

AUTO RENTAL SUMMIT

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Can Online Brokers Expand Your Reservations Reach?





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Overview

➤ Why Brokers are Significant

➤ Why Car Sharing is becoming Significant





Overview – Part I

Why Brokers are Significant

- 10% of rental globally are from online brokers accounting for approx \$4bil of revenue per year
- 25% of reservations from online brokers are for rentals in the USA
- The no show rate for broker reservations is less than 5% because of the prepaid element of their reservations





You no longer are forced to use the Global Distribution Systems

– and pay their fees!





Online Brokers

- The largest online brokers are:
 - RentalCars.com owned by Priceline
 - CarTrawler
 - Atlas Choice
 - CarRentals.com owned by Expedia (who also owns Ebookers and Car del Mar)
 - Economy Car Hire
 - Holiday Autos owned by LastMinute.com
 - There are many more brokers worldwide





Keys to Profitability

- Upselling and ancillary product sales at the rental counter.
- Inclusive only means what the customer needs to get on the road including taxes. If a customer requires liability insurance there is no minimum expectation of the excess liability. Counter staff should be encouraged to sell additional products such as zero liability insurance, pre-paid fuel, etc.





Data Transfer

- Key to success in the broker market is the ability to work via XML, as all of the major brands work via XML providing dynamic pricing models.
- Independent brands not only need to compete with international brands on price but also delivery.
- Broker software is not nearly as comprehensive as GDS or Counter System software. If a broker does not receive product via XML, then they must load it manually including rate updates. This leads to errors and customer complaints, as well as higher costs to the broker.





More on XML

- XML connection is an expensive undertaking for brokers - with an average cost of \$5k per connection.
- Low priority suppliers often do not get XML connection even if they have their own API.
- An XML hub (where brokers and suppliers can connect with just one XML build) is the best chance independent brands have of gaining access to this market.





What Can You Do?

- APIs
- Reservation Links
- Central Reservation Systems such as ACE





Ceven's Presentation

ACE Rent A Car

- 350 locations in 40 countries with over 100,000 vehicles
- Contracts with over 100 OTAs

RezPower

- Central reservation system with GDS and XML connectivity
- RezPower back engines car rental companies with its connectivity
- Dynamic rate management system





Who are these OTAs?

- Expedia/Priceline own 70% of the domestic market place
- Car Trawler/Rentalcars Connect- B2B connections to largest airlines, OTAs and other travel sites around the world
- New startup OTAs using the B2B Platform





What Are These OTA Requirements?

- Exceptional customer service
 - Standards written into marketing agreement
- Inclusive prices (CDW, liability) (CDW, liability, fuel)
 - Multiple options for package products
- Net prices price they can markup
 - Offer a discount off the going rate upfront
- Prepaid reservations





Pricing and Booking Logistics

- Rates in spreadsheets
- Email submission
- Broker internal system
- Reservations system (XML/GDS connectivity)
 - Most effective, seamless method





Do's and Don'ts

Do:

- Estimate volume vs. investment
- Partial prepaid options (avoids accounts rec/pay)
- Ensure policies are clear on OTA sites
- Ask for deposit when partner collect
- Offer promotions, advertising, marketing, etc...
- Push for XML
- Be informed
- Explore joining a Affiliate, Franchise or another Licensee program





Do's and Don'ts

• Don't:

- Assume they're the same as the majors
- Agree to complete terms without negotiating
- Not offer additional products (LDW, Roadside, PAI, etc.)
- Avoid underwriting these customers













Overview – Part II

Car Sharing:

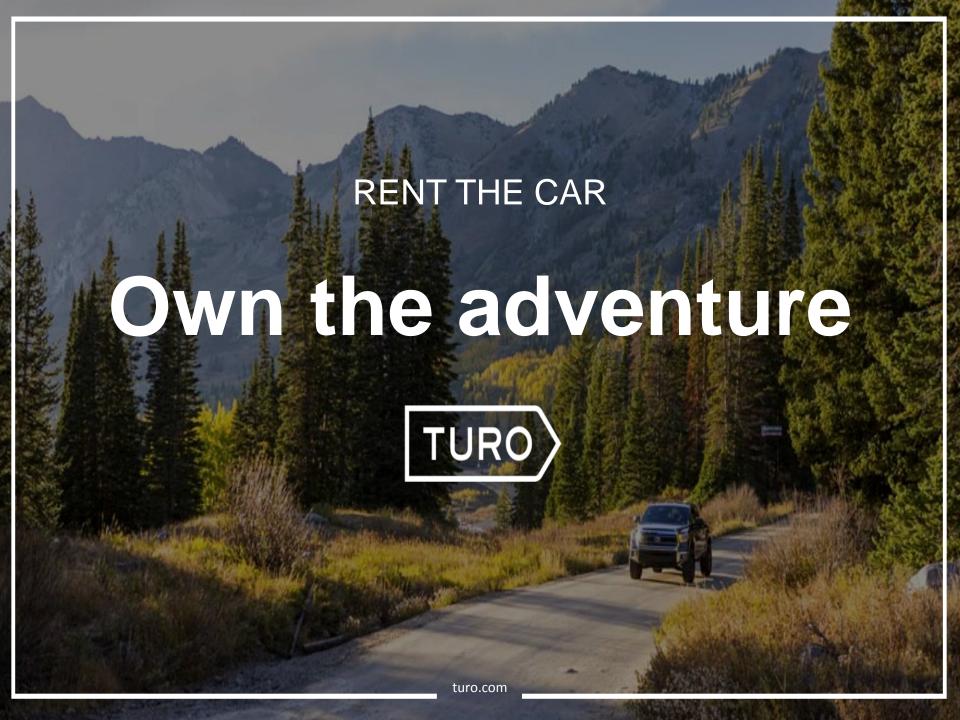
- Great outlet for excess inventory
- Emerging Technology

Caveats:

- Handing off the Reservation
- Rates

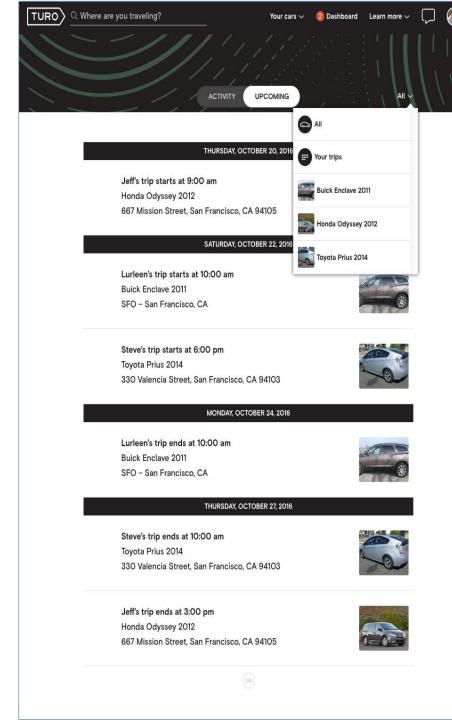






New owner dashboard with you in mind

Instant access to web and mobile



New insurance plan with you in mind

			Owner earns		Owner Insurance Package		Target Market
Turo- Provided Insurance	Premium	٠	65% of rental fee		\$0 Deductible Physical Damage Wear & Tear Coverage Loss of Use Coverage \$1M Liability Policy for Owner	•	Personal vehicle owners
	Standard	٠	75% of rental fee	:	\$0 Deductible Physical Damage \$1M Liability Policy	•	Personal vehicle owners
	Basic	•	85% of rental fee	:	\$3K Deductible Physical Damage \$1M Liability Policy	•	Personal vehicle owners
Owner provided insurance		•	90% of rental fee + 100% of all other fees (gas, protection, etc.)	:	No insurance provided by Turo Turo verifies that owner has valid commercial insurance policy for auto rental	٠	Independent rental car agencies who already have their own insurance





Why Fleet Owners Should Consider Turo

- Access to our massive community of screened travelers
- You keep 90%; no fixed or upfront costs
 - Zero IT investment
 - Turo covers payment processing
- Major marketing presence
- Option to use our automatic pricing algorithms to maximize your earnings
- Turo screens and manages onboarding process for owners













