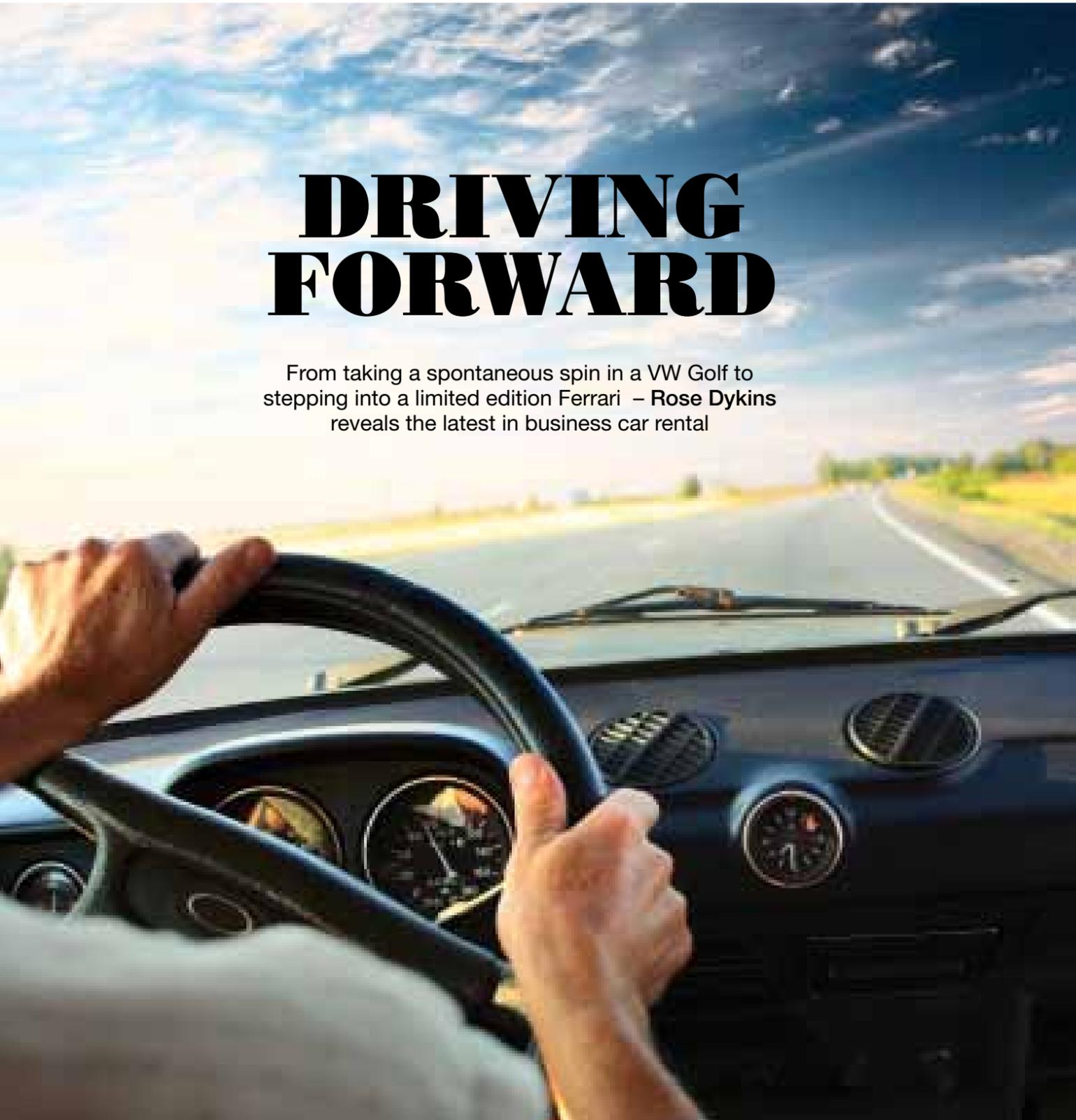


DRIVING FORWARD

From taking a spontaneous spin in a VW Golf to stepping into a limited edition Ferrari – Rose Dykins reveals the latest in business car rental



Car rental is moving with the times. The past few years have seen hire companies offering more flexible, mobile and specific rental options to cater for the diverse needs of today's corporate travellers. "Businesses are taking advantage of today's technology, looking for variable cost payment models, and pay-as-you-drive services," says Mark Walker, general manager of car sharing club Zipcar in the UK. Here is a round-up of developments in the UK rental industry.

