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# CAR RENTAL FOR EMPLOYEES' BUSINESS TRIPS

- Survey in Turku region



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# AUTONVUOKRAUS TYÖNTEKIJÖIDEN LIIKEMATKoiHIN

## - Tutkimus Turun alueella

Tämän opinnäytetyön toimeksiantaja on Turun Avis-autovuokraamo. Opinnäytetyön tavoitteena on survey -tutkimuksella kerätä tietoa Turun alueen yritysten tietoudesta, käyttäytymisestä ja asenteista autonvuokrausta koskien. Alue, johon kysely on lähetetty käsittää Turun ja sen lähikaupungit. Uusien kontaktien ja yritysasiakkaiden saaminen Avis-autovuokraamolle ovat myös tärkeitä tavoitteita opinnäytetyölle. Tutkimuksen kysymysten huomio keskittyy pääsääntöisesti työntekijöiden liikematkoihin.

Tutkimus on laadittu Webropol –ohjelmalla ja se on lähetetty 100:lle yritykselle, joiden yhteystiedot on haettu Fonecra Finder –sivustolta. Opinnäytetyön toimeksiantaja sekä ohjaaja ovat molemmat hyväksyneet tutkimuksen ennen sen lähettämistä yrityksille. 34 yritystä on vastannut tutkimukseen ja kymmenen niistä on jättänyt yhteystietonsa Avisille yhteydenottoa varten. Tutkimuksen vastauksia käsiteltiin pääasiassa tilastollisin menetelmin ja purkamalla vastaukset kirjalliseen muotoon.

Tärkeimmät tulokset jotka tutkimuksen avulla on saatu selville ovat, että yrityksillä on selvä ja positiivinen yleiskuva autonvuokrauksesta. Monet yritykset ovat sitä mieltä että autonvuokraus on tarpeellinen toimiala. On myös firmoja jotka eivät erilaisista syistä johtuen käytä autonvuokrauspalveluja.

Olellisimmat syyt mikseivät yritykset käytä autonvuokrausta, mutta silti maksavat työntekijöille kilometrikorvausta työmatkoista, ovat että kilometrikorvausten maksaminen on firmoille kaikista helpointa. Lisäksi kävi ilmi että tärkein tiedonlähde firmoille heidän halutessaan kerätä tietoa autonvuokrauksesta on internet tai suora kontakti autovuokraamoihin.

Tulosten perusteella business-to-business -markkinoinnin parantamiseksi Avisille on suositeltavaa panostaa internet -sivuihinsa. Sivustojen jatkuva pitäminen ajan tasalla on hyvin tärkeää ja lisää firman uskottavuutta. Oman ”yrityksille –osion” luominen internet-sivustolle, selvästi esille ja mutkattomasti löydettäväksi, olisi suositeltavaa.

ASIASANAT: Autovuokraamot, autot, vuokraus, liikematkat, hyvitys, yritysasiakkaat, kanta-asiakkaat, asiakkuus

BACHELOR'S THESIS | ABSTRACT

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# CAR RENTAL FOR EMPLOYEES' BUSINESS TRIPS

## - Survey in Turku region

The bachelor thesis was commissioned by a car rental firm Avis in Turku region. The goal was to gather information about car rental knowledge, behavior and attitudes of the companies in Turku region by a survey. The region includes Turku and its surrounding cities. Establishing new contacts and making new corporate contacts to Avis were additional important goals. The main focus of the questions in the survey is on employees' business trips.

The survey was made with Webropol –programme and it was sent by e-mail to 100 companies whose contact information was found on Fonecta Finder –webpage. The survey was approved by both thesis consignor and thesis instructor before sending it to the companies. 34 companies answered the survey and 10 of them have left their contact information to Avis for further contact. Results of the survey were mainly assessed through different statistical analyses and in written.

The main results show that companies in general have a clear and positive overview about car rental. Many companies think car rental is a very useful line of business. There are also companies that, for different reasons, do not use car rental services.

The main reasons why companies do not use car rental but do pay their employees kilometer allowance for the business trips is that it is the easiest for the company. A point which also came up from the answers is that the main source for gathering information on car rental is the internet or a direct contact with car rental firms.

Due to the results, a good suggestion to Avis to improve their business to business marketing is to invest in their web pages. Keeping the web pages always up-to-date is very important and it increases the firm's credibility. In order to get more corporate customers it would be recommendable for Avis to create a special section on their web sites only for companies. Information should be clearly presented and straightforward to find.

**KEYWORDS:** Car rental firms, cars, business trips, refund, corporate clients, regular customers, customership

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# 1 INTRODUCTION

When applying for internship at Avis car rental firm in Turku at the same time I also asked to get a commission for doing my bachelor thesis for Avis. Avis is a large international company, with a lot of business units all over world and I came up with an idea to make a some kind of customer satisfactory –survey or similar for the company.

The Turku area manager, Mr. Kari Mäenpää liked my idea, contacted me and commissioned me with my thesis. The reason for applying to Avis for internship is my will to work in an international company and my desire to learn how large worldwide companies work and how business is divided and managed with the same concept all over the world.

During my internship I brainstormed for the thesis with my consignor. I was also introduced to the everyday work at Avis. I got to serve the customers arriving to the office and I also got a chance to market Avis' special offers in practice; by driving Avis' commercial car in Turku and it's surrounding cities during summer-time.

Even though Avis is an international company, regarding on a thesis commission, my consignor wanted to concentrate on Finland, more exactly on Turku region. He was interested in researching the general knowledge companies have about car rental. The idea was mainly to concentrate on employees' business trips. In addition, the goal is to get more contacts and corporate customers to Avis.

We decided I would conduct a survey and send it to 100 companies. The companies are situated in Turku and its surrounding cities: Kaarina, Lieto, Masku, Mynämäki, Naantali, Nousiainen, Paimio, Raisio, Rusko and Sauvo. To attract people to answering the survey we came up with a lottery in which the respondents have a chance to win Avis' car for a weekend.

## 2 FRAMEWORK

With the consignor of the thesis, the manager of Avis in Turku the agreement was made on making a survey to find out the car rental behavior, knowledge and attitudes of the companies in Turku region, the main focus being on employees' business trips. It was easy to agree on what will be done since the Avis' manager knew what kind of new information he needed and did not yet have.

The research questions of this thesis are *“What kind of experience, knowledge and opinions companies have about car rental in general?”* and *“What kind of attitudes do the companies have towards car renting for employees' business trips?”*

The thesis would consist of the basic information about Avis to get a clear overview about its actions and what it has to offer individual as well as corporate clients. Besides the basic information about Avis the thesis consists of the survey sent to companies (see appendix) and the results from the survey presented mainly with charts and their analysis in written. The main sources of information about Avis were its web pages, different brochures the author got during the internship and e-mails between the author and the consignor. E-mailing was the easiest and the fastest way of getting needed information quickly from the consignor.

The consignor of the thesis did not want the survey to have too many questions, because it needed to be interesting, clear and consistent. It was not supposed to take much time to complete since respondents are busy with their own businesses and if the survey was too long the respondents were not likely to use their time answering it. The most important criteria for choosing the companies to which the survey was sent to was that they have 10 to 100 or more employees. The contact information of the companies was found on FonectaFinder –webpage.

