



AUTO RENTAL SUMMIT

OCTOBER 24-25, 2016
B RESORT & SPA,
LAKE BUENA VISTA, FL



Can Online Brokers Expand Your Reservations Reach?



Angela Margolit



David Stewart



Ceven Goodman



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





people.
process.
profit.

Auto Rental
SUMMIT

BROUGHT TO YOU BY
Auto Rental
GROUP

IN CONJUNCTION WITH
ACRA
AMERICAN CAR RENTAL ASSOCIATION

Overview – Part II

Car Sharing:

- Great outlet for excess inventory
- Emerging Technology

Caveats:

- Handing off the Reservation
- Rates



RENT THE CAR

Own the adventure



New owner dashboard with you in mind

Instant access to web and mobile

The screenshot displays the TURO dashboard interface. At the top, there is a search bar with the text "Where are you traveling?", navigation links for "Your cars", "Dashboard", and "Learn more", and a user profile icon. Below the search bar, there are tabs for "ACTIVITY" and "UPCOMING", with "UPCOMING" selected. A dropdown menu is open, showing options: "All", "Your trips", "Buick Enclave 2011", "Honda Odyssey 2012", and "Toyota Prius 2014". The main content area shows a list of trips, grouped by date. Each trip entry includes the start or end time, the vehicle model, and the location. Small images of the vehicles are shown to the right of each entry.

TURO Where are you traveling? Your cars 2 Dashboard Learn more

ACTIVITY **UPCOMING** All

THURSDAY, OCTOBER 20, 2016

Jeff's trip starts at 9:00 am
Honda Odyssey 2012
667 Mission Street, San Francisco, CA 94105

SATURDAY, OCTOBER 22, 2016

Lurleen's trip starts at 10:00 am
Buick Enclave 2011
SFO - San Francisco, CA

Steve's trip starts at 6:00 pm
Toyota Prius 2014
330 Valencia Street, San Francisco, CA 94103

MONDAY, OCTOBER 24, 2016

Lurleen's trip ends at 10:00 am
Buick Enclave 2011
SFO - San Francisco, CA

THURSDAY, OCTOBER 27, 2016

Steve's trip ends at 10:00 am
Toyota Prius 2014
330 Valencia Street, San Francisco, CA 94103

Jeff's trip ends at 3:00 pm
Honda Odyssey 2012
667 Mission Street, San Francisco, CA 94105

New insurance plan with you in mind

		Owner earns	Owner Insurance Package	Target Market
Turo- Provided Insurance	Premium	<ul style="list-style-type: none"> 65% of rental fee 	<ul style="list-style-type: none"> \$0 Deductible Physical Damage <ul style="list-style-type: none"> Wear & Tear Coverage Loss of Use Coverage \$1M Liability Policy for Owner 	<ul style="list-style-type: none"> Personal vehicle owners
	Standard	<ul style="list-style-type: none"> 75% of rental fee 	<ul style="list-style-type: none"> \$0 Deductible Physical Damage \$1M Liability Policy 	<ul style="list-style-type: none"> Personal vehicle owners
	Basic	<ul style="list-style-type: none"> 85% of rental fee 	<ul style="list-style-type: none"> \$3K Deductible Physical Damage \$1M Liability Policy 	<ul style="list-style-type: none"> Personal vehicle owners
Owner provided insurance		<ul style="list-style-type: none"> 90% of rental fee + 100% of all other fees (gas, protection, etc.) 	<ul style="list-style-type: none"> No insurance provided by Turo Turo verifies that owner has valid commercial insurance policy for auto rental 	<ul style="list-style-type: none"> 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



turo.com/fleet-owners





people.
process.
profit.

Auto Rental
SUMMIT

BROUGHT TO YOU BY
Auto Rental
GROUP

IN CONJUNCTION WITH
ACRA
AMERICAN CAR RENTAL ASSOCIATION