

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

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Introduction

Enterprise Rent-A-Car is the number one car rental company in North America and possibly the world. It does not, however, see itself as just a car rental firm. Its key focus is the same as other service companies - customer satisfaction. A service business meets individual needs for people and business needs such as transport and finance.

Customer service

Customer service refers to the process of providing the customer with what she or he wants. Customers have expectations. If these are met or exceeded, customers are happy. Enterprise created a questionnaire to find out what customers wanted. This was deliberately short (just two questions) in order to get a good response. It asked customers to rate their experience with Enterprise and to say if they would use the service again. The results are used to help formulate the Enterprise Service Quality Index (ESQi) which is used to help measure the performance of each Enterprise branch.

Collecting data

Jack Taylor, the founder of Enterprise, said 'Take care of your customers and employees first and profit will take care of itself.' As the company grew, this became more difficult, so it developed ways to measure customer service. The first survey was in 1994, but it was too long and did not give clear enough information so it was cut down to the two questions above. 'Completely satisfied' customers were contacted by telephone and Enterprise found that these were three times more likely to use Enterprise again. It showed that customer satisfaction had a direct influence on repeat business and therefore on sales and profits.

By 1996, Enterprise had become the number one car rental business in North America, but Jack Taylor recognised that the challenge was to stay there. They decided to use ESQi to reward branches for good service and to determine promotion. Because Enterprise only promotes from within the company, this was a huge incentive to employees.

Good service

Many customers see more value in good service than in lower prices. ESQi shows that customers particularly value the attitude of employees, the speed of the transaction and the cleanliness of the car. Enterprise has developed a 'cycle of improvement' to help train employees to provide good service. The ESQi system also works to improve customer satisfaction by contacting any customer who expresses dissatisfaction to find out the problem and work out a solution. Employees within a branch are also asked to judge the other employees on their level of service through a system called 'The Vote'. Tables and awards help branches to see where they are and encourage them to improve.

Cost and benefits

All businesses have to weigh up the costs and benefits of their actions. The ESQi survey uses an outside company who make more than two million customer contacts a year. The high cost of this is balanced out by the benefits such as better reputation, employee satisfaction, customer recommendations and better quality.

Conclusion

ESQi helps Enterprise to reward everyone they employ on the basis of giving customers what they want. Its good performance is a direct result of good customer service.