The survey was made with Webropol- programme and it was sent to 100 companies via e-mail. It was the fastest and the easiest way to reach the

respondents. All respondents got a personal link to the survey and could answer it easily, taking the time they need for completing it in peace. The author had a clear picture of what the consignor wanted to find out from the survey and therefore drafting the questions was quite fast and easy. The survey consists of 13 questions and before sending it to companies its functioning was tested by a couple of people, the consignor of the thesis and the thesis instructor. The questions of the survey (see appendix) and the results are presented more precisely in the following chapters. On the basis of the answers it was possible to see and evaluate companies' knowledge and their attitudes as well as experiences with car rental.

## 2.1 Research methods

The research was both quantitative and qualitative. (Hirsjärvi, Remes & Sajavaara, 2007, 136, 160). The fulfilled quantitative research features are that the research has a hypothesis and a fundamental set. The hypothesis of the research was that companies in Turku area have a good general knowledge about car rental and a positive attitude towards car rental for employees' business trips. The main assumption is that companies are familiar with how car rental works and they are aware of various options that car rental firms have to offer different companies with various needs.

The fundamental set of the research are companies with 10 to 100 or more employees. The goal was to rule out the companies with less than 10 employees. It is believed that in these companies the turnover is relatively small and therefore they would have so little amount of money in use for car rental services that it would not be profitable for Avis to investing on marketing to attract these small companies. Another reason to leave the smallest companies out from the survey is that there are so many companies in Turku area and the goal was to reach bigger ones which would be more likely to become regular customers.

The survey was sent to respondents by e-mail and the variables in results could be assessed through different statistical analyses, which was also a quantitative research feature.

A few points support also the qualitative features of researching; most of the questions were multiple choice –questions and in some of them there was a possibility for respondents to give additional comments on their answers. The survey had also one open question for any kind of deeper opinions or statements respondents wanted to express in their own words. The answers to the open question have been gone through by the author and analysed in a way of searching for rallying points.

## 2.2 The reliability and validity of the research

With the total response rate of 34 per cent the reliability of the research was quite good but it could have been better. (Hirsjärvi, Remes & Sajavaara, 2007, 226-228). The questions were formed well and the possibility to get hit and miss - answers was close to none. Many companies form their e-mail address as "info@companyname.fi/net/com" and therefore it was hard to reach the right people who could answer the survey. The problem with sending a survey via e-mail is that many companies have set their junk mail –filtering so high that the survey has not reached the respondents. On the other hand in some companies the respondents are so busy that they do not have time to answer the survey.

The terms used in the survey were familiar to the respondents, therefore it can be stated that also the validity of the research was successful. The main idea was to get a general overview of the companies' knowledge about car rental and the questions were straightforward and had no hidden agendas.



### 3 ABOUT AVIS

Avis was established in 1946 at Willow Run Airport in Detroit, USA by Warren E. Avis. He was the first man in the world who started providing car rental services from an airport location. Now, after over 50 years since the establishment of the company Avis has a worldwide car fleet of more than 400 000 cars. Avis Rent A Car System is a leading worldwide car rental chain which operates in over 180 countries and over 5000 renting locations.

#### 3.1 Avis international

Avis is divided into two worldwide companies:

Avis Inc. is responsible for Avis operations in USA, Canada, other South and North American countries, Australia, Oceania, New-Zealand and the Caribbean area. Avis Inc. is entirely own by Cendant Corporation, with its main office in Garden City, New York. Cendant Corporation is the biggest hotel real estate owner and the company is quoted on the New York Stock Market. The average car fleet in the company is over 220 000 cars. Avis Inc. accounts for more than 16 million car rental transactions per year.

Avis Europe Plc. is in charge of Avis operations in Europe, Africa, Middle East and Asia, all together in more than 110 countries and over than 2500 different locations. It is the leading car rental firm and the only car rental firm which works in all European countries. Avis Europe Plc. is also Europe's biggest private car buyer and it is quoted in the Stock Market. The main office of the company is situated in Bracknell, in the vicinity of London.

Avis Europe Plc is the principal of Finnish Avis car rental firm.

(<http://www.avis.fi/avisonline/fi/avis.nsf> [referred 18.04.2010])

### 3.1.1 Avis' hire contract

Avis' new, user-friendly hire contract helps Avis' customers to even better understand the different expenses and terms of the car rental. The new model is not quite yet used all over the world but in Finland and rest of the Europe it is in use.

The new hire contract is easy to understand and it shows among other things line-by-line breakdown of costs. There are no hidden charges that are not presented in the contract. Vehicle details and possible defects such as scratches are clearly illustrated as well as the fuel level at the start of the rental. The hire contract can be provided in five different languages.

(<http://www.avis.fi/avisonline/fi/avis.nsf>, brochure from Avis, 2009 [referred 24.04.2010])

### 3.1.2 Avis Preferred -service

Avis Preferred is a free programme for Avis' regular customers, mainly meant for corporate customers, although used a lot by individuals too. It makes car rental even easier than before either the trips were business or leisure trips. With the Avis Preferred –card, the customers are provided the fastest and the most advanced car rental service in car rental business. In over 2000 Avis' locations worldwide the cardholder clients get the use of a rental car faster, without filling out the hire contract or even signing it.

When making a reservation the customer only needs to provide Avis their customer number from the Avis Preferred –card. All information about the car renter can be found from their customer profile which is made when applying for Avis Preferred regular customer –programme. When the car renter arrives to the office all paperwork needed is already done and there is no need for standing in line because for Avis Preferred -customers there are service desks where the clients are served as fast and efficient as possible. The only thing clients need to do is to show their driving licence and pick up the keys.

(<http://www.avis.fi/avisonline/fi/avis.nsf>, brochure of Avis, 2009 [referred 24.04.2010])

### 3.1.3 “We try harder”

The “We try harder”- advertising and marketing campaign was introduced in 1963. These three little words sum up what Avis is all about. Avis’ ambition is to serve all its customers the best way possible. The slogan stands for everything Avis does, from satisfying individual customers with different needs to ensuring the best possible service to corporate clients. Everything that is done at Avis must be done to perfection as far as possible.

### 3.1.4 Avis’ insurances

According to Avis’ brochure (2009) there are different additional insurances such as among others Super Collision Damage Waiver; reducing car renter’s financial liability in case of accidental damages, Theft Protection; reducing car renter’s financial liability in case the car is stolen or damaged in some way by a third party and LI-insurance; removing car renters liability in case of windshield damages. The additional insurances are always bought in the agency on the spot. Maximum liability depends always on the car group.

### 3.1.5 Avis’ co-operation partners

Avis collaborates with numerous well-known tourism industry service providers worldwide, such as hotel chains, travel agencies and airlines. Avis co-operates as well with different insurance companies, leasing companies and financing companies inter alia Op Pohjola, Fennia and ALD Automotive. Clients benefit from the special prices and other virtues that Avis and its collaboration partners have to offer.