Car sharing

In January, Avis Budget Group paid US\$500 million to acquire Zipcar – a car sharing company that began as a US start-up in 2000. This move has been interpreted as a nod of approval for the car-sharing model – where a hire company provides a fleet and customers locate and collect the nearest vehicle in this shared reservation network.

While it's not exactly mainstream yet, two million drivers in the UK used schemes like this in the past year, and it's predicted that 14 million people in Europe will be car sharing by 2020. It's particularly suited to SMEs (small- and medium-size enterprises), and for those who make frequent short trips around a city by car, perhaps with items that can't be stuffed into a briefcase.

"A typical customer will save over £3,000 a year compared with owning a car," says Zipcar's Walker. "For businesses, it's extremely flexible because you've got no capital outlay. We can also ensure that some vehicles are only available to the employees of a particular business during certain times."

There is also scope for car sharing to be a feeder for commuters to and from UK airports. "Now that we have partnered with Avis Budget Group, we're exploring ways to leverage its network," Walker says. "Around airports and train stations, members can use the Zipcar service to do that 'last mile' and get from a transport hub to where they want to be – we've now launched a car at London City airport." With Zipcar's London rates costing from £5 per hour (on top of the annual membership fee), this may be cheaper for some airport-goers than taxi journeys – though only for day return trips because of the hourly charges, and the car must be returned to the same space.

Other hire firms, such as Enterprise Rent-A-Car, are offering car sharing services that help businesses to run a car-pooling service. Employees use Enterprise's B2B reservation tool to book dedicated rental cars for their journeys. "With regular company pool car systems, somebody has to keep hold of the keys, keep track of who has what car and when they need to return it," says Rob Ingram, director of business rental for Enterprise Rent-A-Car. "Our technology manages all of that for you."

Enterprise's B2B tool allows businesses to monitor how they are using the vehicles, and highlights how they could do so more efficiently. "We can track the details of when the person entered the vehicle and how long they drove it for, which helps companies to determine how many vehicles they actually need," Ingram says.

SHARE SERVICES

WHO? Hertz

WHAT? Hertz On Demand – customers reserve cars by the hour through the iPhone app, then travel to the nearest car, unlock it with a fob (which has been sent to the customer beforehand) and then return it to the same spot.

CARS Ford Focus, Ford Fiesta, Fiat 500, Mitsubishi i-MiEV, Nissan Leaf, Alfa Romeo MiTo, High Top Transit (LWB).

WHERE? In the UK it's currently only available in London, with plans to expand.

hertzondemand.com

WHO? Zipcar

WHAT? Zipcar members reserve their nearest available vehicle online or via the Zipcar app – cars are parked around the city in designated spaces. They then unlock the vehicle with a smartcard (a Zipcard is sent to all members) or smartphone, and return it to the same space.

CARS Over a dozen models including Audi A3, Vauxhall Corsa, Volkswagen Polo and Volkswagen Transporter.

WHERE? Current UK locations are London, Oxford, Cambridge, Bristol and Maidstone.

zipcar.co.uk

Mobile technology

For some time, Avis, Hertz, Europcar, Sixt, Budget and Zipcar have had apps for booking cars via iPhone and Android devices – now it's a question of what else they can offer at the touch of a button.

Speaking to techcrunch.com last October, Zipcar chief executive Scott Griffith revealed the company's plans to update its app to offer a "digital co-pilot", which will provide information about the local area, as well as the option to sync your iTunes playlist with the car, and report damage or give feedback about its condition.

Hertz now offers an app specifically for navigation – the Neverlost My Explore app for iPhone and iPad uses augmented reality to turn your device into a map of your surroundings, and also lets you download GPS codes, view city guides, create a travel itinerary, and share your journey on Facebook, Twitter and Flickr.

Speeding up pick-up and drop-off transactions through the use of technology remains a firm focus. Last summer, Hertz began its "Travelling at the Speed of Hertz" campaign to promote new technology-driven initiatives to get customers on their way more quickly. Members of its Gold Plus Rewards loyalty scheme were awarded benefits that would speed up transaction times – such as "eReturn" technology, where they can simply drop off the car on their return and leave the keys on the dashboard, and "eReceipt", where any charges will be emailed to the customer within 30 minutes of returning the car. The latter is due to be rolled out in Europe imminently, while the former is exclusive to US customers for now.

