

124 Johannes St
Fairland
2195

Cell: 082 455 5536
Tel: (011) 476-3932
Fax: (011) 678-9892

REPORT

CUSTOMER SATISFACTION INDEX

AUGUST 2002 TO **MAY 2004** CUSTOMERS

completed for
GRENVILLE WILSON



by

ALBERT VAN WYK

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THE IMPACT OF THE BRAND AMBASSADOR PROGRAMME ON AVIS EMPLOYEE MEASUREMENT

Markinor has conducted research measuring employee loyalty for Avis at two-yearly intervals since 2000. The 2000 and 2002 studies did not include the entire Avis staff, with 527 and 411 completed questionnaires being analysed respectively. In 2004, the survey included all staff members and 773 questionnaires were analysed. This means that we have to interpret the trends with caution. However, the shifts are so significant and the trends are so consistent that they tell a story.

Towards the end of 2001, the Avis Brand Ambassador Programme was launched. There was not enough time between the launch and the 2002 measure to pick up on the impact of the programme. In fact most of the measures were similar to the 2000 figures. This, despite a strong focus on communicating and getting the buy-in regarding vision, promise, value and culture in the preceding two years.

In our analysis of the trends between 2000, 2002 and 2004, the first indication that there has been a positive shift in the way in which Avis conduct themselves in the workplace since the Brand Ambassador programme is on three measures of behaviour: When asked how likely they were to be working at Avis two years from now, the positive response (very/extremely likely) moved from 58% in 2000 to 60% in 2002 and 66% in 2004. When asked whether they would recommend Avis as a good place to work, positive responses have remained relatively stable at 69%, 69% and 72% respectively. Then, an anomaly: when asked how likely they are to do things at work that are “above and beyond the call of duty” employees’ positive responses show a downward shift – from 91% in 2000 and 87% in 2002 to 81% in 2004. Although all of these scores are very high, the downward shift is interesting and in the light of all the other findings leads us to interpret this in a positive rather than a negative way. The shift means that employees have so internalized the ‘people-focus’ of the Brand Ambassador Programme that they have raised the bar for what they perceive to be behaving in a way that is “above and beyond the call of duty”. In other words, the people at Avis have taken responsibility for their own behaviour.

The percentage of Avis employees that are truly loyal has grown significantly since the 2000 measure of 36% and the 2002 measure of 35%. In 2004, the measure moved up significantly to 54%. Truly loyal employees are those that want to stay (positive attitude) and will stay (positive behaviour). Conversely the percentage of employees that feel trapped (will stay but don’t want to) has dropped significantly – from 22% in 2000 and 25% in 2002 to 13% in 2004. Further, the percentage of employees that are at high risk of leaving (don’t want to stay and probably won’t) has also dropped: from 31% in 2000 and 33% in 2002 to 20% in 2004. This represents a

significant impact on the bottom line, with retention of staff being less expensive than recruiting and training new staff.

The positive shift in measures of behaviour and attitude is reflected in a number of measures of employees' perceptions of interactions between themselves and Avis. Although there may be other factors impacting on the positive shift in these measures, the Brand Ambassador programme has been the major focus for Avis over the past two years and in the light of the stability of these measures between 2000 and 2002 must take most of the credit for the increase in positive perception of a number of areas that affect employees' experience at and attitude towards Avis. These areas include:

- Personal loyalty to Avis
- Perception of corporate reputation
- Personal relationship with manager
- Day-to-day experience at work
- Perception of a culture that embraces diversity
- Communication
- Perception of customer service

The positive shifts on specific measures for these areas can be seen in the following table:

Area of impact	Statement	% Agree/Strongly agree with the statement		
		2000	2002	2004
Personal loyalty to Avis	I believe Avis deserves my loyalty	68	63	85
	I really feel like part of the family at Avis	60	63	79
	I feel a strong personal attachment to Avis	59	57	75
Perception of corporate reputation	Avis is a leader in its industry	89	87	94
	Avis has a strong capable management team	66	64	73
	Avis is a financially sound company	84	81	90
Personal relationship with manager	Managers pay attention to how people feel at work	55	50	64
	Management makes clear what they expect from me at work	78	78	88
	My manager treats me with honesty, empathy and humanity	48	50	75
	I have a good day-to-day working relationship with my manager	49	51	78

Day-to-day experience at work	There is a good fit between the job I do and my skills and abilities	72	69	80
	Improvement values are a part of day-to-day work at all levels	72	74	80
Perception of a culture that embraces diversity	Avis is part of the new South Africa	42	61	71
	My culture and traditions are respected at Avis	60	61	70
Communication	I am given the right amount of information about Avis	55	63	75
	Information is communicated in a timely way at Avis	36	41	64
	Avis communicates in a way that considers employee's feelings	36	34	62
Perception of customer service	An attitude of service excellence is common throughout Avis	78	77	83

One area in particular needs further comment: Communication. The measures for communication have improved to the extent that in the 2004 survey, communication does not impact on loyalty, i.e. Avis is communicating with its employees in such a way that they no longer perceive it as an area needing attention – the need is being met. This is an extremely unusual finding – for most companies, communication scores are low and have a significant impact on loyalty. It appears that the Brand Ambassador programme has had an impact in an area that most companies struggle with and in which few companies succeed.

One of the strong messages in the Brand Ambassador programme was ‘Avis are “choose to” people’, and in 2004 a measure was included to test the buy-in regarding this message. In 2000 and 2002, the statement was worded, ‘My job is challenging in a good way’ – and scores were 60% and 65% respectively. In 2004, buy-in was confirmed with 91% of employees responded positively to the statement, “I choose to rise to the challenge of my job”.

Part of the brief for the 2004 survey was to directly measure perceptions regarding the Brand Ambassador programme. The following percentage scores further confirm the success of the programme.

Statement	% Agree/Strongly agree with the statement
Overall, I think that the Brand Ambassador programme is making a sustainable difference at Avis	71
The Brand Ambassador programme is making a positive impact in my immediate work environment	65
The Brand Ambassador programme has enhanced my interpersonal relationships within the work environment	71
The Brand Ambassador programme has equipped me with new and different communication skills	76
I have been able to implement my learning experiences from the Brand Ambassador programme in my overall day-to-day living	72
I have been able to sustain the energy and spirit of the Brand Ambassador programme in my work at Avis	63

THIS DISCUSSION HAS FOCUSED ON THE IMPACT OF THE BRAND AMBASSADOR PROGRAMME AT AVIS. THE REMARKABLE FEATURE IS THE CONSISTENCY OF THE POSITIVE TRENDS OVER A NUMBER OF DISPARATE AREAS AFFECTING THE WORKING ENVIRONMENT AND EXPERIENCE OF AVIS EMPLOYEES, AND THE CONSEQUENT POSITIVE EFFECTS ON ATTITUDE AND BEHAVIOUR, AFFECTING BOTH INTERNAL RELATIONSHIPS AT WORK AND EXTERNAL RELATIONSHIP WITH CLIENTS. THE RESULTS INDICATE THAT THE PROGRAMME HAS HAD A POSITIVE EFFECT ON THE WHOLE PERSON WITHIN THE ENTIRE ORGANIZATION.

CUSTOMER SATISFACTION INDEX

EXECUTIVE SUMMARY

The overall CSI score has declined steadily since September 2002, but lifted again since May 2003, above historic figures. The year-on-year figures since December 2003 have been significantly above the same months in the previous year.