(<http://www.avis.fi/avisonline/fi/avis.nsf> [referred 25.04.2010])

Referring to a brochure of Avis (2009) through contracts with different international hotel collaboration partners Avis' customers have a chance to use different loyal customer programmes such as Sheraton, Best Western, Hilton Hhonor and Scandic. Avis also has an agreement of mileage collection - cooperation with 56 different airlines, inter alia Finnair, SAS, Blue1, Lufthansa, KLM, Air France, Iberia, Swiss and British Airways.

### 3.2 Avis in Finland

Avis has 110 locations in Finland. It is situated geographically extensively around Finland covering the biggest cities and all airports that have regular airline service. Avis' cars are new and always overhauled. The cars are usually changed approximately after six months or after 30 000 kilometers.

Avis rent-a-car license in Finland is owned by the Helkama-Auto Ltd. since 1986. Avis and Helkama Auto Ltd's main office is situated in Espoo, Muurla. In Helsinki, Turku and Tampere Avis' business operations are practiced by Helkama Auto Ltd. Other locations in Finland are franchised. At the moment there are eight entrepreneurs in the chain. Besides Avis actions Helkama Auto Ltd. imports Skoda cars to Finland. Avis entrepreneurs work by shared, worldwide concept. All entrepreneurs in the Avis -chain use the common, integrated renting-, reservation- and controlling system, which enables a real-time car renting all over the world.

(<http://www.avis.fi/avisonline/fi/avis.nsf> [referred 18.04.2010])

Avis has been chosen to supply the skeletal agreement for the public administration in Finland. The agreement is made for four years, starting from 1.6.2009. This means that Avis offers contract prices for the public administration that can be used/exploited/utilized for both short and long term car rentals.

(<http://www.avis.fi/avisonline/fi/avis.nsf> [referred 25.04.2010])

### 3.2.1 Car categories and price groups

In order to best serve customers with different needs Avis in Finland has 16 different car categories. The cars vary on size and value. There are all kinds of cars in the car fleet, for example small cars, normal size cars, luxury cars, vans and minibuses.

The prices of car rental are all case-specific. The price is determined similarly as flying tickets –prices, depending on what kind of a car the customer wants, for what period of time and so on, therefore there are numerous price groups.

(Mäenpää, 27.04.2010, e-mail)

### 3.2.2 Avis Easy Car –concept

Avis Easy Car –service concept is tailored for companies that want to take care of their employees' driving and movement needs easily and cost-effectively.

It is a common practice in many companies and communities that the employees use their own cars for business trips and the companies compensate their costs by paying them kilometer allowance. At the moment the kilometer allowance when using employees' own cars is 0,45€/kilometer, at the lowest.

If the daily driving need for employees' business trips is over 200 kilometers, Avis Easy Car –concept is a clearly cheaper option for companies than paying kilometer allowance. When the daily driving need is 400 kilometers or more, the companies are brought a significant saving by Avis Easy Car -concept. Additionally, to companies utilizing this concept, the car is brought to their premises clean and filled up.

Avis Easy Car –concept is very flexible; if the company needs a car early in the morning the car can be brought to company's premises already the previous day, for example at 4-5 p.m. On the other hand if the business trip ends late at

night the car can be returned to Avis the next morning by 9 a.m. This kind of prolongation of the rental time brings no extra costs to the company.

A very important thing the companies are provided when utilizing Avis Easy Car –concept are versatile reports of their car rentals. From the reports it is easy to follow the counts and prices of car rentals as well as the attained savings.

(brochure of Avis, 2009 [referred 24.04.2010])

### 3.2.3 Avis in Turku region

Avis has a fleet of about 100 cars in Turku region. The main office is in Turku, situated at the railway station. Another office is located at Turku airport. There are also three smaller dealership locations: in Raisio (Turun Autohalli & Veho Autotalo) and in Oriketo (Rinta-Jouppi). The smaller locations as well as the bigger offices are meant for anyone wanting to rent a car for their individual needs. (Mäenpää 22.04.2010, e-mail)

If there was an accident causing damages to the client's car and they go to some of the above mentioned dealerships they get a substitute car from Avis, in case they are the innocent party of the accident. Avis is in co-ordination with the dealerships to provide substitute cars for their customers. All of the dealerships' substitute cars come only from Avis. In case of being the innocent party of the accident the customer can get a substitute car which is paid 94 per cent by opponents insurance company and the customer has to pay 6 per cent of the substitute car usage price themselves.

In addition, in case the customer wants a substitute car while their own is being overhauled or repaired and they go to some of the above mentioned car shops, the substitute car comes always from Avis. (Mäenpää, 27.04.2010, e-mail)

Avis renting software 'Wizard' is one of the first computer programmes made for car rental agencies, and it is still the only software that is used all over the world in every Avis office. The software is up-to-date at all times, and there can be

seen the rental situations of all the locations worldwide. This prevents overbooking and other inconvenient things for the customer.

In Turku area Avis has all together six employees. They take care of the paperwork, service in the offices and all other things that are needed for a successful car rental: for example making sure the car is clean and with no faults (if there are faults, they are usually only scratches or some other small defects which are already registered to faults and the customer won't be blamed for them after the rental period). The faults are detected always at the end of each car rental when the car is brought back to Avis. Bringing the cars to the customers at the appointed times and places is also a part of Avis' employees' everyday work.

#### 3.2.4 Customers in Turku region

Avis Turku segments their customers in five different categories:

1) Inpound; the customers coming to Turku from abroad

Business travellers and all individual car renters that come from abroad and rent a car in Turku area form the Inpound-segment.

2) Small and medium-sized enterprises

All small and medium-sized enterprises that rent cars for their employees' business trips.

3) Leisure-time travelling

All the people who rent a car for their own needs. These might be tourists from abroad or anyone who comes to rent a car for private use.

4) Substitute car operations

Avis has co-operation with different dealerships, among others Turun autohalli, Veho and Rinta-Jouppi. This means that when dealerships' customer's own car

needs overhauling or they for example due to some kind of accident need a substitute car for some time, they get the substitute car from Avis.

Avis has substitute car operations also with insurance companies such as Fennia and Op Pohjola and their customers get Avis' car in case of being the innocent party of an accident. (Mäenpää, 23.04.2010, e-mail)

#### 5) Hansel Ltd.

Hansel Ltd. is an important unit of the Finnish Government. It puts different products and services needed by the Government out to tender. In the tendering process Hansel chooses skeletal agreement –suppliers which in practice means that the Government and civil services departments have to use the chosen skeletal agreement suppliers whenever purchasing acquisitions that are tendered out. Hansel puts car rental firms out to tender every fourth year, last time in spring 2009.

(<http://www.hansel.fi/en> [referred 01.05.2010], Mäenpää 27.04.2010, e-mail).

Percentages of how large parts of all the rentals the five above mentioned groups of customers make in Turku area is confidential information and therefore these facts can not be revealed in this thesis.



## 4 SURVEY AND THE RESULTS

The survey was conducted to get an overview about companies' attitudes, knowledge and habits concerning car rental. Like it was mentioned before, the main focus of the survey's questions are on employees' business trips. The survey consists of 13 questions (see appendix 2). The first two questions were set to get an idea of the companies' backgrounds. Ten questions are related to the car rental and the last question is really important for finding out which of the respondents that have completed the survey are interested in further contact with Avis and learning more about car rental.