Hertz also launched its first Express Rent kiosk in Europe at Heathrow airport last August. Having checked in online, customers can skip the queue and use the kiosk instead. It has a handset and webcam to connect with a customer service representative remotely – customers can pick up cars, pay by debit card, validate their driving licence and print out their rental agreement.

The kiosks are now up and running at Manchester and Birmingham airports, and there are plans to add them to London Marble Arch, Edinburgh airport and Stansted airport later this year. ▶

Luxury rental

Putting the gloomy economic outlook aside, renting a Jaguar XF 3.0 for a business trip is hardly the norm for most of us. That said, this niche area of the market remains consistent, as it caters for very specific needs. "We do a lot of replacement rentals for business hire – so if you drive a Jaguar or a Land Rover that's being serviced, and you want a like-for-like replacement," Enterprise's Ingram says.

It seems that where luxury rental is booming is with business travellers arriving into the UK. "Prestige rentals by inbound business travellers more than doubled in the first three months of 2012," says Ken McCall, managing director for Europcar UK Group. "The two major markets were North America and Australia. The domestic business travel market has shown smaller growth, with a 19 per cent rise year-on-year."

In March, Hertz added some top-of-the-range motors to its European Supercar collection. The Lamborghini LP570-4 Performante Edizione Tecnica (of which there are only 50 models in the world) and the Range Rover Vogue Autobiography have been introduced in the UK, while other new models include the McLaren MP4-12C and the Ferrari 458 Italia Spider Scaglietti. Fleets have also been expanded in France, Italy, Spain and the Netherlands.

"Business travellers are renting our Supercars for a variety of reasons, be it to land an important deal or simply for an unforgettable experience," says Hertz spokesperson Zoë White. "We recently expanded our Supercar offerings in Europe to cater for international and local market demand."

PRESTIGE PLAYERS

WHO? Budget

WHAT? Premier Executive range
CARS BMW 5, Jaguar XF, Mercedes S Class

WHERE? Locations including London, Heathrow airport, Manchester and Edinburgh
budgetpremier.co.uk

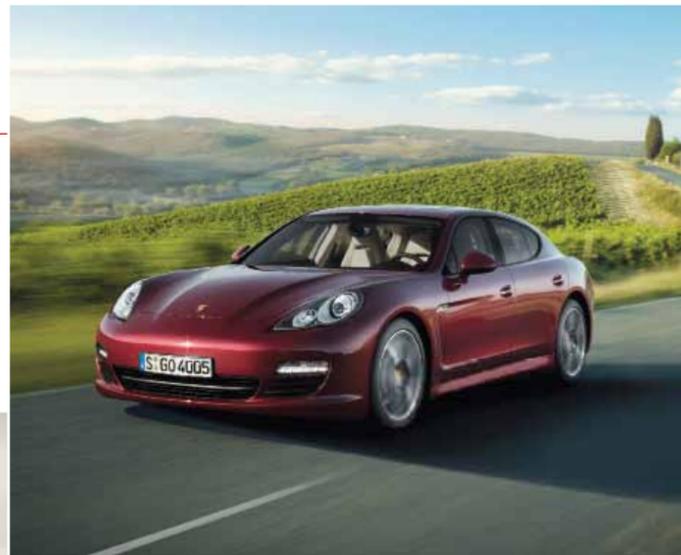
WHO? Avis

WHAT? Avis Prestige
CARS Audi A3, Porsche 911 Carrera S, Range Rover Evoque

WHERE? Locations including London, Manchester and Edinburgh city/airports
avisprestige.com

WHO? Europcar

WHAT? Europcar Prestige
CARS Mercedes Benz CLS, BMW 3/5 Series, Porsche Boxster
WHERE? Locations including London, London Heathrow and City airports, Manchester airport
europcar.co.uk



Green drive

The push for green car hire is slowly making ground. In February, transport secretary Patrick McLoughlin announced a series of investments and grants to encourage the uptake of electric car use, including £11 million for local authorities in England to install on-street charging points (covering 75 per cent of the cost), £9 million to fund charging points at rail stations, and £13.5 million to fund a 75 per cent grant for UK homeowners to have a charging point installed in their garage.