A **summary** of notable aspects in this report include:

- After the decline in November 2003, the scores have increased in January 2004, February 2004 but declined again in March and April 2004. This month the CSI has reached its **highest scores ever** with the **overall CSI at 88.7%**. There are no scores below 80% with increases in every category;
- The **softer human interaction items** are historically consistently below the overall CSI, although it was above the overall in February;
- The **highest** items for May customers are:
 - Cleanliness (94.1%)
 - Courtesy collect (92.4%)
- The **lowest** scores for May relate to:
 - Value for money (80.0%)
 - Final charges (82.1%)
- Scores were **calculated by REGION** for the report. Region 120 has been divided into Cape Town area and the Eastern Cape; Region 140 has been divided into the Gauteng area and the Free State / Northern Cape areas.
- The **complaints** that were raised in the verbatim comments for May 2004, relate to the following:
 - The process at the counter takes very long.
 - Parking is difficult to locate. This still seems to be a consistent problem.
 - Vehicles with mechanical problems are given to customers.
 - Small things seem to make a big difference. Competitors give extra's like coffee, newspapers, free upgrades and sweets, and this is an issue with certain customers.
 - Availability of specific vehicles – one customer couldn't obtain any of 3 requested vehicles.
 - Vehicles which smell of cigarette smoke.
 - Prices are too high if compared with other car rental companies – often Budget is mentioned.
 - One concern that also comes up regularly in the verbatim comments is that Avis consultants aren't always easy to identify. Especially when returning vehicles.

It is **recommended** that:

- A qualitative study be undertaken to investigate the issue of charges and **value for money** and **satisfaction with charges**, which is consistently showing negative perceptions with national clients over time.
- A few clients suggested that Avis provides **maps in their cars**. It is especially helpful to foreign clients.
- It is suggested by customers that **more staff** should be available at busy stations on certain times.

PROJECT BACKGROUND

AVIS launched a monthly Customer Satisfaction Index research program in June 2002 (May 2002 customers). The sample was smaller for May and June 2002 customers and the questionnaire was adapted after completing July 2002 customer fieldwork. This report contains the combined data from **August 2002 to May 2004** customers.

PROJECT SCOPE

The **May 2004 sample** is **501** interviews for the AVIS CSI from the national rental client database. The **cumulative sample** for this report is **respondents**. The report contains feedback **per month** as well as **cumulative** figures.

The samples were drawn on a random basis from the list provided by AVIS. Due to random sampling, the proportional sizes of subgroups correspond to the list.

The current and historic figures are shown **nationally**, by **major station** (JHB, CT, DBN International Airports & all Other stations) and by **region**. The overall margins of error are as follows:

- National combined sample: AVIS sample: 10 954 Margin of error: 0.6 to 1.0
- Monthly national sample: sample: 500 Margin of error: 2.6 to 4.4

DIRECT FEEDBACK

All respondents who provided a very low score for any question were asked to explain their dissatisfaction. These responses, as well as ad-hoc queries and problems were recorded to form part of this report.

In this way AVIS can follow-up on any problems and/or queries which can be addressed and solved, e.g. incorrect accounts by forwarding the information to the correct person or department within AVIS. Separate **regional reports** have been generated, so that each regional manager can implement follow-up action and react appropriately to verbatim comments within his/her region.

QUESTIONNAIRE

- **With regard to renting your vehicle at AVIS, how satisfied are you with each of the following aspects:**
 - ◆ Q5: The correct vehicle being available at AVIS
 - ◆ Q6: The waiting time at the counter before you were served
 - ◆ Q7: The courtesy and helpfulness of the AVIS member at the counter
 - ◆ Q8: The speed with which the process was completed
 - ◆ Q9: The explanation of charges and conditions of your rental
 - ◆ Q10: The rental agent making you feel that at AVIS we try harder and that people are more important than cars

- **With regard to the vehicle you rented itself, how satisfied are you with each of the following aspects:**
 - ◆ Q11: The interior and exterior cleanliness of the vehicle
 - ◆ Q12: The mechanical condition and reliability of the vehicle
 - ◆ Q13: The vehicle make and model

- **In terms of returning your vehicle to AVIS, how satisfied are you with each of the following aspects:**
 - ◆ Q15: The accessibility and signage of the vehicle parking area
 - ◆ Q16: The waiting time before being served
 - ◆ Q17: The courtesy and helpfulness of AVIS staff
 - ◆ Q18: The accuracy of your final charges
 - ◆ Q19: The rental agent making you feel that at AVIS we try harder and that people are more important than cars

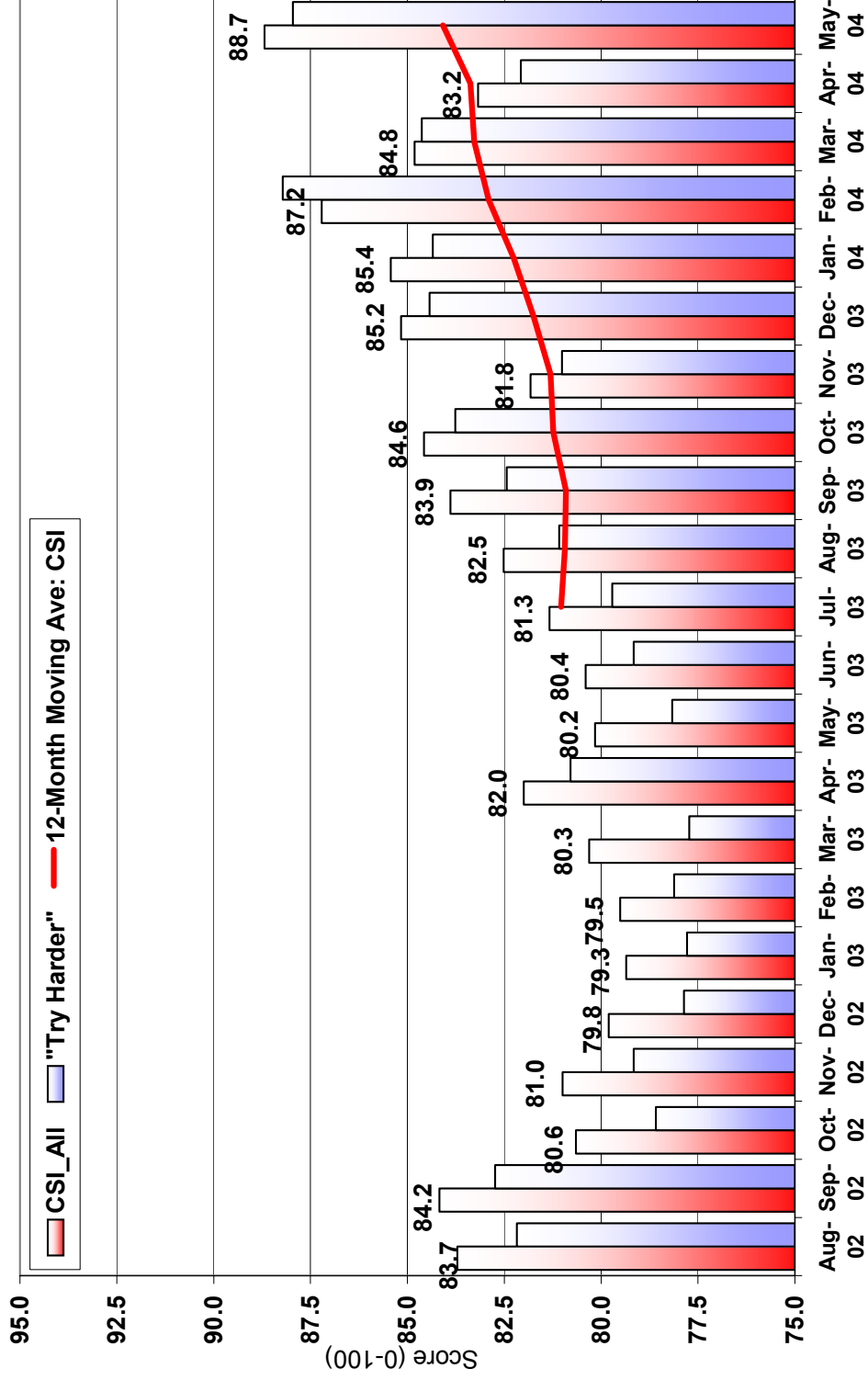
- **Thinking of your overall experience, how satisfied are you with each of the following aspects**
 - ◆ Q20: Your overall rental experience with AVIS
 - ◆ Q21: The value for money provided by AVIS
 - ◆ Q22: Service levels which motivates you to rent with AVIS again
 - ◆ Q23: Your overall rental experience making you feel that at AVIS we try harder and that people are more important than cars