### 1. How many employees do You have in Your company?

Amount of answers: 34

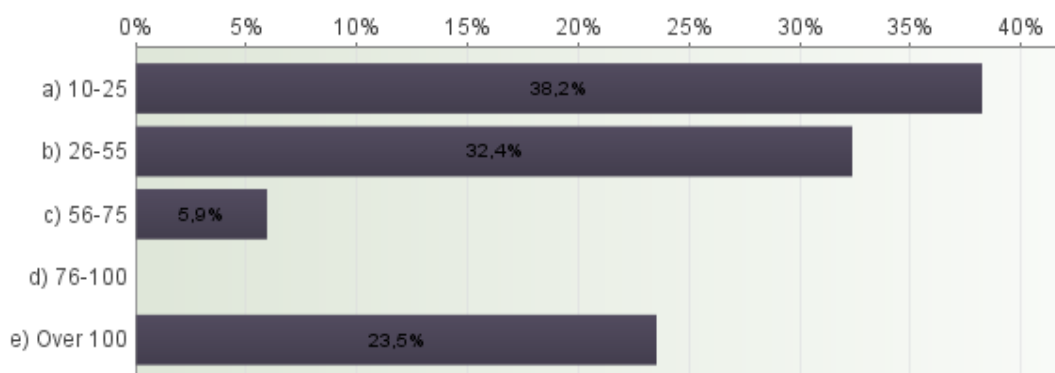


Chart 1. Amount of employees in the companies.

The definition of small and medium-sized enterprises in Europe is that they have more than 10, but less than 250 employees. The companies having less than 50 employees are categorized as small companies and companies with less than 250 employees are medium-sized enterprises. ([http://en.wikipedia.org/wiki/Small\\_and\\_medium-sized\\_enterprises](http://en.wikipedia.org/wiki/Small_and_medium-sized_enterprises) [referred 24.04.2010])

The results show that most of the companies that answered the survey have 10 - 25 employees. They make 38,2 per cent of all the answerers. Other 32,4 per cent of the answerers have 26 - 55 employees working in their company. These two groups are small enterprises.

The third highest amount of employees, making almost one fifth of all the answerers that completed the survey is over 100. This means that these are medium-sized enterprises. The least amount of companies have 56 - 75 employees and none of the 34 companies that completed the survey have 76 - 100 employees. For the companies that have answered having more than 100 employees it is hard to say if any of them are big enterprises, but for Avis it is not as important as the fact that they have many employees and this means that they are more likely to become regular customers than the smaller companies.

## 2. What was Your company's turnover from the last accounting period?

Amount of answers: 34

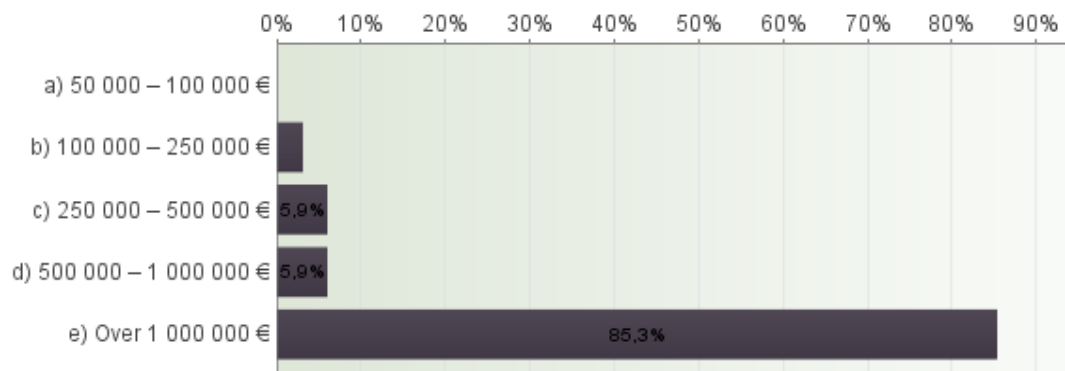


Chart 2. Companies' turnover from the last accounting period.

None of the companies had a turnover of 50 000 – 100 000 €'s. Only about 3 per cent of all the 34 companies had a turnover of 100 000 – 250 000 €'s. It is a very good thing from Avis' point of view that there are so few companies among

all answerers with such a small turnover. These companies surely have to watch very well what they put their money on, and thereby can be said that it is not likely that they pay their employees kilometer allowance or any kind of compensation for their business or working trips.

Turnover of 250 000 – 500 000 €'s and 500 000 – 1 000 000 €'s made both in total a bit less than 12 per cent of all companies. What is good for Avis is that 85,3 per cent of all the respondents work in companies that had a turnover of more than 1 000 000 €'s. Hereby it can also be noticed that the turnover is not dependable on the amount of employees.

Despite the fact that from the last question it is obvious to see that majority of the companies that answered the survey are categorized as smaller companies, trough this question we see that the majority of the companies have a turnover of more than a million Euro's from the last accounting period.

By looking at the results to this question it can be assumed that these companies have enough money that could be spent on car rental for employees' business trips, rather than to be used on paying the employees kilometer allowance or any other way of financially compensating employees' business trips.

### 3. How long are Your employees' domestic working trips?

Amount of answers: 34

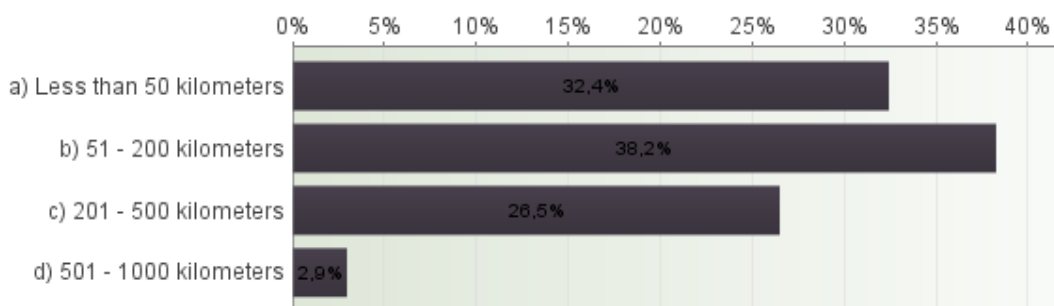


Chart 3. Length of domestic working trips in the companies.

From this question on the focus is on finding out the basic knowledge, experience and opinions towards car rental and business trips of the companies the survey was sent to.

The respondents who work in companies which employees' domestic working trips are under 50 kilometers makes a bit less than a third of all answers. If the employees do short working trips long-term car rental certainly isn't a good option for the company. They would probably need car rental only occasionally, if even so.

On the other hand 38,2 per cent of the companies' employees travel 51 – 200 kilometers to and from work. A little bit over a fifth (26,5 per cent) of all the companies' employees travel 201 – 500 kilometers. This is quite a lot and in this case if the companies pay kilometer allowance it would be really important for them to know that renting a car for their employees' business trips, using for example Avis Easy Car –concept would be a clearly cheaper option. The concept is really affordable for companies whose employees travel a lot on their working trips and who are being compensated the kilometer allowance or any other financial compensation.

