

North American Car Rental: Beating a Sellers Market



Results are as much about great execution as they are knowledge. We leveraged both to enable savings in a market of increasing costs.

10% Savings

THE CHALLENGE

- Car rental market and industry analysts indicated near-term price increases of 2 - 4%
- Car rates had increased 4.5% in prior year
- Contract T&Cs were trending toward the suppliers' advantage
- Negotiation leverage had a limited window of opportunity

THE APPROACH

- Analyze all available market elements to identify leverage opportunities
- Engage in conversations with major competitor of current incumbent
- Pique competitive interest and entertain proactive non-incumbent proposals
- Foster awareness of opportunities available in the marketplace
- Execute aggressive negotiations to maximize value captured and minimize switching cost

THE RESULT

- We countered an expected rate increase and locked in 10% YOY rate savings
- Total cost of ownership, including fuel, decreased by 9% YOY
- No switching costs incurred