So while the network of charging points in the UK is limited for now, at least government commitment is there. In the mean time, it's consumer confidence that needs to be built up – only then will hire firms' see electric offerings really take off. The cars are already in their fleets, but they need to know that people are willing to give them a whirl before they invest in more.

"We did a pilot of having eight electric cars across central London – we put 12 charging points across the city, but didn't actually rent them to customers," says Enterprise's Ingram. "Instead, we used them for our pick-up service [where Enterprise can collect business customers and take them to a rental location rather than delivering the car]. Environmentally it was good for us, and it was also good to expose people to these vehicles."

However, Ingram says electric vehicles are still not where they need to be: "For business customers, the average distance is about the maximum range that one of these cars do, and that just isn't viable. Where I see this expanding is with car sharing. If you were travelling a maximum of 20 miles, you would have no hesitation in getting into a vehicle that has a range of 90 miles."

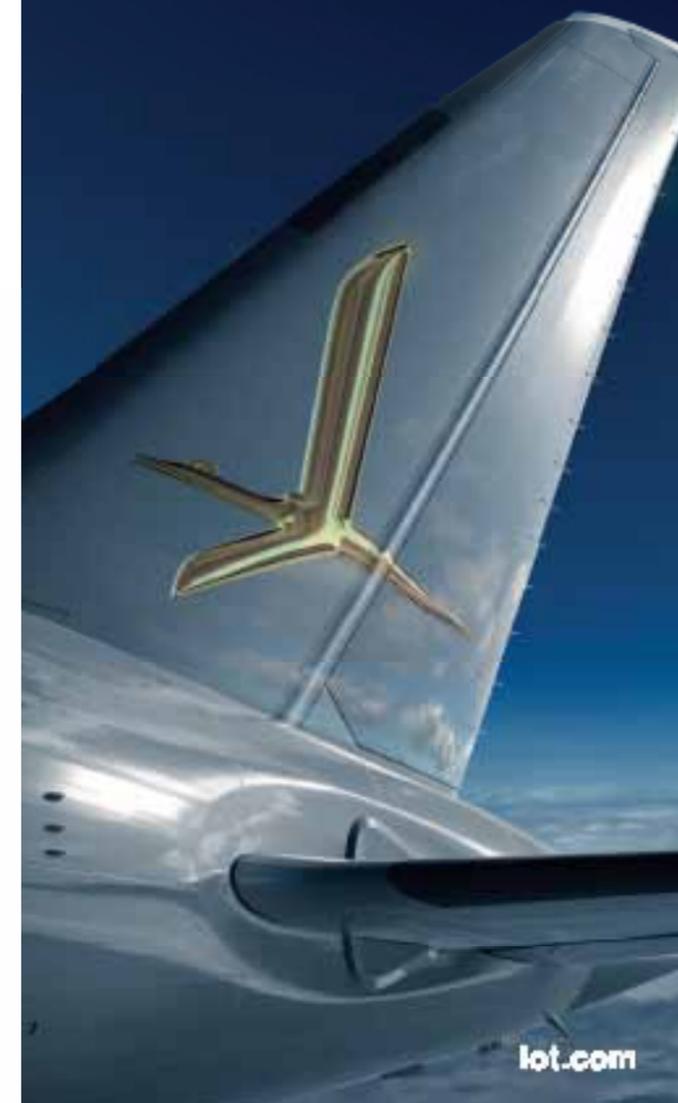
Still, Zipcar's Walker says that despite the short trips involved in car sharing, electric cars remain rather risky. "An all-out electrical car is still quite challenging for us because they are taken off the reservation system while they recharge, which takes a very long time. They also remain extremely expensive with a limited-use value. We have been piloting the use of Vauxhall Amperas for the past nine months, which are extended-range electric vehicles, where the internal combustion engine acts as a back-up to the electrical battery."

Before electric car hire can enter the mainstream, manufacturers need to solve the logistical problems it presents to both fleet buyers and consumers – including the high cost. "Our customers are intrigued by these vehicles and would like to try them," Ingram says. "It will be great when the quantities are to scale and when the cars match the expected price." ■



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