The smallest part, 2,9 per cent of all the companies that answered the survey, have employees that travel 501 – 1000 kilometers on domestic working trips. This is only one of 34 companies. In case this company has left its contact information and wants to know more about car rental it would be good for them since they would get a chance to attain remarkable savings trough renting a car instead of paying kilometer allowance or other compensations to employees. Avis would Also benefit from a customer that travels this much, car rental would presumably be significant and regular.

#### 4. Do Your employees do any domestic business trips?

Amount of answers: 34

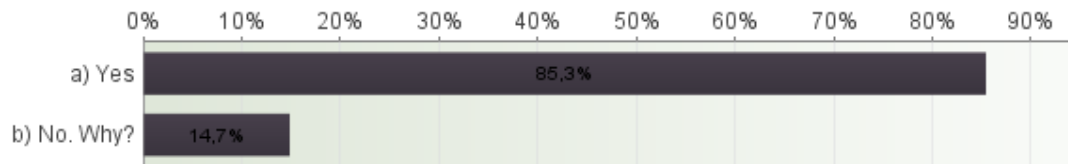


Chart 4. Do the employees in companies do domestic business trips?

With this question the point was to find out if the employees do business trips in home country. Business trips differ from working trips since business trips need to be done for the business, leaving the company for some time for example to have a meeting in some other location, meeting suppliers, or traveling for business to another town. Business trips are usually compensated with kilometer allowance or some kind of other financial compensation if the employees use their own car.

85,3 per cent of all 34 respondents say that in their company the employees do business trips. 14,7 per cent of answerers say that the employees do not do business trips at all. For the companies that answered their employees not doing any business trips, there was an additional question to receive a more detailed answer than just “no”. According to respondents’ answers the reasons for not doing any business trips is among others that the work is done from the office or that operations or work sites are near, therefore their employees do not have a need to do any business trips.

Avis needs to concentrate on the 85,3 per cent of the companies whose employees do domestic working trips. Avis should try to find out if the companies pay kilometer allowance, or some other financial compensation to their employees. Finding out that this large share of all the respondent

companies' employees do business trips is a very useful information since it means that 29 of 34 companies that answered the survey could be Avis' new possible customers for Avis since their employees do business trips.

#### 5. Do You pay Your employees kilometer allowance for domestic business trips?

Amount of answers: 34

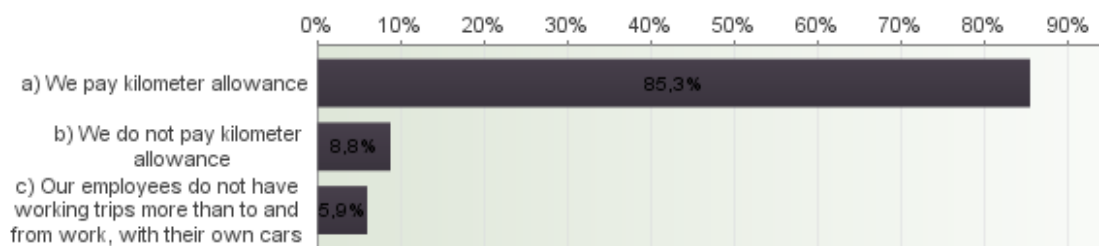


Chart 5. Paying employees kilometer allowance for domestic business trips.

In the last question it came up that 85,3 per cent of all the companies that have answered the survey have employees who do domestic business trips. Following, with this question the aim was to find out how do companies compensate their employees' working trips; do they pay kilometer allowance?

85,3 per cent out of 34 companies pay their employees kilometer allowance. At the same time 8,8 per cent of the companies answered not paying the kilometer allowance at all. Their employees supposedly pay for all travelling expenses themselves. 5,9 per cent of the companies answered that their employees don't have working trips more than home-work-home with their own cars.

85,3 per cent of the respondents are companies that do pay kilometer allowance, these might be Avis' possible customers and Avis should focus on implementing a way to reach all of these companies, intervening in the kilometer allowance –practie providing companies with clear information on car rental benefits and intrigue them to learning more about Avis' actions and

various money-saving options, such as Avis Easy Car –concept that it has to offer.

The companies should be introduced with the fact that car rental brings much more financial benefit to companies than paying kilometer allowance. Car rental brings clear savings especially if the business trips are regular and long.

In this question if the respondents have answered with option “a”, they move normally to the next question, but if the answer is “b” or “c” the respondents are automatically moved to question 8, in order to avoid any more questions about kilometer allowance since it is not practiced in their company.

6. How large part of Your employees do business trips, for which You pay them kilometer allowance?

Amount of answers: 29

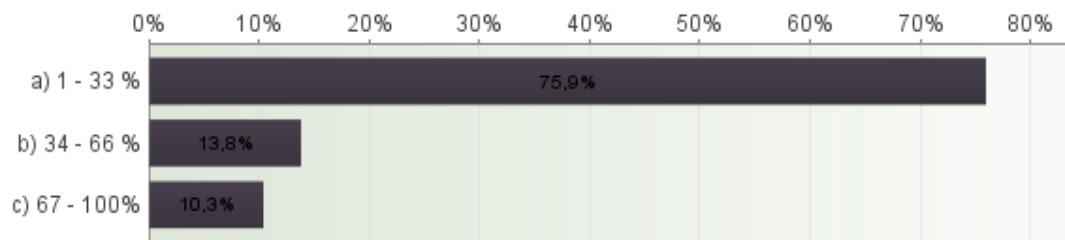


Chart 6. Employees that are paid kilometer allowance for business trips.

29 answerers that chose option “a”, in the previous question (question five) have been moved automatically to this question. The answerers that chose option “b” or “c” in the previous question were moved straight to question eight, to avoid answering questions about the same topic, when they have made it clear that in their company the kilometer allowance is not payed.

1 - 33 per cent of all the employees are paid kilometer allowance in 75,9 per cent of the respondent companies. In 13,8 per cent of the companies 34 - 66

per cent of the employees are paid kilometer allowance and the share of companies in which 67 – 100 per cent of the employees are paid kilometer allowance is 10,3 per cent.

If even 1 – 33 per cent from total number of employees are being paid kilometer allowance, no matter how large is the total amount of employees the money spent only on kilometer allowance is probably very large. All of the companies should most definitely be introduced with more financially profitable options for their employees' business trips than paying the kilometer allowance.

## 7. How have You come up to using kilometre allowance in Your company?

Amount of answers: 29

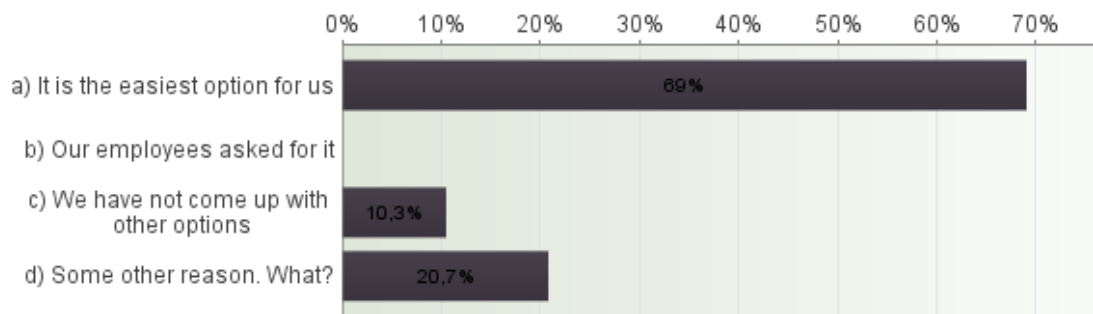


Chart 7. Reasons for using kilometer allowance.