The reports contains 2 CSI scores:

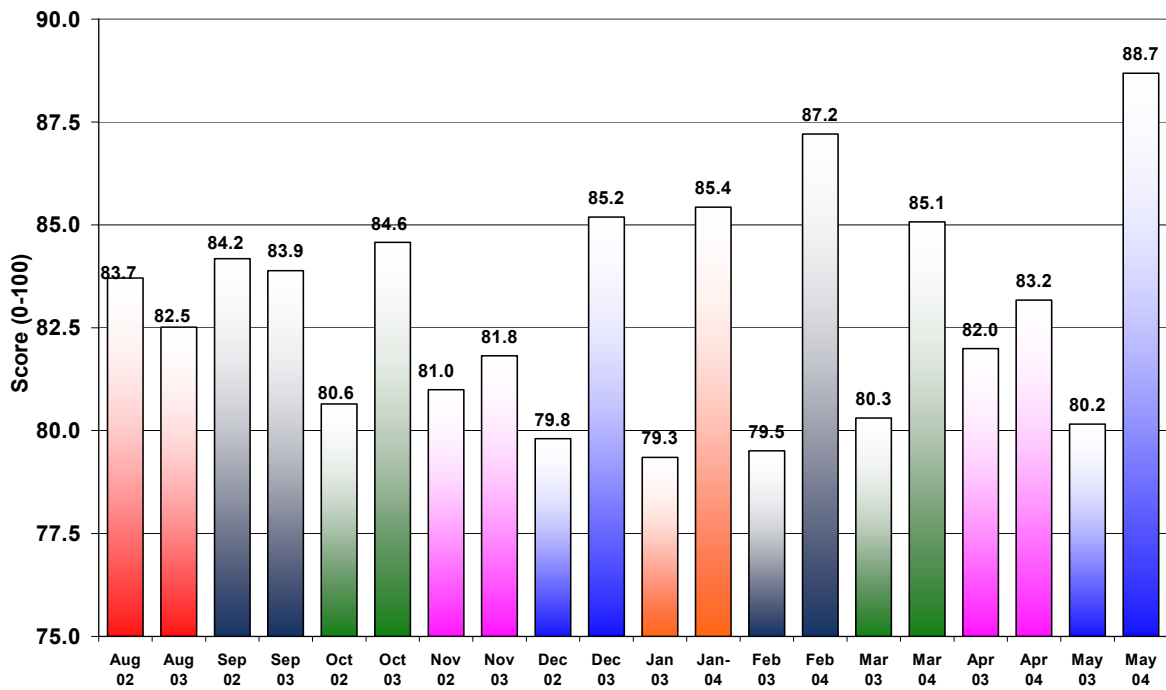
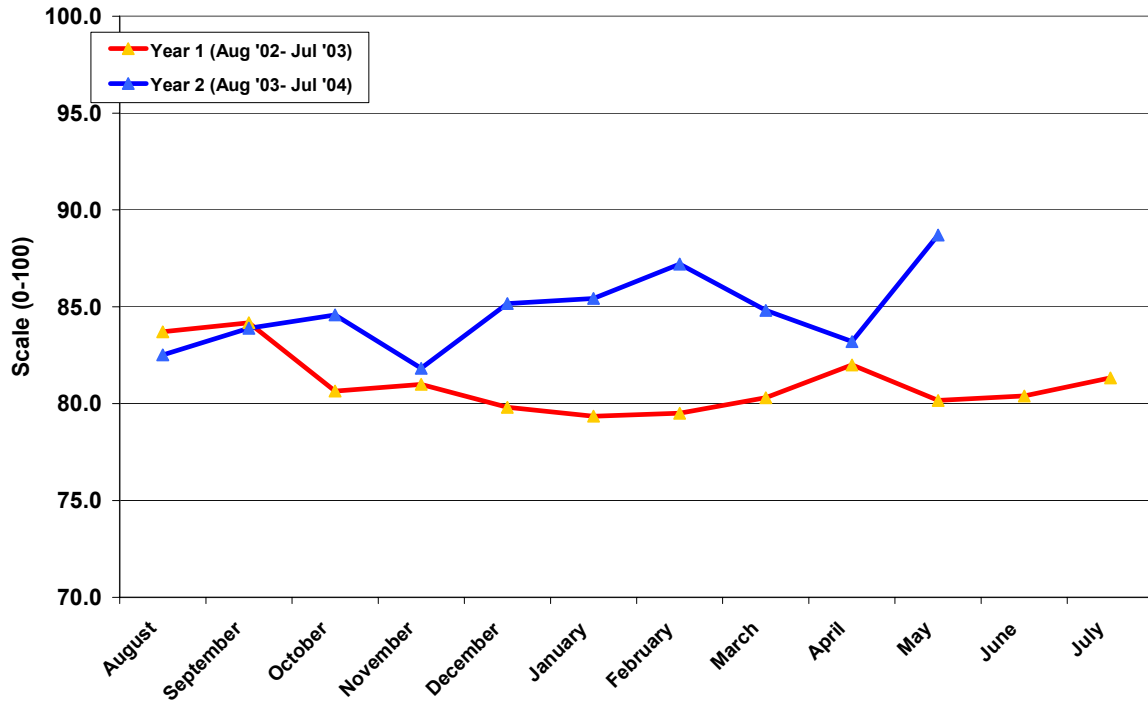
- An **overall CSI**, which is the combined score of all the questions above; and
- Experiences of “Avis trying Harder”, shown in blue.

