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Benchmarking cross-functional teams in the car rental industry

Iris Wolfson

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Benchmarking Cross-Functional Teams

Running Head: Benchmarking Cross-functional Teams In The Car Rental Industry

Benchmarking Cross-functional Teams In The Car Rental Industry

Iris C. Wolfson

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Abstract

The focus of this study is on the benchmarking of the use of cross-functional teams within the car rental industry. An in-depth look at the use of cross-functional teams in the car rental industry to determine if (1) cross-functional teams are present and (2) which car rental agency, if any, is the best in class. Focus is placed upon the identification of quality customer service in this industry through the use of four scenarios. A questionnaire was designed to determine the usage of cross-functional teams in the car rental industry. Five car rental agencies were studied. They are Alamo, Avis, Budget, Hertz, and National. The results and findings are discussed, and conclusions and recommendations are made based on the result of the completed research.
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CHAPTER I

INTRODUCTION

Consider for a moment that you are in need of a vehicle to get you to a desired location. The need might be for a car for business or for leisure. The surroundings may be familiar or they may be in a far off location. Whatever the reason for renting a car you want to get one that is safe, clean, and reasonably priced. How are decisions on what car rental agency to rent from made? What factors are consider when you want to rent a car? A recent survey by J.D. Power & Associates states that customer service is what is most important to the customer and that the Hertz Corporation is no longer rated number one in all areas of customer service.

This survey poses some interesting questions for the car rental industry. For Hertz it may mean that after 75 years of being the innovator and leader in the industry the competition that has been trying harder has taken the lead. Avis, the number two rental agency may have uncovered better ways to serve the customer and meet their needs. Other car rental companies; Budget, National, and Alamo, may see an opportunity to increase their market share and their profits.

The status of being number one in an industry connotes a certain level of expectation by individuals. The fact that the car rental industries number one player may be losing ground in customer service and that other companies may be
gaining may signal a change in the way that the industry looks at and serves it’s customers.

**PROBLEM STATEMENT**

The problem that the car rental industry is facing is that for the first time in it’s 75 year history there is a change in who is being perceived as number one. What has caused this to occur? Are employees viewing the customers differently? Has the competition become so strong that they are now setting the standards for the car rental industry? While all of the above questions may play a role in the above stated problem, the focus of this paper will be on the role of teams within the car rental industry and if cross functional teams would improve customer service.

**BACKGROUND**

It is said that we are moving from a manufacturing environment into a service oriented environment. This paradigm shift is further highlighting the need for quality customer service. The global marketplace will not allow second rate service to survive. The car rental industry has been in business for 75 years. Hertz pioneered the car rental industry and set the standard for others to follow. The company attained the number one ranking in the rental industry and takes great
pride in the status that this denotes. They have been number one in market penetration, profitability, and customer service.

Being number one has many implicit factors. Most people assume that because you are the top in your field you have the best product, deliver the best service, and the cost becomes secondary for the quality and service provided. This may now be in question for the car rental industry. A breakdown may have occurred in customer service and Avis, being in the number two position in the industry, is attempting to take advantage of the situation. The other major car rental companies; Budget, National, and Alamo, are also in positions to improve their market share.

Cross-functional teams may add direction and point towards a higher standard of customer service. The individuality of facility set-ups may mean that some of the more profitable and successful sites may already be team oriented.

PURPOSE

The purpose of this study is to analyze, through benchmarking; Alamo, Avis, Budget, Hertz, and National locations to see if they use a cross-functional team approach at their site. This identification of team locations will help to further understand whether this method produces more positive customer comments and relationships than facilities that are not team based.
SIGNIFICANCE OF THE STUDY

The paradigm shift that is occurring makes it imperative for a company to ensure that their customer service is the best in class. A company that on top in the industry needs to continue to set standards to retain their top ranking. To use the slogan “We’re no worse than the competition”, will not enable any company to retain it’s number one ranking in the car rental industry.

This study endeavors to locate the best in class within the car rental industry regarding the use of cross-functional teams and then to use this standard as a benchmark for others. The fact that the J.D. Power survey has challenged the traditional ranking within the car rental industry points to the fact that car rental agencies need to improve their customer service and that new standards need to be set in all areas of the car rental industry.

DEFINITION OF TERMS

1. Benchmarking: The process of learning the most efficient practices available through the use of another’s knowledge and experience. Then adapting them to your organization.

2. Best in class: The identification, through benchmarking, of the best practice that is available for a specific function or operation which serves as a role model for the organization.
3. Cross-functional teams: The formation of a group of individuals with dissimilar skills and knowledge to work together as a cohesive unit to produce a more efficient process.

4. Empowered teams: The formation of a group of individuals who are encouraged to take responsibility, as a group, for decisions and actions that are made within their unit.

5. Paradigm shift: A new way of looking at what has been in existence; through new developments in science, technology, or other aspects within the environment. The change in ideology is necessary because events have occurred which make the former reality outmoded.

