the ...	Excellent	Good	Fair	Poor	N/A		
• timeliness with which you were either picked up at the start of the rental or dropped off afterwards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• timeliness with which the rental car was either brought to your location and left with you or picked up from your location afterwards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• Enterprise employee who handled your paperwork ... at the START of the rental?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• Enterprise employee who handled your paperwork ... at the END of the rental?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• mechanical condition of the car?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• cleanliness of the car interior/exterior?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
9. If you asked for a specific type or size of vehicle, was Enterprise able to meet your needs?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>				
10. For what reason did you rent this car?	Car repairs due to accident <input type="checkbox"/>	All other car repairs/maintenance <input type="checkbox"/>	Car was stolen <input type="checkbox"/>	Business <input type="checkbox"/>	Leisure/vacation <input type="checkbox"/>	Some other reason <input type="checkbox"/>	
11. The next time you need to pick up a rental car in the city or area in which you live, how likely are you to call Enterprise?	Definitely will call <input type="checkbox"/>	Probably will call <input type="checkbox"/>	Might or might not call <input type="checkbox"/>	Probably will not call <input type="checkbox"/>	Definitely will not call <input type="checkbox"/>		
12. Approximately how many times in total have you rented from Enterprise (including this rental)?	Once—this was first time <input type="checkbox"/>	2 times <input type="checkbox"/>	3-5 times <input type="checkbox"/>	6-10 times <input type="checkbox"/>	11 or more times <input type="checkbox"/>		
13. Considering all rental companies, approximately how many times within the past year have you rented a car in the city or area in which you live (including this rental)?	0 times <input type="checkbox"/>	1 time <input type="checkbox"/>	2 times <input type="checkbox"/>	3-5 times <input type="checkbox"/>	6-10 times <input type="checkbox"/>	11 or more times <input type="checkbox"/>	