

The 2007 ARF David Ogilvy Awards Case Study

Title: *Fast and Furious: How research drove quick results for National Car Rental*

Agency: *Fallon; Client: Vanguard Car Rental USA Inc.*

Brand: *National Car Rental; Campaign: Green Means Go*

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Our challenge was to renew National Car Rental, a brand founded in 1947, that had recently been driven to the brink. National Car Rental's share of total renters had fallen from near 20 percent in 1995 to under 10 percent in 2003, when the company emerged from bankruptcy. Dwarfed by brands like Enterprise (near 40 percent share of total renters) and Hertz (near 25 percent), National saw a 40 percent plunge in net income in 2004. Since 2001, National's Emerald Club had lost 30% of its most active and lucrative customers.

Making matters worse, the emergence of online travel agencies like Travelocity and Expedia were further commoditizing the category by focusing on the transactional relationship. The competitive set did little to differentiate. Companies positioned themselves like traditional service brands, focusing on price and service. As a result, many travelers didn't see any great difference between the car rental companies. Within this gray landscape sat National with equally gray prospects. Compared to the direct competition, Avis and Hertz, National was dead last on virtually every measure: market share, brand penetration, familiarity, overall brand opinion, and consideration. Combined with National's lack of voice, the situation looked bleak. Hertz was spending \$3 for every dollar National had to spend (\$66 million), with Avis spending \$2 for every dollar (\$44 million).

Something had to be done...fast. Our challenge was clear: rejuvenate a brand with a long history of premium, innovative services geared specifically for the frequent business traveler.

Gearing up

In the competitive landscape of car rental, quantifying the target and outlining the business opportunity was crucial to strategic development (when aren't they?). So an early step for the team was the consideration of the business case. Using Simmons, we segmented adults who recently rented a car for business based on their personal

motivations (representing 14 million people). The result was a division into three equally sized segments:

- Renters primarily driven by perks and new experiences
- Renters primarily driven by convention and routine
- Renters primarily driven by control and the need to be self-sufficient

With this segmentation, you can see why the category seemed transfixed with price and service messaging. The ubiquitous promotional offers emphasizing choice of the car models, from bright red convertibles to off-roading Hummers, were clearly aimed at catering to the first group. And the constant campaigning about service and amenities was clearly aimed at the second group. However, a review of the competitive work only showed a fleeting interest in appealing to the third group. Hertz's "name in lights" service would perhaps resonate with the self-sufficient business renter, but the car rental brand was far from being committed to this strategic territory. (One of their recent TV spots featured, for example, the aforementioned convertibles and SUVs as amusement park rides.)

The opportunity for National seemed to reside with the third group for two main reasons. First, appealing to this group's desire to be in control and to avoid bad decisions was a promising way to avoid the category conventions—positioning on price or generic customer service. A distinctive message would be needed to reach these deliberate, strategic thinkers. Secondly, running the segments against brand usage illustrated that *Strategists*, as we called them, were predisposed to National. Nearly half (46%) of National renters were Strategists. Yet only 24% of Strategists used National, compared to 39% for Hertz and 33% for Avis. Targeting Strategists represented the best business opportunity for National. This became our communication objective: find a way to connect with Strategists and drive their consideration of National.

The need for speed

The challenge was clear: we had to escape the category blandness and jolt customers out of their slumber. Strategists, whose corporations likely had deals with *multiple* rental car companies, needed a reason to choose National. We needed to make National their personal choice despite the fact that they were corporate travelers. The way to make that connection—given what we had learned about the brand, the

market, and the managed traveler—was to build a strategy that reflected the customer’s rational mindset.

Thus, our decision was to single-mindedly focus on speed. Speed was the one attribute we kept running into: Customers were looking for it, consideration depended upon it, reporters were talking about it, and National had products that delivered it. Business customer data showed that speed was the most significant and relevant category attribute; it was what drove consideration of the business-oriented brands.

So we decided to see how important a speedy car rental process really was. We recruited business travelers who fit the Strategist profile and asked them to describe their experiences.



It was clear that frequent business travelers put a premium on speed and efficiency. Respondents expected travel service providers to be efficient masters of time management. They talked about their frustrations with delays: at the car rental counter, stopping to fill up the gas tank before returning the car, and waiting for a shuttle bus. Speed even influenced how they thought about membership programs. Frequent renters considered membership programs a "guarantee" of speed and efficiency.

The qualitative work validated our initial findings from market and brand data: our audience enjoyed traveling but would do anything to make it easier and faster. You could have all the amenities and customer service in the world, but it would all be for naught if the car rental process was slow.

Under the influence of speed

Armed with a viable business target, we made sure both the media planning and the work reflected the Strategist target and our desired message: a single-minded focus on speed. This would separate National from the competitors (none of which were standing out)—that, and a strong personality (which would demonstrate an obsession about helping customers get on their way).