**SCOPE AND LIMITATIONS OF THE STUDY**

The financial condition of the car rental industry today shows that for the same period of time measured other travel and hospitality industries profits have risen significantly while theirs have not. The need for quality customer service in this environment takes on even a greater significance in this industry.

This study’s limitations are affected by the size of the sample taken and the participants willingness to be a part of the survey. In this study we are trying to
assess the value of cross-functional teamwork and customer service within the environment as previously described.
CHAPTER II

LITERATURE REVIEW

BACKGROUND

Today we are moving from an industrial based economy to a service based one. This paradigm shift is as significant today as the move from the agricultural based society to the industrial based society was. In fact, that change came to be known as ‘The Industrial Revolution’

This shift can be characterized by an increased awareness of customer service by corporations in both the emerging service based and traditional manufacturing industries. The world is moving towards a global economy. The distinguishing factor for customers in the determination of which product or service they will purchase will be the quality of the service provided. The tangibility or intangibility of products and services requires a high degree of responsiveness by the provider. Consumers will not except standards that are below their expectation.

Corporations will find changes occurring in their rank within their industry, as a result of the quality of customer service they provide. This will be the key determining factor in a customer using their product or service. Improved technology will enable the company to increase their market share. Technology
will improve to provide the level of responsiveness that the customer demands. Employees need the speed and information provided by technology to interact timely and accurately in the service recovery process.

The use of automated processes for routine transactions has produced satisfied customers. This has led to the establishment of new standards within an industry. Today's global marketplace has consumers voicing their opinions through their choices on how they spend their money. The car rental industries' ability to quickly and accurately process transactions leads to increased customer satisfaction and repeat business.

The car rental industry provides a product that is, for the most part, intangible in nature. The vehicle, while a tangible entity, is not the product. The product is the service provided by the company. Customers are going beyond the product to the service package (Fittsmons, 1994) in making their decision as to where to spend their money. Consumers are looking for a vehicle of consistent quality with consistent service.

Within the car rental industry, the consumer expectations are: (1) That there are trained personnel who can provide them with timely consistent professional service, and (2) they also expect the vehicle to be clean, new, and in excellent working condition. If any of these factors are not up to their standards they are dissatisfied.

The survey conducted by J.D. Power and Associates (1996, February) on behalf of Avis found that frequent renters of cars rate the pick-up process as the
most important part in the car rental process. The second aspect they look at is the car return process; vehicle satisfaction, both cleanliness and selection are next. The next concern they have is the price and finally the reservation process.

The changing environment in the business world encourages the retooling, by management, of management within corporations. The flattening of the pyramid (Denton, 1991) promotes a team culture in the work place. The need to find the most successful teams to be a pattern or template for others to follow necessitates the use of benchmarking.

TEAMS

The concept of teams has been part of our culture for many years. However, there is a change occurring in the recognition of what constitutes a team and how a team can effect the environment. (Katzenbach & Smith, 1994) Teams are emerging in the 1990's as a result of a change in the philosophy of management. New management concepts require less middle managers along with an increase in job performance by employees. (Denton, 1991)

This new ideology is encouraging the development of teams. However, it is important to recognize that there is a difference between teamwork, work groups, and teams. There are also different types of teams within the concept of teams. Teams can be developed to be temporary or permanent; the criteria set by management determines the team environment. Teams can start out to be
temporary and become permanent and the reverse is also true. (Katzenbach & Smith, 1994)

Teamwork is often confused with the concept of a true team. The term that a person is a team player signifies that the individual is willing to pitch in and help the organization, when called upon. They go beyond their normal job to help in the event that they are called upon to do so by the organization to ensure that the job is done to enable the company to obtain it’s objective.

Work groups are units of individuals that interact and may or may not have a common goal in common and do not take on any responsibility other than their own. They all perform their perspective jobs and interact when called upon as their job may require. (1994) Exchanging of ideas may occur on an ad hoc basis and may become part of the work pattern. An example of an early group that was successful is the ‘Quality Circle’ These groups were the forerunner of today’s team development. (1994)

Modern teams are emerging in today’s workplace as an integral part of the work culture. Teams develop a synergy that works off the common goal of the team. They solve problems and produce optimum results. These results effect the productivity of the organization.

Teams that organizations form may be; formal or informal, project oriented, functional, self-directed, or cross-functional. Teams are developed for a variety of reasons and often the need of the organization determines the type and longevity of the team.
However, to be an effective team all teams share some common properties. These are; a common goal, education, training, responsibility, authority, accountability, and communication. (Wellins, Byham, & Wilson, 1991) Size of the team should be limited to between six to ten members for effective performance. Teams have to have the support of management. Lack of this will produce an ineffective team that will probably fail. Members of teams have different roles than in a non-team environment. Teams need to have a facilitator and conflict needs to be managed. Decision making, while being collaborative, may have some members not in agreement with the team decision.

Team members should be selected using the same criteria and process. This does not mean that everyone fits the same mold, but rather that each member of the team understands their role as a team member and can adapt to the team as necessary. In essence, they should have skills and knowledge that interact in a positive way with one another. This will enable the team to optimize it’s performance. A team leader is developed as a part of the group this person may be designated by management or may rise out of the ranks of the team thorough team consensus. This individual may take on the role of being a liaison with management as well as being the coordinator for the team.