Paying the kilometer allowance to compensate the costs for their employees' business trips is the easiest option for 69 per cent of respondent companies. None of the respondents said that the employees would themselves have asked to be paid kilometer allowance.

10,3 per cent answered that they have not come up with any other options which they could use instead of paying kilometer allowance. The 20,7 per cent of the respondents that have some other reasons on how come they have chosen kilometer allowance have given open answers to this option. Among others a couple of answerers mentioned that paying kilometer allowance is the cheapest option for their company. One answer was that employees in their



company are paid kilometer allowance because the collective agreement binds them to it and other reasons were that the employees travel the business trips by train or their own cars.

8. In case You have tried out car rental for Your employees business trips, which car rental firm have You used?

Amount of answers: 34

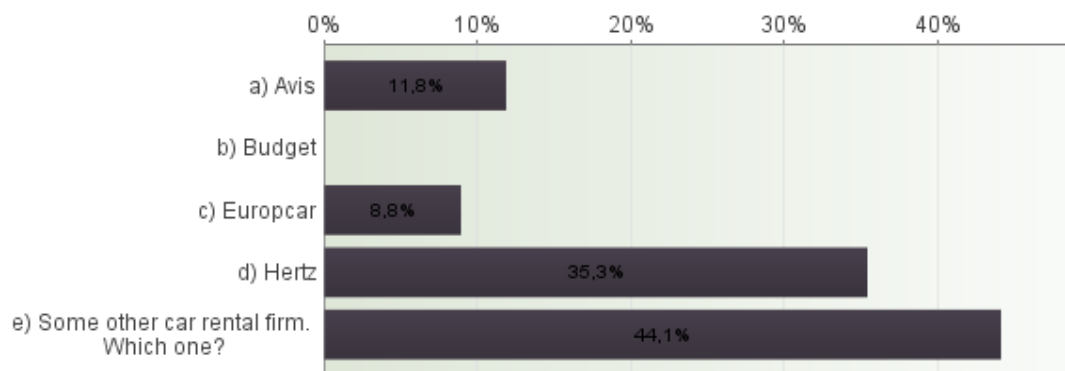


Chart 8. Car rental firms used for business trips.

This again was a question to which all 34 companies have answered. The most used car rental firm is obviously Hertz, with 35,3 per cent of all the answers. Avis' part is 11,8 per cent and Europcar's 8,8 per cent. By looking at these answers we can notice that Hertz is used almost three times as much as Avis and Europcar is used only 3 per cent less than Avis among all companies.

45 per cent of the answerers that chose option "e" gave their own answers to which car rental firm they have used. The answers were mostly that companies have not used any or do not remember which car rental firm was used. Some also said that the employees that do make business trips, make them with company's own cars and only one mentioned a different car rental firm that was not in the options, this being Sixt.

These answers did not provide new information because the fact who are Avis' biggest competitors was already on record. Avis needs to research for the

reasons why the situation is like this, and what it is that Hertz and Europcar do that Avis does not do. The competitors might have better campaigns or preferable offers to companies, but whatever it is Avis needs to find it out and step up with its own operations. Another way of tempting more customers is inventing something new and affordable to companies to be able to top Hertz's and Europcar's campaigns and offers.

9. Have You ever compared the expenses caused by kilometer allowance to possible expenses of car renting for Your employees' business trips?

Amount of answers: 34

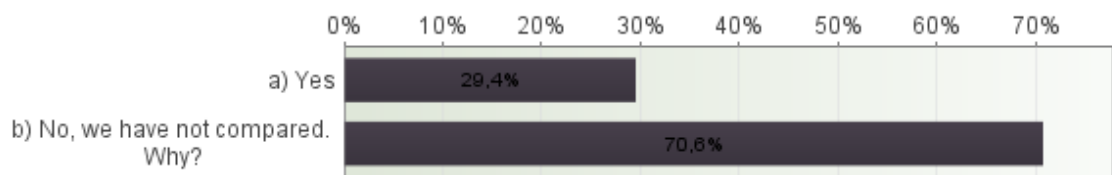


Chart 9. Companies comparing expenses between kilometer allowance and car rental.

29,4 per cent of all the answerers know that at some point in their company the expenses caused by paying kilometer allowance to possible expenses of car renting for employees' business trips have been compared. 70,6 per cent of the companies have never compared the expenses. The most frequently used reasons why companies have not compared the expenses between paying kilometer allowance and expenses of car rental are mainly that it has not come to their minds or that they do not have a need for it. Other reasons mentioned are that the companies' current expenses are quite low or there is so little driving and therefore they have not had a need to compare the expenses.

Other reasons are inter alia that car rental is used only when company's cars can not be used for example abroad or in other unfamiliar locations. One

company is binded with collective agreement of their business area and for them it is obligatory to pay travel allowance for home-work-home trips and the kilometer allowance is paid only for gig jobs.

10. If You have compared kilometer allowance to car rental where have You gathered the information You need? Here You can choose all the alternatives that You have used.

Amount of answers: 10

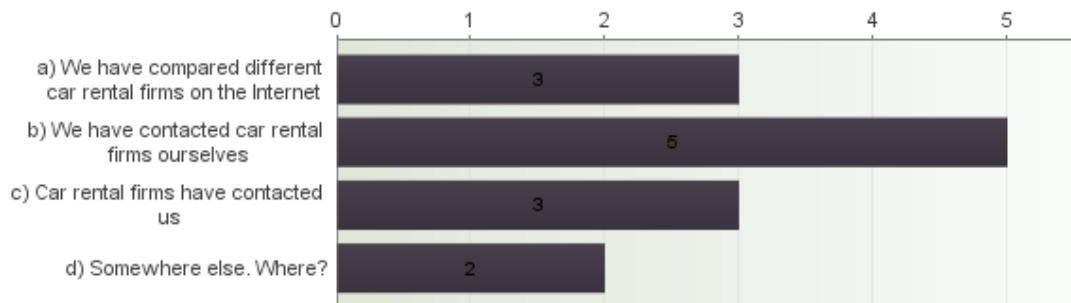


Chart 10. Resources of gathering information about car rental.

Questions 10 and 11 are meant only for the companies that have answered having at some point compared the expenses of paying kilometer allowance to car rental (question 9). Other respondents skip to question number 12, to avoid answering questions about the same topic since they have not compared the expenses due to different reasons.

Among the ten companies that have answered this question the results show that the Internet has been used three times, whereas contacting the car rental firms to get the information companies want has been selected five times.