We didn't have the resources to outspend the competition. Again, Hertz spent three dollars for every one of ours; Avis spent two dollars. Our goal was to appear bigger by being *more relevant*. While Hertz and Avis used expensive TV buys to wheel and deal, we targeted Strategists at perhaps an even more relevant connection point—the airport. Airport advertising reaches 81% of business travelers every three months; 58% every month (Arbitron). We optimized the media purchase by focusing on four airports in the top markets. Outside the airport, we used cable TV targeted to fit the Strategist profile. Morning or "scanning" programming was selected, taking advantage of when the target would be in their information-gathering mode, setting their plan for the day.

Speed is the medium and the message

The creative used form, not only message, to associate National with speed. In airports, speed detectors recorded the miles per hour of travelers as they walked and dashed past. The accompanying message was: "Move Faster—Bypass the counter—Choose your own car—Get an e-

receipt." Even the staccato copy reinforced the message of speed. Airport banners carried over the "move faster" theme and further instilled the unique brand personality, separating National from competitive communications: "Get to boring meetings quicker"; "Avoid our friendly employees."



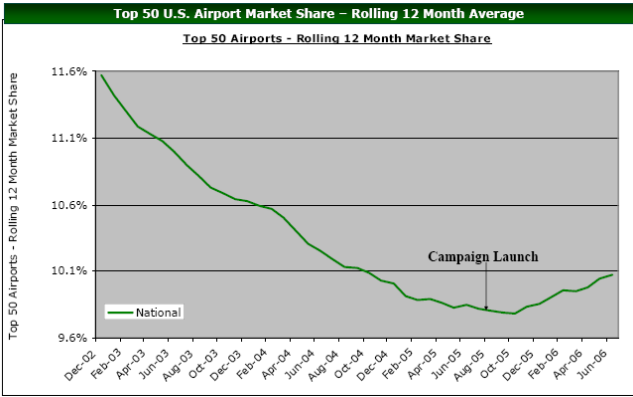
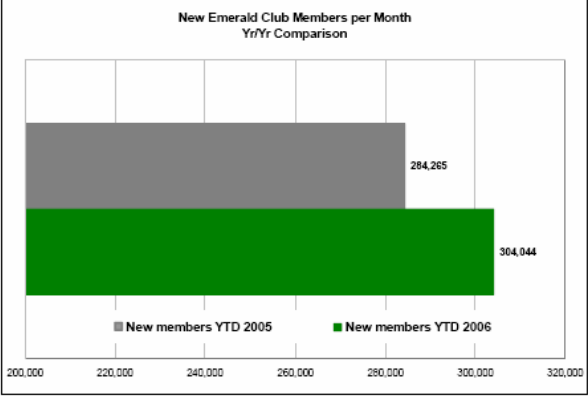
Using what we had learned from qualitative research, we were sure all creative equated National's membership program, Emerald Club, with the quickest way to rent a car. For television, we developed eight 15-second spots, supporting both the media strategy of appearing bigger and the communication strategy. The spot construction was simple: a mishap of the world's quickest interview, honeymoon, or fishing trip, contrasted by the quickest way to rent from National—Emerald Club. The on-screen titles followed copy of the airport banners—a staccato listing of reasons to believe in National's commitment to speed: bypass the counter, choose your own car, and get an e-receipt. The tagline—"Green Means Go"—was used across all elements: airport, TV, online, in-car, etc. Green, of course, reinforced our key attribute; the color is an important signifier across all touch points, especially at the airport. And the tagline consists of three speedy, hard-working words.



A speedy reversal for National

The 2006 National Car Rental campaign was about how the business and market situation made single-mindedness an absolute mandatory for success. It was also about how this realization influenced every decision, both strategic and creative. Every stage of development—from clarifying the business opportunity, to identifying the target, to the way media (traditional and alternative) were used—worked to express National’s single-minded focus on one key attribute.

What has single-mindedness done for National? The brand has experienced a significant turnaround since the campaign launch, including increases in revenue, market share, and Emerald Club membership.

<p>Consideration for National</p> <p>Among the “Strategists” target, consideration has increased 8%.</p> <p>[Source: National Ad Tracking Study, May 2006]</p>	<p>Rental Revenue</p> <p>January–July 2006 rental revenue up +10% over the same period in 2005.</p> <p>[Source: National rental revenue data, July 2006]</p>
<p>Market Share</p> <p>Through June 2006, National’s market share was up 0.3 pts, the first positive share gain for National in seven years.</p> <p>A sustained gain of 0.3 pts through December 2006 would represent an additional \$36M in revenue.</p>  <p>[Source: National Ad Tracking Study, May 2006]</p>	<p>Emerald Club Membership</p> <p>Since January 1, 2006, Emerald Club posted a 7% increase over the same period in 2005.</p>  <p>[Source: National Emerald Club membership reports, August 2006]</p>