Teams evolve through a process. There are stages of development that a team goes through to become effective. This performance curve (Katzenbach & Smith, 1994) takes a team from a non-functioning group of individuals who exchange ideas to a high performance team. The first stage of a team is a work
group. This is where the individuals come together to share ideas. There is no formal grouping and no responsibility to any other individuals. This work group can develop into a potential team or can become a pseudo-team. The pseudo-team is the least productive of groups and either needs to be dismantled or redirected to become a potential team. Potential teams can positively effect performance and growth. However, they are in a stage where they need directing. This stage of development is where many teams are. (1994)

To move to the next level of a real team they need direction and guidance. Real teams are committed to a unified goal and hold themselves responsible for the team's performance. High-performance teams develop from real teams. What makes a team high-performance is the interlocking of team members as an extended family. They go beyond the work environment to ensure the success of each other.

Teams can stop and reach a blockage at any level of performance. When this occurs it is up to management to refocus the team to get optimum performance. A team stuck at a specific level of development may need to have the members changed or perhaps the team might need to be dissolved.

The forming, storming, norming, and performing stages (Gross, 1995) of development of teams is another way to categorize team growth. This approach takes teams through development from non-functioning to high-level performance. The forming stage of development is the awareness of others, but the lack of responsibility outside of your job. The storming stage shows awareness of the
but lacks the cohesiveness of a group. The norming stage is where teams active; there is a sense of the team and a method to go about working to problems. The performing team is an advanced team where the problem will addressed and anything effecting the situation will be examined to prevent re-blockage.

Cross-Functional Teams are developed as a result of the diversity of it’s members and operate as a cohesive unit where members from various backgrounds are working together for the good of the team towards a common goal. (Parker, 1994) Cross-Functional teams are the most advanced teams. Their decision making can encompass the entire process that produces a product or service. The diversity of their backgrounds brings forth a creative and innovative team synergy.

Members of cross-functional teams are often part of the team while still participating in their assigned job. This produces a commitment on the part of members that puts this type of team into the highest developmental level for teams. These teams are credited the most with the development of new innovative products and ideas. For instance the inter-modal operation for Conrail (Katzenbach & Smith, 1994) and the highly successful 1996 Ford Taurus were developed using the cross-functional team approach.

The reason that cross-functional teams have success can be directly attributed to their non-homogenous make-up. The fact that team members all have different backgrounds enables the team to make decisions and resolve problems
more timely. This results in reducing the cycle time of the process. The focus on
the team is the final outcome the customer, not the product or service. The
customer focus produces non-linear thinking by the team, the going out of the box
to be creative. Members, through their interaction with one another, increase their
education and training; they bring this back to their assigned jobs and increase the
learning curve there. Customer focus results in one contact for the customer, this
single contact makes it easier for the customer to work with the company.

Management of a cross-functional team requires a high level of maintenance.
The is a result of the members being from different backgrounds, departments,
levels, education, and training. Members have to be able to interact with all other
members of the team and are required to participate. Each has knowledge that can
produce the desired results for the team. Communication is paramount; due to the
fact that they are from diverse backgrounds and often are still working on another
job, and need to keep one another informed on the progress of the project.
Scheduling of team meetings, which should be weekly, is complex. This again is
due to the background of the team members.

Cross-Functional teams, more than other teams, need a goal easy to define
and identify. It is the responsibility of the team leader to be an effective
communicator to team members, stakeholders, management, and the team
members’ department. The appraisal and reward and recognition to team members
becomes more complex due to the diversity of the members. (Dee prose, 1995)
Appraisal, reward and recognition is an issue within the team concept. The basic premise is that the team reach it’s goal. How to get members to buy into this concept is a question that is being examined closely by many people. However, reward and recognition need not be monetary. In fact, there are many ways to deliver reward and recognition to teams that are non-monetary. One way is through verbal praising of the team. Recognition by management through memo’s, newsletters, or posters for work excellence is highly effective.

The status of being a part of a team is often used as part of the reward and recognition for team members. The idea of WIFM (What’s In It For Me) (Parker, 1994) points to the fact that people need to buy into being part of a team. Setting up rewards and recognition that are visible to other teams improves the buy in to the team by members.

The use of monetary incentives should be team wide. That is all members share equally in the bonus when the goal is reached. A concept that is growing in this area is ‘gainsharing’ (1994) This concept came from the 1930’s and is the sharing of the profits of the team by the team. This is an offshoot of profit sharing, but done only team wide. Knowledge based bonus can be difficult to manage within the team environment, but can be done based on the more you know the more you contribute to the team.

Appraising teams is a complicated as the reward and recognition of teams. How do you access each member adequately? Here again you look at the team performance, then you may access each member individually. However, the
smoother the team is operating the more difficult it is to determine and access individuals. The outcome of the team, i.e. the reaching of their goal, or not; may not be a good indicator to appraise the team.