Three of the companies have among other means of gathering information been contacted by the car rental firms and two of the companies mentioned gathering the needed information somewhere else, these being calculating the expenses themselves or gathering information from their own alliances.

11. If You have compared car rental prices to kilometer allowance, and You haven't decided to rent a car, why so?

Amount of answers: 10

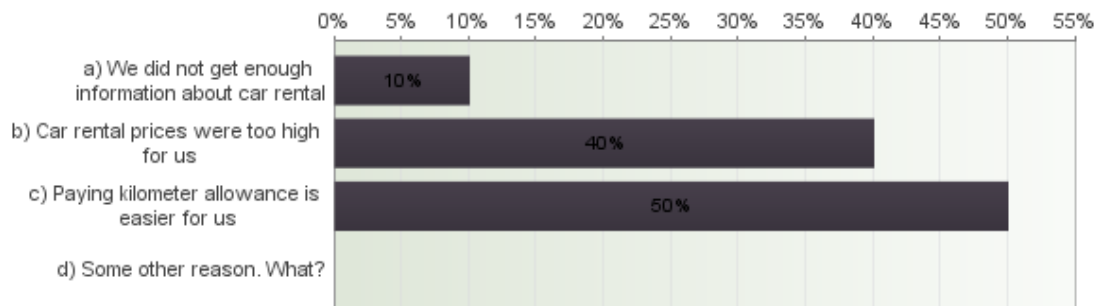


Chart 11. Companies' reasons not to rent a car.

Half of the companies responding to this question perceive paying kilometer allowance better, even though they have compared prices between car renting and kilometer allowance. It would be interesting to know what kind of information the companies have got about car rental if they after all prefer paying kilometer allowance. The share of the respondents who think the car rental prices were too high for them is 40 per cent. Only 10 per cent did not get enough overall information about car rental.

Avis should concentrate on the 50 per cent of the companies that have said paying kilometer allowance is still an easier practice from them. Avis should come up with a way to inform these companies that for example Avis Preferred –customers only make an agreement once and later on they only need to inform Avis when and where they need a rental car and for what period of time. This can be handled by for instance a simple phone-call. It would not be so hard as they might think, they are just probably not aware of different practices Avis has developed to make their customers' car rental experiences easier. All the information about the company to which the rental car is going to, is already in Avis' database and does not need to be repeated over and over again. Avis should find a way to inform companies that even though paying kilometer

allowance to the employees might be easy, on the long run it is not as financially profitable as renting a car would be.

For the 40 per cent of the companies that think car rental is expensive Avis could come up with special offers to attract their interest and introduce them to all of the benefits of car rental industry. One simple example of the benefits that Avis offers is that the car is brought fully tanked to the location needed. In this case the employee can travel straight to the needed destination, of course if it is not too far away, without making any slow-ups caused by a need to find a gas station and filling the car up. In case the business trip is a longer one the employee does not need to spend their own time in searching for a gas station when Avis' cars can be provided with a navigator for the time of the employee to be used efficiently.

12. What do You generally think about car rental? What do You know or don't know about it? Is there something that interests You? Here You can write all that comes to Your mind about car rental.

To this open question all the 34 respondents had something to say. People having different thoughts and opinions is always a good thing if something new and useful can be learned from it. The author has gone through the open answers and analysed them by searching for rallying points.

About quarter of respondents mentioned that renting a car is very convenient when travelling abroad. One of the companies mentioned renting a car in home country also, but only for far-away destinations, for example when travelling from Southern-Finland to Oulu or Kuopio by plane and renting a car at the destination. Some of the respondents that think renting a car is convenient abroad have not however even thought of using car rental in home country. Reasons for this, a reasonable ones, are that their employees either travel so little and the kilometer allowance -costs stay insignificant, or really a lot per person per year so they use maintenance-leasing cars or company cars.

The most important information provided for Avis from this question is that some of the respondents mentioned things they do not know concerning car rental and formed them into questions. One of the respondents simply said that Avis can let them know more about car rental. On the other hand someone else says that they do not have much knowledge of different rental combinations and they do not know if car rental is an option for leasing. One of the respondents mentioned a possible need for their company when travelling with a larger group of people:

*“We know there is a possibility to rent a car for 1+8 people, but what about renting a car for 1+16 people?”*

Via setting straight questions and openly saying things the respondents have set Avis an easy task, to provide answers to these questions. Avis now knows what kind of information is needed to be provided to these particular companies. Another good thing that should be done in addition of answering to companies' questions is to compile a data packet on general info and all different options and services Avis has to offer companies.

Many of the respondents have something positive to say about car rental in general. Respondents mentioned car rental being good also for a temporary need of a car; if respondents' own car would break down or would be repaired for a long time. They mentioned also that car renting is convenient when having a special need, for instance requiring a people carrier or a small bus for a group of people. Some think car rental is easy and fun and a useful line of business. Certain respondent has simply said that “car rental is an important practice when doing business trips in general”.

Some of the answerers say that car rental is expensive; one mentioned the reason for car rental being expensive is due to the new car fleet and they have set a question “why couldn't there be an older car fleet that is in a good shape?”

There were also a few companies that obviously do not have enough information on car rental or they have not used Avis when they had a need of renting a car and therefore have given a little bit negative-sounded answers to

the open ended question. One of the respondents said that when they have needed car rental services the selection has been small. The fact of how long ago they needed a car is not on record, but Avis in Finland has 16 car groups and there is for sure something for everyone's needs. One of the respondents was not sure if the car rental is easy and if the cars are in a good shape. Some respondents think the prices are sometimes high, when driving outside Finnish borders and accessibility of a car is not always enough for their needs, for instance when they need a fast takeoff to a site.

13. Can we contact You concerning employees' work / business trips and car rental?

Amount of answers: 31

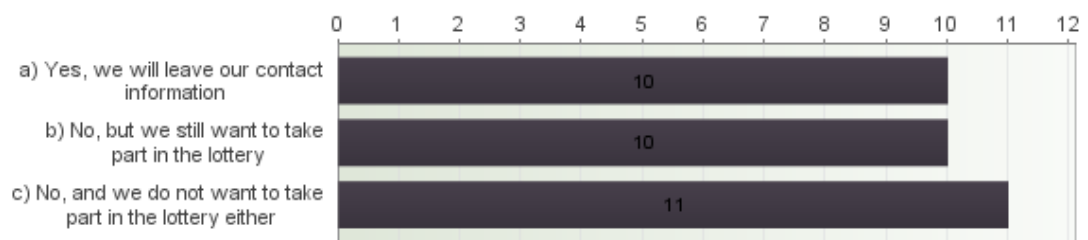


Chart 12. Companies leaving their contact information.

10 of 31 answerers to this question have decided to leave Avis their contact information. Avis can contact them and give them more information about car rental, its different options and answer their questions with a goal of making them new customers of Avis. They also want to take part in the lottery and have a chance to win Avis' car for a weekend. For Avis this is a good result; a third of all respondents want more information and are new possible customers to Avis.

Other 10 companies do not want to be contacted and informed concerning car rental in any of its forms, but still want to take part in the lottery. Their answers for the survey were still really important. It is good to find out all different opinions, thoughts and habits of different companies.