RESULTS

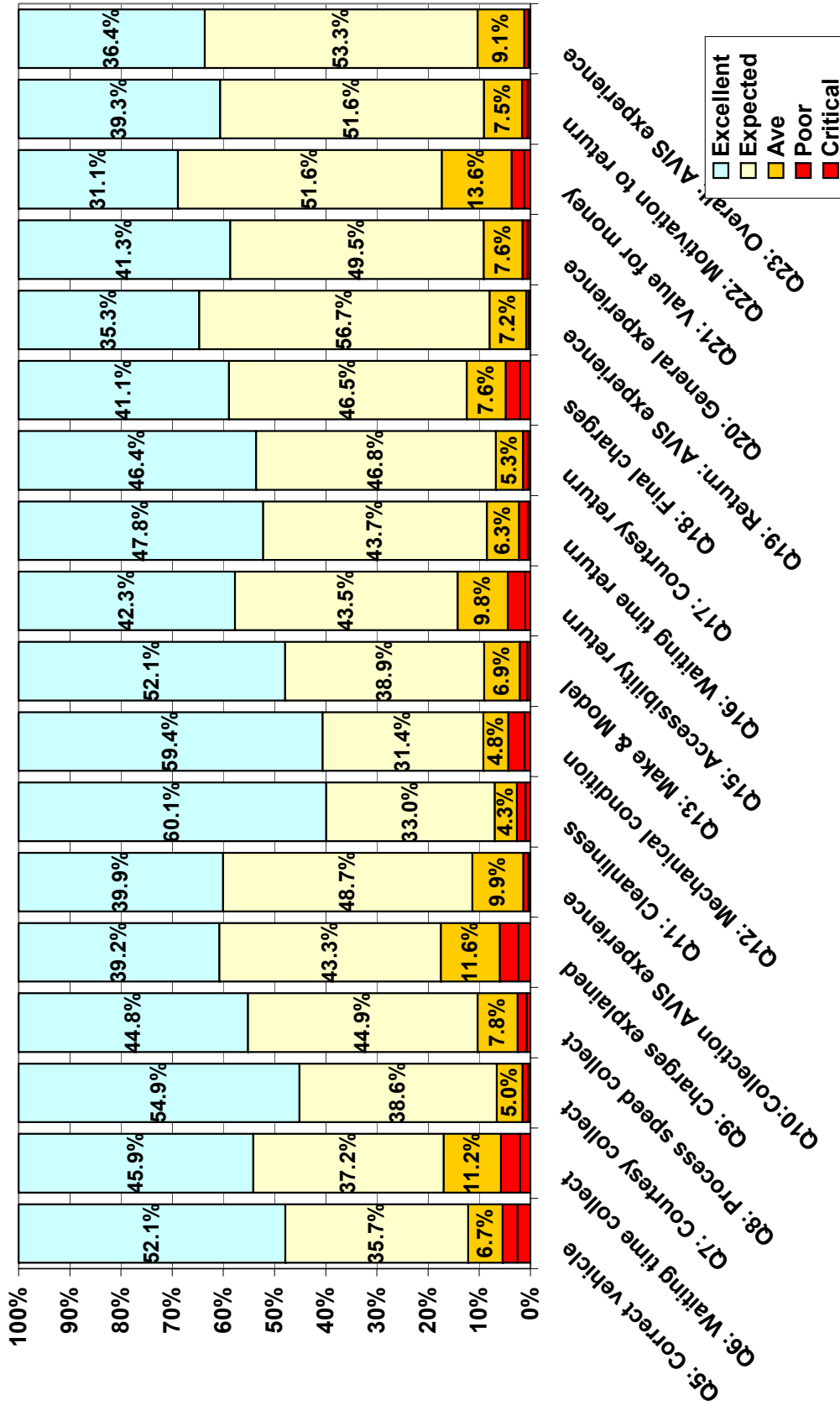
OVERALL RESULTS: ORGANIZATION



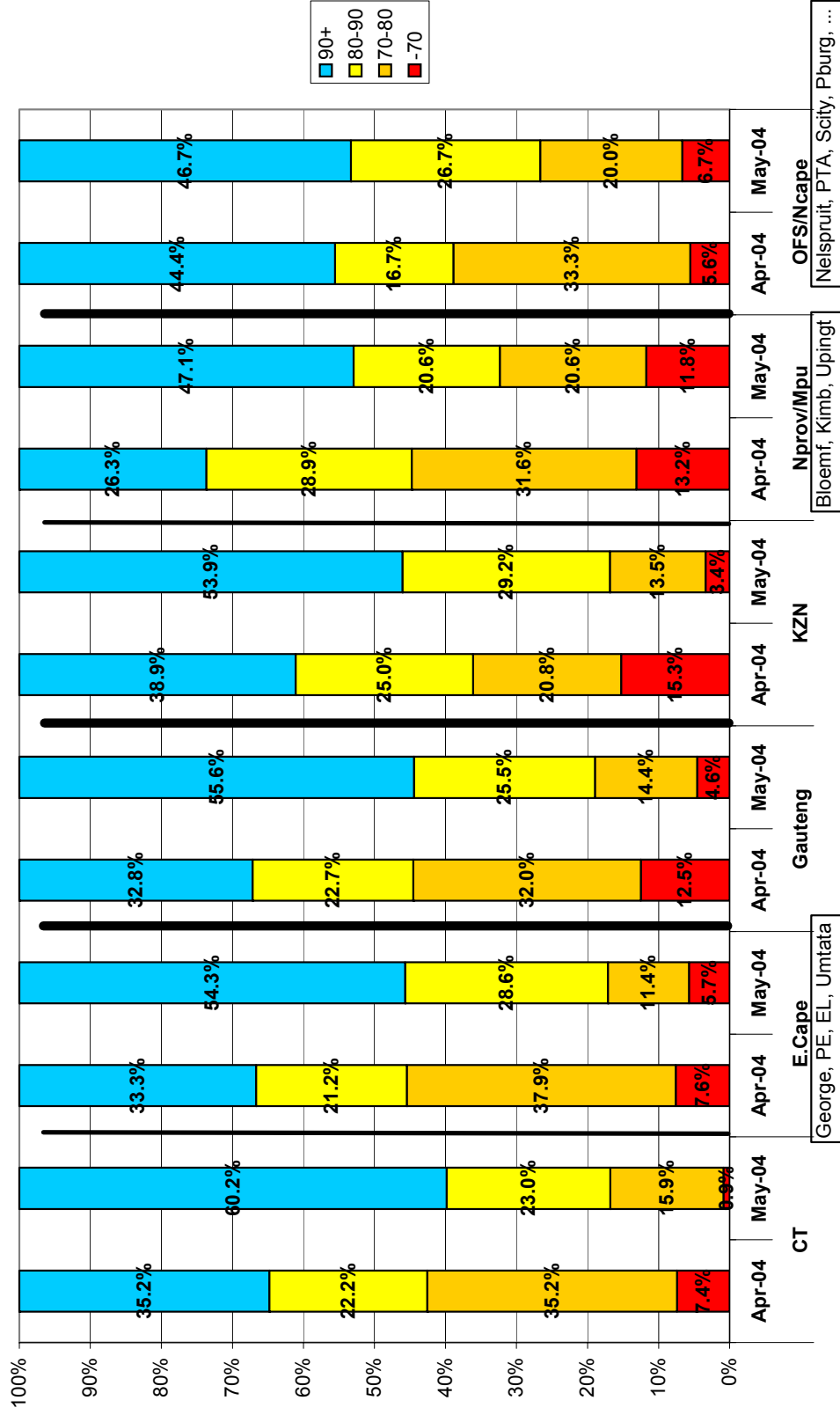
Year on year comparisons:



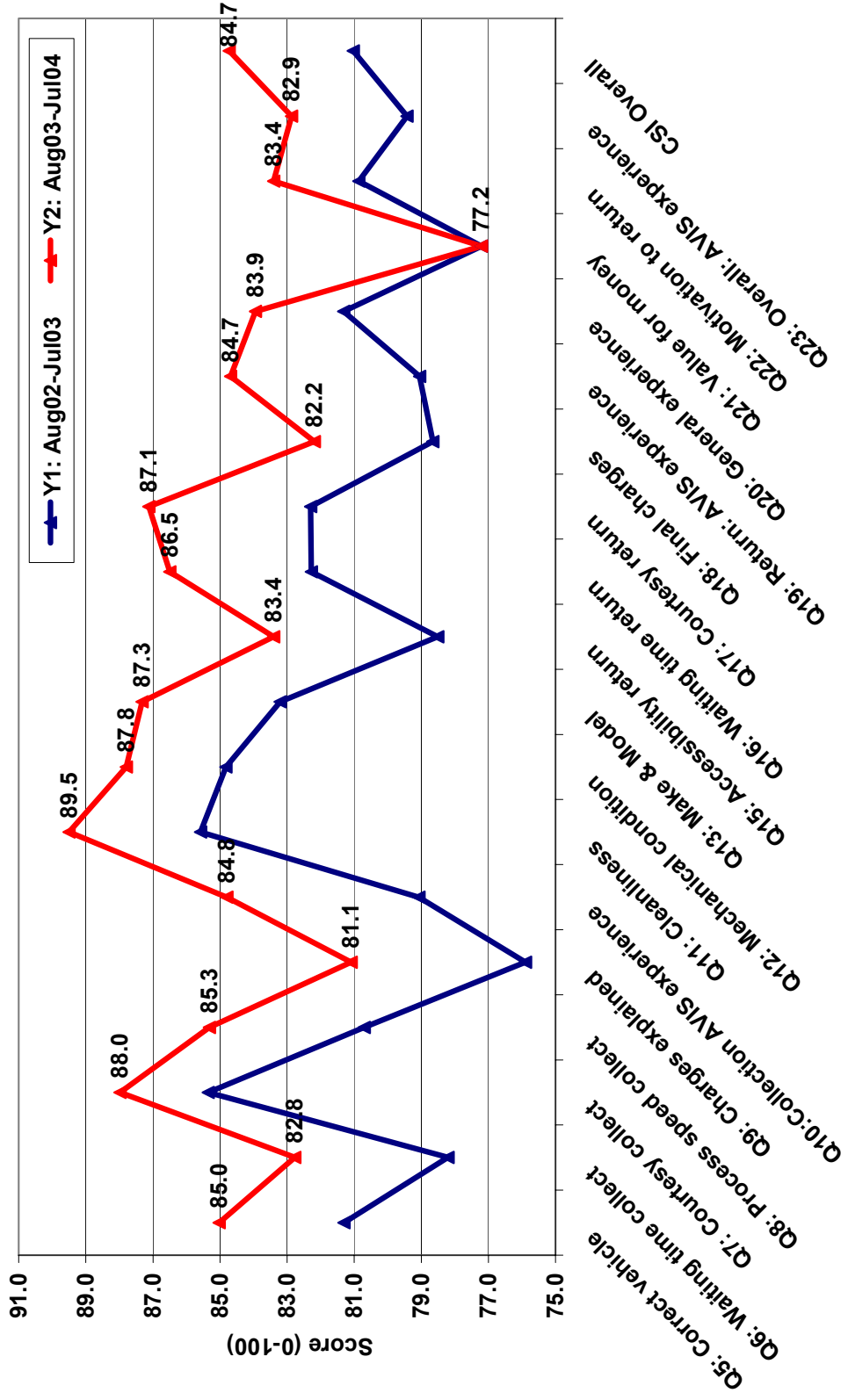
Cumulative summary: Percentage of respondents responding in each category:



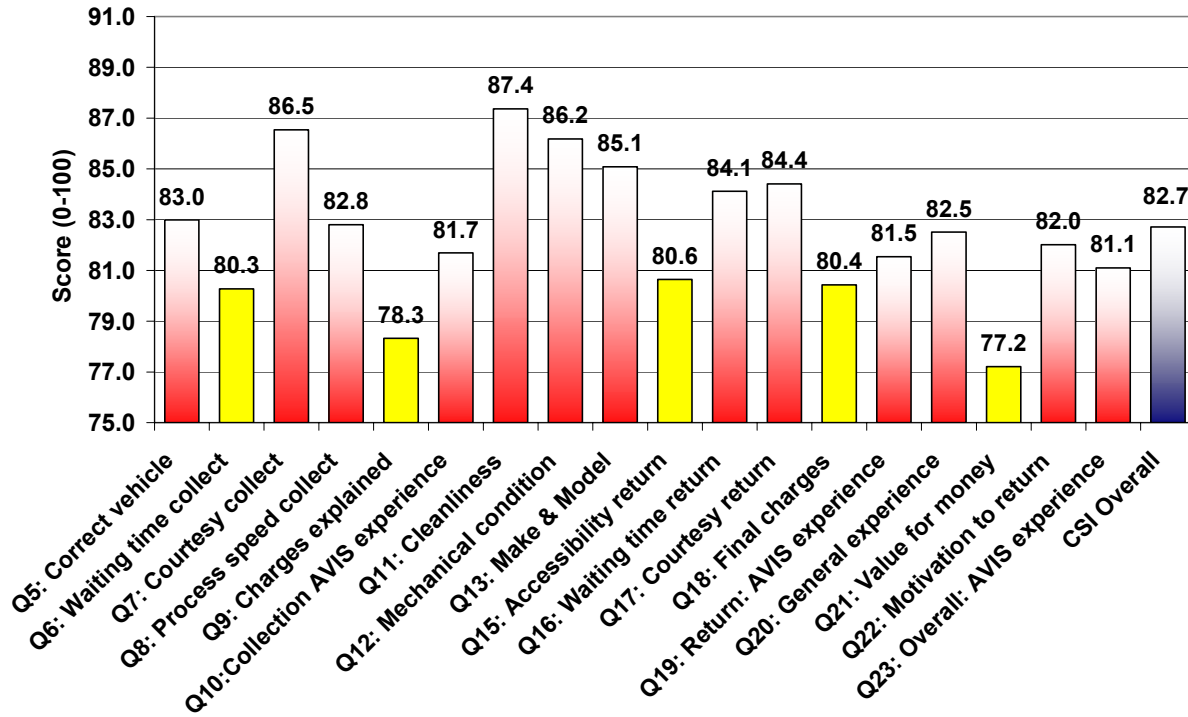
Summary: Previous 2 Months by Region: Percentage of respondents responding in each category – POINTS 60 -100:



Year on Year comparisons:



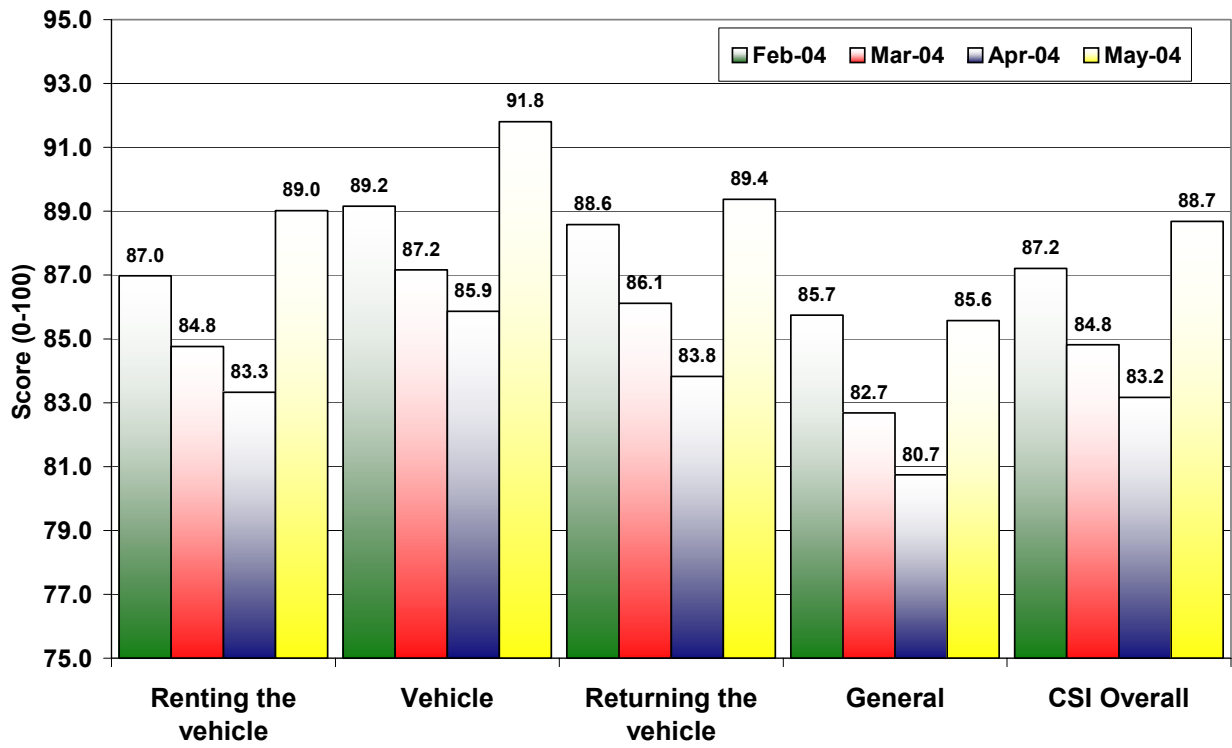
The following graph shows the **cumulative** scores for **August 2002 – May 2004** customers:



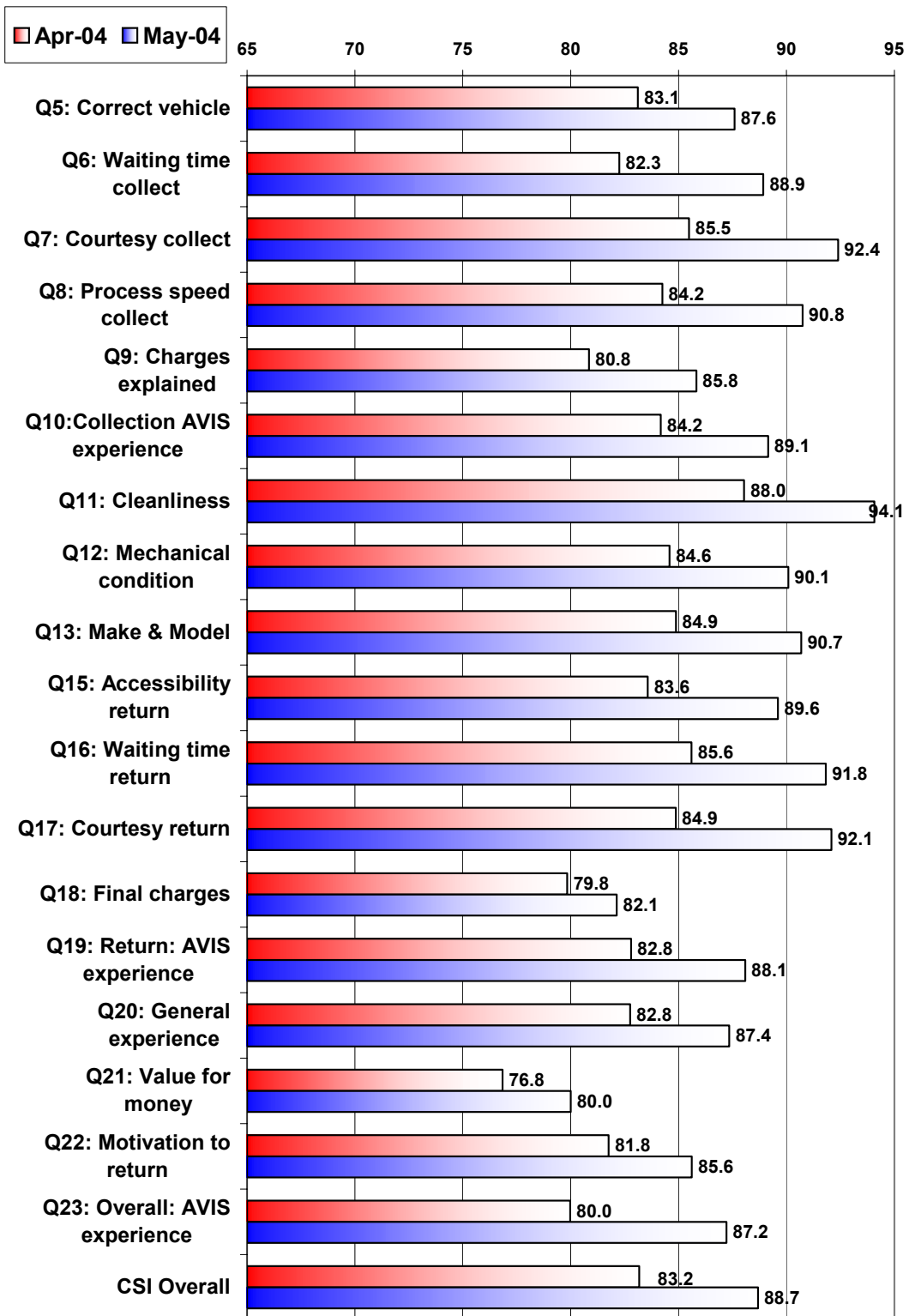
All items: last 4 months

Data	Feb-04	Mar-04	Apr-04	May-04	Diff
Q5: Correct vehicle	87.6	84.6	83.1	87.6	4.5
Q6: Waiting time collect	84.2	83.4	82.3	88.9	6.7
Q7: Courtesy collect	88.9	87.7	85.5	92.4	6.9
Q8: Process speed collect	87.3	86.2	84.2	90.8	6.5
Q9: Charges explained	85.4	81.1	80.8	85.8	5.0
Q10: Collection AVIS experience	88.5	85.7	84.2	89.1	5.0
Q11: Cleanliness	89.4	88.7	88.0	94.1	6.0
Q12: Mechanical condition	87.7	85.2	84.6	90.1	5.5
Q13: Make & Model	89.7	87.6	84.9	90.7	5.8
Q15: Accessibility return	85.6	85.0	83.6	89.6	6.0
Q16: Waiting time return	90.5	87.2	85.6	91.8	6.2
Q17: Courtesy return	89.8	88.1	84.9	92.1	7.2
Q18: Final charges	86.9	82.6	79.8	82.1	2.3
Q19: Return: AVIS experience	91.3	87.4	82.8	88.1	5.3
Q20: General experience	86.0	85.0	82.8	87.4	4.6
Q21: Value for money	79.9	78.4	76.8	80.0	3.2
Q22: Motivation to return	87.9	84.0	81.8	85.6	3.8
Q23: Overall: AVIS experience	86.7	81.0	80.0	87.2	7.2
CSI Overall	87.2	84.8	83.2	88.7	5.5