BENCHMARKING

The Total Quality Management concept opened the door for benchmarking. Benchmarking is the dissecting and rebuilding of a work process. This process can be done on an internally, externally, or both internally and externally by an organization. The concept rose out of the recognition by management to improve their status they need to improve. The Xerox Corporation is credited with being one of the first corporations identifying the process in the United States in the late 1970’s. (Camp, 1989)

Benchmarking dissects the present process an organization is using. The internal and external environment is examined and it’s impact on the process is accessed. There are a series of steps to go through to reach the point where one can identify the strengths and weaknesses of the organization. This Step Zero concept (Camp, 1994) enables a company to access itself.

This on going self assessment is necessary if a company is going to survive in the global economy. The Malcolm Baldrige Quality Award seeks to recognize those organizations that have identified their operation and taken steps to improve what they do to become role models, not only in their industry but in all industries. A major component in the award is the development of customer service.
Customer service is defined as internal as well as external customers. This examination of the responsiveness and interaction of the operation is an important part of the benchmarking process.

The Benchmarking process can be separated into four areas: They are Planning, Analysis, Integration, and Action. (Camp, 1990) The steps to accomplish benchmarking will fall into one of these areas.

The Planning stage is the decision making process. Here the determination of what to benchmark is identified. What to benchmark is identified as well as any benchmarking partners: the methodology and who will be team leaders for the process is also determined.

The Analysis stage determines what are the existing gaps. Gaps in performance are measured against others. The future performance is also projected to ensure that gaps are prevented.

The Integration stage goals are reassessed and put into practice by the organization. Goals are established which are easy to achieve.

The Action stage has the Best Practices put into use and monitored on an ongoing basis. This stage may appear to be the final stage, but the need to constantly fine tune and update the benchmarks is vital to benchmarking. The lack of this will result in an organization reverting to old practices.

The practice of benchmarking relies, to a great extent, on the analysis of gap analysis. A performance gap occurs when there is a discrepancy in the perception of what actually occurs and what one expects to occur. There are five
gaps in service quality (Fitzmmons & Firtzmmons, 1994). They are: The first gap is the lack of management to fully understand how consumers make decisions. The second gap is management’s not being able to produce what the customer actually wants. The third gap is when the actual service delivered does not meet the requirements set by management. The forth gap is when the consumer expects delivery based on (or lack of) advertising or other communications. The fifth gap is the customer expectation and perceptions vs. what is actually delivered (1994).

Benchmarking is a continuous and ongoing process that is a long term solution. This process of examination of one work process at a time enables a company to identify any problem areas and correct them and also allows for the identification and improvement of areas that are not a problem. This encourages the use of team work and problem solving.

**CAR RENTAL**

Car rental agencies today are competing vigorously for both the business and leisure market. Each company is introducing new concepts and ideas in an effort to increase their market share. New innovations such as motorcycle rentals, hourly rentals, being able to select your own vehicle, frequent flyer miles, and computerized navigation systems are just a few of the new ideas being tried by car rental companies in an effort to attract the customer.

Additionally, the high cost of their inventory is not being offset by an appropriate increase in the rental rates. This is one factor contributing to decrease
Improving technology with options such as Hertz Never Lost (Henry, July 1996) appears to be another way that Hertz Corporation is increasing it's customer base. This is a computerized navigation system that is found in some vehicles and can be selected as an option the customer can purchase. This new technology verbally instructs the driver on how to reach the desired destination.

The reservation systems that are used by most in the industry is older technology. This often slows down the car rental, return, and reservation process. However, Hertz introduced hand held computers to speed up the return process. This concept has been implemented by others in the industry.

Vehicles that are desirable to rent by the leisure market are also popular in the car rental industry. The sport-utility vehicles; such as Bronco’s, Explorers, etc. are increasingly popular with the leisure market. (Wall Street Journal, May, 1996) Individuals who are renting them see them as a way to try a vehicle that they otherwise would not have an opportunity to drive. Another market being explored is the rental of motorcycles.

Specialty car rentals, that is cars that are considered to be deluxe, can not be rented through the major car rental agencies. Customers wishing to rent BMW’s, Mercedes, Bentley’s, Farrari’s, or other limited production vehicles have to go through specialty car rental agencies. These small, but profitable, companies have limited exposure and rely on word of mouth to rent their vehicles. (January, 1997)
Budget, in an effort to increase it's market share, introduced car rental's at a supermarket. (Lasek, 1996) Most companies have rental offices near or in hotels in major cities, but the introduction of this supermarket concept to increase profits is new. National Car Rental in an effort to improve the bottom line has taken the stance to close low profit locations and reduce it's fleet. (Weiner, 1987) It also has taken on some new innovative ideas that are designed to entice the customer to come to National. This includes discounts for pre-paying for you vehicle and cellular phones.

