

The importance of customer service at Enterprise Rent-A-Car

How is customer service data collected?



When Jack Taylor founded Enterprise his motto was simple: 'Take care of your customers and employees first, and profit will take care of itself.'

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However, when a company grows it can become more and more difficult to give customers and employees the same sort of personal attention. As a successful business, Enterprise grew until almost inevitably some cracks in customer service developed.

It was at this point that the company realised the importance of developing ways of measuring customer service. One of the oldest sayings in business is 'You manage what you measure.' This is when the idea of measuring customer satisfaction was developed.

Measuring customer satisfaction

The new way of measuring customer satisfaction was called ESQi – the Enterprise Service Quality index. The first survey was carried out in July 1994 and had a 25% response rate. The results indicated a big difference between the best performing and the weakest regions in which the business was operating. However, the survey results were not meaningful enough.

Enterprise decided to cut down the survey to the two questions highlighted earlier. Also the survey method was refined to compare ESQi scores branch by branch, rather than region by region. To keep the information up-to-date it was collected and reported for each quarter of the year.

The process

Enterprise targeted customers who were highly satisfied and would rent from the company again. These were customers who filled in the top boxes on the survey. Customers who had filled in the survey were called by external telephone researchers. They were asked how many cars they had rented since taking part in the survey and what Enterprise's share of those rentals had been. Studying the data showed that 'completely satisfied' customers were more

than three times more likely to become repeat customers as those who said they were only 'somewhat satisfied'.

This piece of information was like a 'lightning bolt' for the company. It showed that customer satisfaction has a direct impact on sales and profits. This collection of data on customer opinions is a good example of qualitative data. The collection of data on the numbers of cars rented illustrates quantitative data. Together the analysis of both types of data helped improve Enterprise's performance.

What happened next?

In 1996 Enterprise overtook Hertz as the leading car rental company in the United States. However, rather than resting on its laurels, the senior managers of Enterprise looked at the ESQi scores and saw that some sectors of the business were underperforming in terms of customer service.

At a meeting of senior executives, Jack Taylor told the group that if the company was to stay No.1 then it would have to keep customer service as the number one priority. He stated: 'Customer service is the most important thing we do.' With this he posed a challenge to the leadership team – "What are *you* going to do about it?"

A completely new way of looking at the company was developed, beginning with choosing the winners of the annual President's and Chairman's Awards (the top honours in the company) on the basis of ESQi scores.

Using ESQi as a staff incentive

99.9% of top executives in the company started their careers behind the counter as management trainees at an Enterprise branch.

The next step was to make the ESQi scores the basis for determining promotion. This really got people's attention because Enterprise only promotes from within the company.

Using the new formula a person's career would only develop with a high ESQi score. There was therefore a clear incentive for ensuring high levels of customer satisfaction. ESQi scores were published alongside profits for every branch. League tables of branches were published.