Grouped Indexes

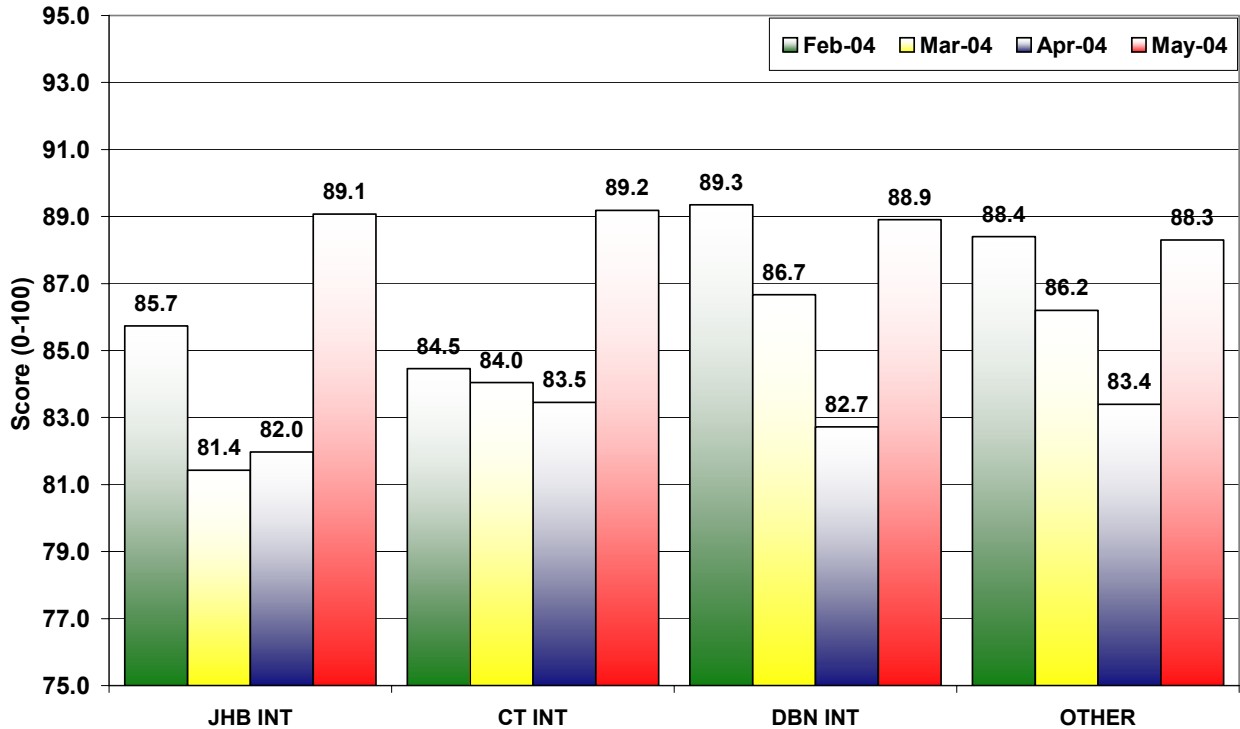


Two-month movement:

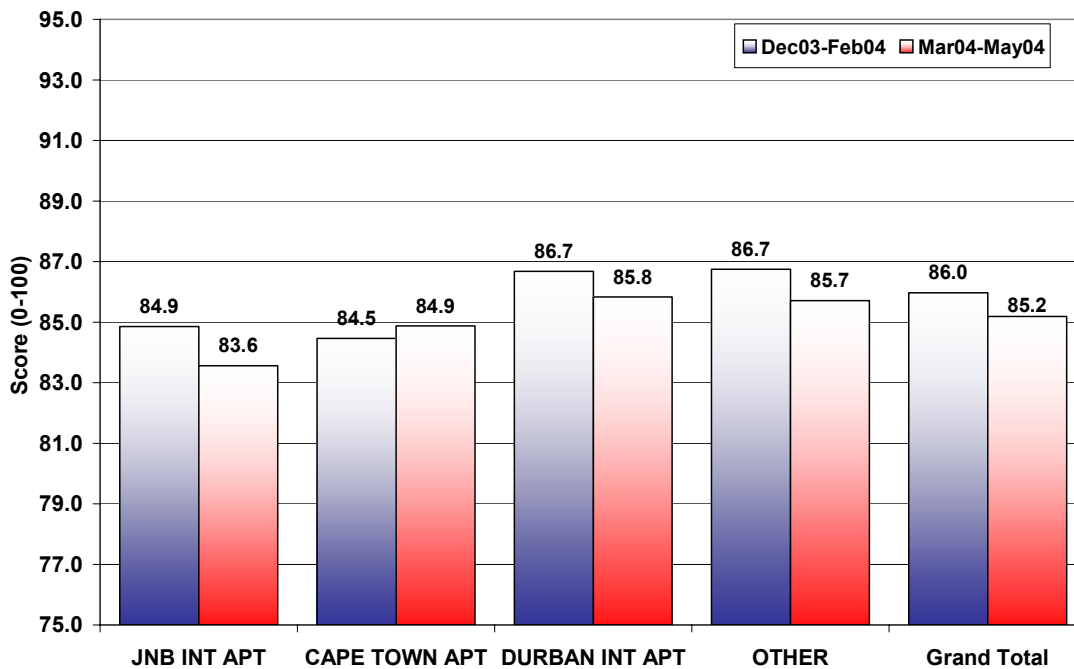


MAIN CENTERS: JHB / CT / DBN INT APT'S

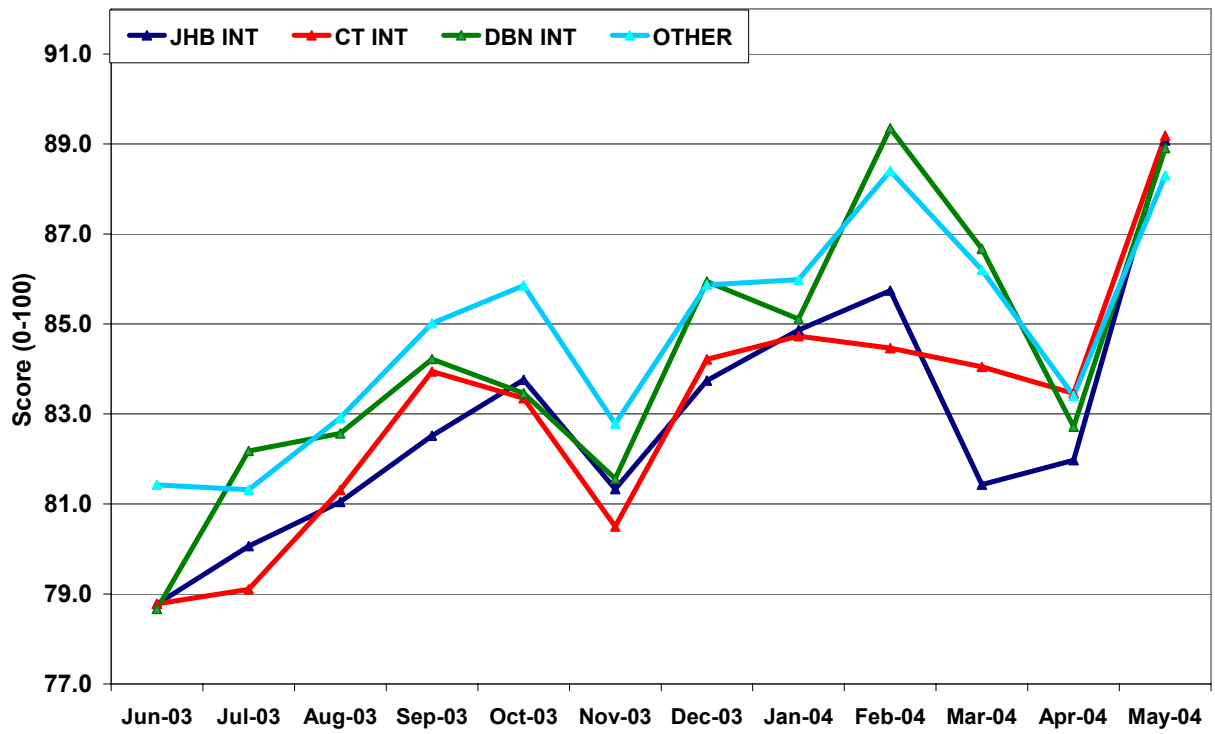
The following graph shows the results for the last 4 months by the main AVIS centres. It must be remembered that the figures are less accurate on a monthly basis for the centres:



The following graph shows 3-month comparisons:



The following graph shows the trends for the major stations over time:



ITEMS BY MAIN STATION:

	Data	Feb-04	Mar-04	Apr-04	May-04	Diff	
JHB INT	Q5: Correct vehicle	84.8	80.9	80.1	88.0	7.8	
	Q6: Waiting time collect	82.2	78.6	83.5	89.7	6.2	
	Q7: Courtesy collect	88.4	82.5	84.2	92.5	8.3	
	Q8: Process speed collect	86.2	83.7	81.6	90.0	8.4	
	Q9: Charges explained	83.8	74.3	77.4	82.9	5.5	
	Q10:Collection AVIS experience	86.2	83.1	81.3	87.5	6.2	
	Q11: Cleanliness	89.5	86.7	88.9	94.4	5.5	
	Q12: Mechanical condition	86.5	80.7	85.7	89.8	4.1	
	Q13: Make & Model	88.2	84.3	85.1	92.6	7.4	
	Q15: Accessibility return	85.5	84.9	84.2	92.8	8.6	
	Q16: Waiting time return	90.9	86.1	85.0	92.8	7.8	
	Q17: Courtesy return	88.5	83.7	82.5	93.4	10.9	
	Q18: Final charges	85.1	82.1	78.3	82.7	4.4	
	Q19: Return: AVIS experience	91.7	85.6	79.8	89.1	9.3	
	Q20: General experience	85.3	83.6	81.1	87.7	6.6	
	Q21: Value for money	71.8	70.7	72.5	80.0	7.5	
	Q22: Motivation to return	88.7	77.4	78.6	84.9	6.3	
	Q23: Overall: AVIS experience	86.0	76.8	78.3	87.0	8.7	
		CSI overall	85.7	81.4	82.0	89.1	7.1
	CT INT	Q5: Correct vehicle	85.8	87.4	85.2	89.9	4.7
Q6: Waiting time collect		77.0	77.7	79.9	86.1	6.2	
Q7: Courtesy collect		85.3	87.2	85.8	93.2	7.4	
Q8: Process speed collect		82.4	86.0	84.6	92.0	7.4	
Q9: Charges explained		79.9	78.2	81.1	83.6	2.5	
Q10:Collection AVIS experience		84.5	83.9	85.3	90.1	4.7	
Q11: Cleanliness		88.4	87.3	86.2	95.2	8.9	
Q12: Mechanical condition		86.8	85.9	82.5	92.9	10.4	
Q13: Make & Model		89.0	87.5	83.8	89.8	6.0	
Q15: Accessibility return		82.8	82.9	85.5	89.2	3.8	
Q16: Waiting time return		87.6	85.7	84.5	92.9	8.4	
Q17: Courtesy return		87.0	88.4	85.1	92.8	7.7	
Q18: Final charges		86.4	83.9	82.2	84.6	2.4	
Q19: Return: AVIS experience		89.9	86.6	83.8	88.6	4.9	
Q20: General experience		81.9	84.6	83.9	86.9	3.1	
Q21: Value for money		75.9	78.6	78.2	82.2	4.0	
Q22: Motivation to return		84.6	82.7	82.7	85.5	2.8	
Q23: Overall: AVIS experience		85.7	80.7	80.5	88.1	7.6	
		CSI overall	84.5	84.0	83.5	89.2	5.7

DBN INT	Q5: Correct vehicle	88.5	82.1	77.7	88.8	11.1	
	Q6: Waiting time collect	85.7	85.5	81.9	88.8	6.9	
	Q7: Courtesy collect	91.8	89.9	84.6	94.8	10.2	
	Q8: Process speed collect	90.3	88.6	83.0	89.6	6.6	
	Q9: Charges explained	89.8	84.8	82.7	86.6	3.8	
	Q10:Collection AVIS experience	91.8	86.8	83.5	88.8	5.3	
	Q11: Cleanliness	92.2	91.7	88.8	92.9	4.1	
	Q12: Mechanical condition	90.7	86.8	86.2	92.5	6.4	
	Q13: Make & Model	91.5	92.4	84.0	91.8	7.7	
	Q15: Accessibility return	85.1	85.0	84.1	82.8	-1.3	
	Q16: Waiting time return	91.8	88.0	90.3	91.0	0.7	
	Q17: Courtesy return	91.7	86.1	87.5	91.3	3.8	
	Q18: Final charges	90.3	86.4	82.3	86.9	4.6	
	Q19: Return: AVIS experience	88.3	88.4	81.8	86.9	5.1	
	Q20: General experience	89.2	87.3	83.5	87.7	4.2	
	Q21: Value for money	80.3	79.2	74.3	83.8	9.4	
	Q22: Motivation to return	89.1	86.0	78.8	86.2	7.4	
	Q23: Overall: AVIS experience	86.5	83.5	73.9	86.7	12.8	
		CSI overall	89.3	86.7	82.7	88.9	6.2
	OTHER	Q5: Correct vehicle	89.0	85.3	84.1	86.3	2.3
Q6: Waiting time collect		87.9	88.2	83.2	89.7	6.4	
Q7: Courtesy collect		90.2	89.7	85.7	91.4	5.7	
Q8: Process speed collect		89.3	87.1	84.9	90.8	5.9	
Q9: Charges explained		87.5	84.7	81.3	87.2	6.0	
Q10:Collection AVIS experience		90.4	87.7	84.5	89.4	4.9	
Q11: Cleanliness		89.3	89.9	88.5	93.9	5.4	
Q12: Mechanical condition		87.9	86.5	84.9	88.6	3.7	
Q13: Make & Model		90.1	87.8	85.6	90.1	4.5	
Q15: Accessibility return		87.0	86.1	82.2	90.5	8.3	
Q16: Waiting time return		91.5	88.4	85.4	91.3	5.9	
Q17: Courtesy return		91.1	90.1	84.8	91.6	6.7	
Q18: Final charges		86.9	81.3	78.4	79.4	1.0	
Q19: Return: AVIS experience		92.5	88.6	83.2	87.8	4.7	
Q20: General experience		87.3	85.4	82.4	87.3	4.9	
Q21: Value for money		84.0	81.2	77.7	78.0	0.3	
Q22: Motivation to return		88.8	86.8	82.7	85.7	3.0	
Q23: Overall: AVIS experience		87.5	82.0	81.2	87.1	5.9	
		CSI overall	88.4	86.2	83.4	88.3	4.9

INDIVIDUAL STATIONS

Station3	Sample	CSI Index
KEMPTON VAN 4X4	48	80.8
UMTATA APT	65	81.1
RANDBURG	91	81.2
KRUGER MPUMALANGA	81	81.4
CAPE TOWN DTOWN	206	81.4
JNB INT APT	1815	81.5
MMABATHO APT	55	81.5
BRAAMFONTEIN	171	81.5
CAPE TOWN APT	2112	81.6
PIETERMARITZBURG	83	82.1
PRETORIA	217	82.4
DURBAN INT APT	1384	82.5
PARK HYATT HOTEL	57	82.6
PLZ APT	541	82.7
EAST LONDON APT	352	83.0
GEORGE APT	351	83.0
WELKOM	96	83.1
NEWLANDS	76	83.3
SUN CITY	68	83.6
RICHARDS BAY APT	141	83.8
UPINGTON APT	72	83.8
DURBAN DTOWN	119	83.8
BRAKPAN	65	83.8
MARGATE APT	52	83.8
BLMEFONTEIN APT	131	84.0
SANDTON	92	84.3
RAND APT	53	84.4
GRAND CENTRAL	57	84.4
CENTURION	107	84.5
ISANDO	86	84.7
MENLYN PRETORIA	76	84.8
SIZWE PARKTOWN	65	85.0
DURBAN VAN 4X4	49	85.5
UMHLANGA	59	85.6
BLOEFONTEIN DT	72	85.7
KIMBERLEY APT	146	85.9
PAROW	70	86.1
WITBANK	52	86.7
ROODEPOORT	58	87.3
PINETOWN	53	89.2
Grand Total	9544	82.5