Membership to a car rental company is also a way to increase market share. Four of the five companies surveyed have membership programs. These programs offer perks to the member through speedier reservation and rental processes. Alamo offers Quicksilver. (Alamo [Brochure], July, 1996) This program offers speedy reservations and the ability to rent a car using a computer to enter your own information and then dispenses the contract and keys to you. The annual fee for this is fifty dollars. National has the Emerald Club (National [Brochure], April, 1996) which offers members speedy car rentals for a fee of fifty dollars annually. Avis’ program is known as The Preferred Renter. (Avis [Brochure], February, 1996) This program has members cars available when they arrive. The annual fee for this is fifty dollars. Hertz has the Hertz #1 Gold Club. (Hertz [Brochure] January, 1997) This too has renters cars ready when the customer arrives, and their name in lights. The annual fee for this is fifty dollars.
Hertz pioneered this membership program. They recognized that there is a loyalty factor for persons with memberships; this increases the revenue to the company. Membership provides perks to the renter. Among these perks are the inclusion of a higher level of service to the customer. Customers call a different number from the normal toll free number to make a reservation. The car is waiting for them and they do not have to go through the rental process. Often they are upgraded to a higher class of vehicle. Special discounts are also a part of the package.

Avis in 1992 went to an ESOP (Employee Stock Ownership Plan) program. This program introduced the team concept within the Avis organization. The empowerment of employees was a part of the plan of action to improve customer service. This program ended when HFS purchased Avis. (Wall Street Journal, June, 28, 1996)

The future of the car rental industry lies in new technology and the recognition of quality customer service. Recently, on behalf of Avis, J.D. Power and Associates conducted a survey on the car rental industry. The survey rated the car rental industry in five areas: Pick-up Process, return process, vehicle, inventory/selection, price, and reservations. The survey based on the above criteria show (J.D. Power and Associates Domestic Rental Car Customer Satisfaction Study) the pick-up process was the most important aspect in customer satisfaction (37%). The rest were as follows: Return process (22%), vehicle (13%), inventory/selection (12%), price (11%), reservations (5%). Based on
this the results of the survey are that Avis received 103 points, Hertz received 102, National received 101, with Budget, Thrifty, Alamo, and Dollar receiving scores below the average of 100.

The car rental industry is seeing an increase in business. This increase is causing customers to have to wait for their cars and the industry does not appear to have been prepared for this upturn in business. In an industry where yield management is used finding the right staffing is difficult. Therefore, the consumers have to wait for their vehicles. Some are using the express programs to avoid waits, others are flying into alternative airports, and others are booking at more than one company to avoid waits. (Wall Street Journal, September, 6, 1996)

**OTHER RENTAL COMPANIES**

Rent-Way, Inc., a renter in the furniture rental industry has been successful through their use of teams throughout the organization. They credit much of their success on the fact that they treat their employees like customers. They make their employees feel welcome, wanted and important. (Milite, 1995)

They recognize that communication is important and encourage meetings as often as necessary to handle any concerns that an employee has. They have developed task forces, that are cross-functional, to solve problems and develop training programs. They also set up a buddy system to help newly acquired employees assimilate into their corporate culture.
They’re success with teams is proving successful. They are focusing on the long term results and not the short term bottom line results. They were able to double their size and increase the number of stores they own because of their team approach to management.

Scheduling of employees can be difficult when trying to work with yield management. The staff deployment concept measures all aspects of a job and then scientifically determines the optimum staffing. This concept has been successful in Granada UK Rental. (Lee, 1993)

The development of a successful program here was a result of the recognition that traditional management was not effective. The old measurement tools were abandoned and a new approach to serving the customer was developed. What was done was a scientific study of the flow of the operation. All aspects of the work flow was measured and studied. The result was an overall increase in the sales of the company, and an increase in employee and customer satisfaction.

SUMMARY

The need for improved customer service is evident as we move towards a service based economy. To be able to survive in the future marketplace a company needs to use it’s resources to their maximum capabilities. The use of cross-functional teams by an organization optimizes the potential of an operation.

To be able to know if an operation is performing at peak performance an evaluation needs to be conducted to see what they are doing internally, what the
competition is doing, and what others outside of the industry are doing. This examination should encompass all aspects of the company and look at the positive and negative aspects that exist. This practice of benchmarking will help to trim the budget in the long run through increased customer satisfaction.
CHAPTER III

METHODOLOGY

This study focus on examining, in the present, the customer environment that exists at car rental agencies. This theoretical study should provide the necessary data to determine if cross-functional teams can be used successfully within the industry. Descriptive statistical methods will be used measure data that is gathered through a random sampling and used to determine if teams presently exist at any car rental companies.

The survey that will be used in this study to benchmark and determine the level of teams has been designed to measure whether cross-functional teams exist and to what extent they are being utilized. See Appendix A. The questionnaire is designed in a scenario format. There are four questions dealing with responsibility and customer service issues. Each question has four possible choices. They are:

(A) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions concerns.  
(B) I am aware of the situation and make sure it is corrected, the way I say it should be done 
(C) I am aware of the situation and we will locate the root of the problem and get it corrected. 
(D) I am aware of the situation, we will correct the situation and take every effort to prevent it from happening again by providing a better environment.

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These four choices will enable the researcher to determine if cross-functional teams exist at surveyed locations.