Really important are also the answers from 11 companies that did not leave their contact information and do not want to take part in our lottery. It is really nice that they were friendly enough to use their time and answer the survey providing still important information to help Avis improve its actions.

## **5 CONCLUSION**

The main aim of this thesis was to find answers to the research questions formed at the beginning of the process. What kind of experience, knowledge and opinions companies have about car rental in general and what are their attitudes towards car renting for employees' business trips. Another goals were to establish new contacts and to find new customers for Avis.

The overall process of conducting the survey, collecting and analysing the results and writing the thesis were pleasant. There were no large problems with the assignment. The only inconvenience was that even though a total response rate of 34 per cent provided good quality answers, the response rate could have been better. One of the problems why the response rate was lower than hoped is the challenge of getting in contact with the right people in the companies.

It can be said, by courtesy of the results, that answers to the research questions were provided by this thesis. Among the companies that have answered the survey the results can be generalized.

The common perceptions respondent companies have about car renting are mostly positive. Many respondents have complimented car rental as a very good and useful line of business, this meaning that their experiences and knowledge about car rental have been mainly good. Some companies that do not have the knowledge of things that interest them have had a chance to express their opinions and interests trough an open ended question. They formed their own thoughts into questions which is a very good thing because



now knowing what are the facts that companies want to learn more about, Avis can be well-prepared. Companies can be provided with the best info-package possible to attract their interest to using Avis' services.

Only a couple of respondents were unfamiliar with car rental -business in general; reasons for this were mainly that in their company there has not been a need to utilize car rental services since their business trips are close to none.

To point out a few results from the survey one of the most interesting things should be mentioned. It was quite surprising to find out that for instance in question six, when asked if the companies pay their employees kilometer allowance 75,9 per cent of the respondents answered that in their company the kilometer allowance is payed to 1 – 33 per cent of the employees. The amount is quite large. On the other hand when asking the reasons why kilometer allowance is payed many answered it being the easiest practice.

The challenge for Avis for the future is how to find a way to inform companies that paying kilometer allowance might be the easiest way for them to compensate their employees' business trips, but especially in the long run and in case the employees' working or business trips are very long, the kilometer allowance is not financially the most profitable practice. Avis should focus on implementing a way to reach companies, to intervene in the kilometer allowance –practice and to provide companies with clear information on car rental benefits and intrigue them to learning more about Avis' actions and various money-saving options it has to offer, such as Avis Easy Car –concept.

It will be easy to reach the companies that left their contact information. These count 10 of 34 companies. The amount is almost a third of all respondents, so the goal of establishing new possible contacts and making new possible customers to Avis trough the survey has been reached aswell.

Additional information provided by the survey is that in case companies are interested in finding information about car rental they will search for the needed information themselves whether the ways for this are contacting car rental firms directly or comparing prices on the Internet. Therefore Avis should take good

care of their website-maintenance. The Internet is a very important tool in gathering any kind of information nowadays and the web pages should be clear, up-to-date and easy to understand. When searching for information the author of the thesis confronted a few small problems with the functionality of the web pages. The information needed on international pages exist, it is just not always easy to be found. From the web pages in Finland the information is easily found although the information aimed to different companies should be easily available and clearly presented by a direct link to corporate-sites. Different target groups should be able to easily find options aimed at them.

For the future, the proposal to Avis is to find out what it is that their competitors do differently or better than Avis. What it is that should be improved. Avis is already strong in competition but to attain its position and top their competitors Avis should think if something new and attractive would be able to be discovered.

A way of doing a kind of competitor –analysis could be to conduct another survey, meant to measure companies satisfactory when renting cars from different car rental firms. The survey and the questions could be formed in a way that companies would be asked for instance to tell about their best car rental experience or some questions might be also to describe an ideal car rental situation; what is it that customers would really want. A good way of doing this kind of survey is not to keep the survey only theoretical but to try to make it a little bit fun and reasonable at the same time.

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[http://en.wikipedia.org/wiki/Small\\_and\\_medium-sized\\_enterprises](http://en.wikipedia.org/wiki/Small_and_medium-sized_enterprises)

Mäenpää, Kari 22.04.2010 e-mail "I need some info"

aida.huskic@students.turkuamk.fi

Mäenpää, Kari 23.04.2010 e-mail "I need some info"

aida.huskic@students.turkuamk.fi

Mäenpää, Kari 27.04.2010 e-mail "More questions"

aida.huskic@students.turkuamk.fi

## APPENDIX

### Appendix 1. Survey questions

1. How many employees do You have in Your company?

- a) 10 – 25
- b) 26 – 55
- c) 56 – 75
- d) 76 – 100
- e) Over 100

2. What was Your company's turnover from the last accounting period?

- a) 50 000 – 100 000 €
- b) 100 000 – 250 000 €
- c) 250 000 – 500 000 €
- d) 500 000 – 1 000 000 €
- e) Over 1 000 000 €

3. How long are Your employees' domestic working trips?

- a) Less than 50 kilometers
- b) 51 – 200 kilometers
- c) 201 – 500 kilometers
- d) 501 – 1000 kilometers

4. Do Your employees do any domestic business trips?

- a) Yes
- b) No. Why?

5. Do You pay Your employees kilometer allowance for domestic business trips?

- a) We pay kilometer allowance
- b) We do not pay kilometer allowance
- c) Our employees do not have working trips more than to and from work, with their own cars

6. How large part of Your employees do business trips, for which You pay them kilometer allowance?

- a) 1 – 33 %
- b) 34 – 66 %
- c) 67 – 100 %

7. How have You come up to using kilometre allowance in Your company?

- a) It is the easiest option for us
- b) Our employees asked for it
- c) We have not come up with other options
- d) Some other reason. What?

8. In case You have tried out car rental for Your employees business trips, which car rental firm have You used?

- a) Avis
- b) Budget
- c) Europcar
- d) Hertz
- e) Some other car rental firm. Which one?

9. Have You ever compared the expenses caused by kilometer allowance to possible expenses of car renting for Your employees' business trips?

- a) Yes
- b) No, we have not compared. Why?

10. If You have compared kilometer allowance to car rental where have You gathered the information You need? Here You can choose all the alternatives that You have used.

- a) We have compared different car rental firms on the Internet
- b) We have contacted car rental firms ourselves
- c) Car rental firms have contacted us
- d) Somewhere else. Where?

11. If You have compared car rental prices to kilometer allowance, and You haven't decided to rent a car, why so?

- a) We did not get enough information about car rental
- b) Car rental prices were too high for us
- c) Paying kilometer allowance is easier for us
- d) Some other reason. What?

12. What do You generally think about car rental? What do You know or don't know about it? Is there something that interests You? Here You can write all that comes to Your mind about car rental.

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13. Can we contact You concerning employees' work / business trips and car rental?

- a) Yes, we will leave our contact information
- b) No, but we still want to take part in the lottery
- c) No, and we do not want to take part in the lottery either

Contact form

Name, Surname: \_\_\_\_\_

GSM: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Company name: \_\_\_\_\_

Company address: \_\_\_\_\_

Business unit: \_\_\_\_\_