The data will be analyzed using charts and diagrams; and will be used to determine if cross-functional teams are present within the car rental industry and at what level they are used. A work process flow chart will identify the fail points and any actual or potential cross-functional team work processes and used to show benchmarking standards.

The study will study the five gaps in service quality. (Fitzimmons & Fitzimmons, 1994) The first gap the lack of management to fully understand how consumers make decisions is measured by question one. The second gap management’s not be able to produce what the customer actually wants is measured by question four. The third gap is the actual service delivered does not meet the requirements set by management is measured by question three. The fourth gap when the consumer expects delivery based on advertising or other communication is measured by question one and four. The fifth gap when the customer’s expectations and perceptions vs. what is actually delivered is measured by question 2.
Figure 1.1 Work Process Flow Chart of Car Rental Industry
PROCEDURES

The population for this study will be car rental companies located in the United States. The sample size will be between five and twenty locations in cities that are classified as tier one. The cities used will include Boston, Chicago, Dallas, Los Angeles, New York, Orlando, and San Francisco. The agencies surveyed will be: Hertz, Avis, Budget, National, and Alamo. This theoretical study will look at the team approach and more specifically any cross-functionality at locations to determine, through benchmarking, a best in class location. The sample will represent managers, customer service representatives, and dispatchers within car rental corporations. The classification will attempt to identify if there is a cross-functional team approach at their particular facility. The participation in the survey will be strictly voluntary. (Figure 1.2)

The data gathering for this survey will be done using a survey (Appendix A) to measure if they have a team environment at their stations. The results of the will be benchmarked to determine the best in class using cross-functional teams and customer service as criteria.
Figure 1.2 Cities that received the survey
ANALYSIS OF THE SURVEY QUESTIONS

Question 1:

You come into work and are informed that there are 400 reservations booked over the next three hour. You then see that there are only 200 cars available for rent and that 200 cars are due to return over the next three hours. You react in the following way:

This question was designed to measure the level of cross-functional team at the how location in potential stress situations, that there is no immediate control over, at the customer level are handled.

Question 2:

An irate customer is yelling at one of the staff saying that your company is the worst car rental company around and that the last five times they rented for you the car was filthy and he had to wait to get a car. The employee starts to apologize to them and scream foul language. You go to their aid and attempt to diffuse the situation. The customer doesn’t let anyone solve the problem or talk and finally leaves saying “I’ll never rent from this lousy place again.” And then says to the other customers waiting, “I wouldn’t rent from this company. They’re no good!” You are relieved that they are gone but realize that they have upset everyone else. You react in the following way:
This question analyses the use of cross-functional teams in potential stress situations, where there is limited control over the immediate situation, in customer relations.

Question 3:

Cars getting from the rental location to the service area and back are not arriving on a timely basis. A member of the staff tells you the following: They notice that all the people that do this job bake their break at the same time. They said that they said something to them about the situation and that they were told that it doesn’t matter how many of them take their break at one time because they never have the cars cleaned to get over there anyway. You react in the following way:

This questions analyzes cross-functional teams in potential stress situations, where there is control over the situation, where indirect customer satisfaction occurs.

Question 4:

Everyone is aware that the cars that are being brought out for the customers are expected to be; free of litter on the inside, have empty ashtrays, clean windows, a full tank of gas, and have been run through the car wash. Customers are complaining that the car they picked up was dirty
inside and that the gas tank was not full as it was supposed to be. You react in the following way:

This question analyzes cross-functional teams in potential stress situations, where there is control over the situation, where direct customer satisfaction occurs.

Response A:

I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.

This choice as a response to any of the four questions is interpreted to mean that there is an awareness and that there is a conceptual knowledge of teams on the part of management.

This is the initial formulating of a concept by an individual or organization. What is occurring is that the idea of change in ideology is at a beginning step. This is a tenuous position and can evolve into a team or stay at the non-team or ‘team work’ level. This group has been, in most cases, brought together in response to management’s request.

The members interact with each other on an as needed basis. Their individual skills and strengths may or may not be recognized by other members of the group. The goal of the team has not been identified and the members do not recognize or share accomplishments or failures.

This is a reactive management response.
Response B:

I am aware of the situation and make sure it is corrected, the way I say is should be done.

This response indicates that the awareness of teams is present, but there is a lack of team performance and confusion as to what constitutes a team. This level of development does not indicate whether the group will develop into a team or will fade out of existence.

There is no goal that has been defined and members may not even be aware of the fact that they are part of a team. This is an ineffective unit that does, however, have the potential to become an effective team if the confusion is lifted from the situation and clearly defined goals are set.

This is a reactive management response.

Response C:

I am aware of the situation and we will locate the root of the problem and get it corrected.

This response is an indication that team work is present. The members of the team know they are part of a team and are working as a team. The team functions as a cohesive unit. This is a non-threatening work environment where the members of the team value each other.

The goals of the team have been clearly defined and are known and understood by all members. Decisions are made based on made based on the pool
of shared information and knowledge. Each member of the team takes responsibility and is accountable for the actions of the team.

This is a reactive management response.

Response D:

I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.

This indicates a level of team performance and awareness that has its members all working together to make decisions based on future events. They not only know the goals of the team, but also see the evolving goals to correct and reshape the organization.

The members of the team are aware of their responsibilities and are 100% committed to the success of the team and its members. The team is functioning with little or no intervention from the outside environment and is, most likely, an empowered team.

This is a pro-active response.

**HYPOTHESIS**

It is my contention that this study will show that for car rental agencies to be considered above average the company needs to be team based. Furthermore, in benchmarking the organization the more successful customer service facilities will be found to be those that use a cross-functional team approach in their
management. Benchmarking in other industries for a cross-functional team approach is beyond the scope of this paper.

IDEOLOGICAL ASSUMPTIONS OF THE STUDY

The analysis of this study is an unbiased look at customer service in the car industry. The researcher needs to be aware of the potential bias that may occur surrounding the analysis of the data collected from the random sample taken. The survey which will be used will measure the degree to which cross-functional teams exist within the car rental industry. The scenarios developed present situations that can occur within the car rental industry.

PROCEDURAL ASSUMPTIONS OF THE STUDY

Assumptions will be made that the persons surveyed can distinguish a) between team work and non-team work, b) the function of various jobs, and c) whom they view as their customer. Therefore, the small random sample will be relevant and measurable.
CHAPTER IV

FINDINGS AND ANALYSIS

Each question was designed to measure specific aspects of the car rental process as it relates to cross-functional teams. The data has been analyzed on an industry basis and an average response was determined. Each surveyed responding company was analyzed, as part of their company, to determine if they have teams and to what extent within their organization. The companies were then benchmarked to determine the best in class for teams.

RESULTS AND FINDINGS OF THE SURVEY

The sample population was randomly selected from the tier one level of cities within the continental United States. The cities selected were: Boston, Chicago, Dallas, Los Angeles, New York, Orlando, and San Francisco. Surveys were sent to or delivered to these locations to the upper management of that location. Their titles were; Senior Station Manager, City Manager, General Manager, or Manager.

A total of twenty three surveys were delivered. There were fourteen responses returned for a response rate of 61%. Each returned survey was counted only once and weighted equally.

The twenty three surveys were sent to Alamo, Avis, Budget, Hertz, and National. Surveys in this convenience survey were sent to tier one cities. The
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major cities surveyed were: Boston, MA, Chicago, IL, Dallas, TX, Los Angeles, CA, New York, NY, Orlando, FL, and San Francisco, CA. Surveys returned came from: Boston, MA, Dallas, TX, Los Angeles, CA, Orlando, FL, and San Francisco, CA. A total of fourteen surveys were returned, the resulting response ratio of 61% shows that the results of this survey can be considered to be meaningful.

The surveys were sent or delivered from June 1996 through August 1996 and the resulting responses were received during this same time frame.

The data was analyzed on an industry basis to determine an industry standard. Following this the companies were individually analyzed and benchmarked. Then they were benchmarked using the industry standard. The data then enabled meaningful conclusions to be formulated.

Each question was designed to determine if a specific aspect of the car rental pick-up process has cross-functional team involvement. Question 1 looks at the level of cross-functional teams in potential stress situations that there is no immediate control over. This was chosen as a result of the J.D. Power and Associates Survey. This was one of the criteria that they had established that customers look for from a car rental company. This would be that the vehicle be ready for the customer. This is a common situation in the car rental industry.

The second question was designed to measure how problems are handled at the customer level. This was developed to determine if cross-functional teams
are in place to handle an irate customer or a customer problem at the point of
direct customer contact. This is a common situation in the car rental industry.

The third question was designed to measure if cross-functional teams
handle internal customers. This was developed to determine if cross-functional
teams handle internal customer situations more effectively and therefore have a
positive impact on customer service. This is a common situation in the car rental
industry.

The fourth question was designed to measure is cross functional teams are
effective in dealing with customer satisfaction. This was developed based on the
J.D. Power and Associates study of customer satisfaction of the vehicle. This is a
common situation in the car rental industry.
Figure 2  Responses to the four questions by the industry
Figure 3  Industry responses by question
**Question 1**

You come into work and are informed that there are 400 reservations booked over the next three hours. You then see that there are only 200 cars available for rent and that 200 cars are due to return over the next three hours. You react in the following way:

The findings show that for Question 1:

**Response A:** Alamo (50%) and Hertz (60%) are above the industry average (43%) and Avis (0%), Budget (0%), and National (25%) are below the average. This indicates that Alamo and Hertz have more of a management awareness of teams in a situation that there is no immediate control at the customer level.

**Response B:** Budget (100%) is the only company that is above the industry average (7%). The other four companies are below the average. This indicates that Budget has a lack of what constitutes teams where there is no immediate control at the customer level.

**Response C:** Alamo (50%), Avis (100%), and National (50%) are above the industry average (36%) Budget (0%) and Hertz (20%) are below the average. This indicates that Alamo, Avis, and National have more team work present in a situation that there is no immediate control at the customer level.

**Response D:** Hertz (20%) and National (25%) are above the industry average (14%) and Alamo (0%), Avis (0%), and Budget (0%) are below the average. This indicates that Hertz and National have developed working teams and are taking a
pro-active approach in a situation that there is no immediate control at the customer level.

Question 2

Everyone is aware that the cars that are being brought out for the customers are expected to be; free of litter on the inside, have empty ashtrays, clean windows, a full tank of gas, and have been run through the car wash. Customers are complaining that the car they picked up was dirty inside and that the gas tank was not full as it was supposed to be. You react in the following way:

The findings show that for Question 2:

Response A: Alamo (50%) and National (25%) are above the industry average (14%) and Avis (0%), Budget(0%), and Hertz(0%) are below the average. This indicates that Alamo and National have more of a management awareness of teams in a situation that there is limited control over the immediate situation at the customer level.

Response B: Alamo (0%), Avis (0%), Budget(0%), Hertz (0%), and National (0%) are all at the industry average (0%). This indicates that all of these companies have the same awareness of what constitutes teams where there is immediate control at the customer level.

Response C: Avis (100%) and Budget (100%) are above the industry average (57%) and Alamo (50%), Hertz (40%), and National 50%) are below the average. This indicates that Avis and Budget have more team work present in a situation that there is immediate control at the customer level.
**Response D:** Hertz (60%) is above the industry average (29%) and Alamo (0%), Avis (0%), Budget (0%), and National (25%) are below the average. This indicates that Hertz has developed working teams and are taking a pro-active approach in a situation that there is immediate control at the customer level.

**Question 3**

An irate customer is yelling at one of the staff saying that your company is the worst car rental company around and that the last five times they rented from you the car was filthy and he had to wait to get a car. The employee starts to apologize to them and they interrupt them and scream at them using foul language. You go to their aid and attempt to diffuse the situation. The customer doesn’t let anyone solve the problem or talk and finally leaves saying “I’ll never rent from this lousy place again.” And then says to the other customers waiting, “I wouldn’t rent from this company. They’re no good!” You are relieved that they are gone but realize that they have upset everyone else. You react in the following way:

The findings show that for Question 3:

**Response A:** Alamo (50%), Hertz (40%), and National (50%) are above the industry average (36%) and Avis (0%), and Budget (0%) are below the average. This indicates that Alamo, Hertz and National have more of a management awareness of teams in a situation where there is control over the situation where indirect customer satisfaction occurs.

**Response B:** Alamo (0%), Avis (0%), Budget (0%), Hertz (0%), and National (0%) are all at the industry average (0%). This indicates that all of these
companies have the same awareness of teams in a situation where there is control over the situation where indirect customer satisfaction occurs.

Response C: Alamo (50%), Avis (100%), and Budget (100%) are above the industry average (43%) and Hertz (0%) and National (25%) are below the average. This indicates that Alamo, Avis, and Budget have more team work present in a situation that there is control over the situation where indirect customer satisfaction occurs.

Response D: Hertz (60%) and National (25%) are above the industry average (21%) and Alamo (0%), Avis (0%), and Budget (0%) are below the average. This indicates that Hertz and National have developed working teams and are taking a pro-active approach in a situation that there is control over the situation where indirect customer satisfaction occurs.

Question 4

Cars getting from the rental location to the service area and back are not arriving on a timely basis. A member of the staff tells you the following: They notice that all the people that do this job take their break at the same time. They said that they said something to them about the situation and that they were told that it doesn’t matter how many of them take their break at one time because they never have the cars cleaned to get over there anyway. You react in the following way:

The findings show that for Question 4:

Response A: Alamo (50%), Budget (100%), and National (25%) are above the industry average (21%) and Avis (0%) and Hertz (0%) are below average. This
indicates that Alamo, Budget, and National have more of a management awareness of teams in a situation where there is control over the situation where direct customer satisfaction occurs.

**Response B:** Hertz (20%) and National (25%) are above the industry average (14%) and Avis (0%), Alamo (0%), and Budget (0%) are below average. This indicates that Hertz and National have a lack of what constitutes teams where there is control over the situation where direct customer satisfaction occurs.

**Response C:** Alamo (50%), Avis (100%), and Hertz (40%) are above the industry average (44%) and Budget (0%) and National (0%) are below average. This indicates that Alamo, Avis, and Hertz have more team work present in a situation that there is control over the situation where direct customer satisfaction occurs.

**Response D:** Hertz (40%) and National (25%) are above the industry average (21%) and Alamo (0%), Avis (0%), and Budget (0%) are below average. This indicates that Hertz and National have developed working teams and are taking a pro-active approach in a situation that there is control over the situation where direct customer satisfaction occurs.
CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS OF THE STUDY

The study shows that for car rental agencies to be considered above average they have to be team based. This research helped to identify, using the four areas where gaps in service breakdown can occur, the companies that use cross-functional teams in management. The information gathered and benchmarked shows that the company recognized as being the industry leader has a firm grasp on cross-functional teams.

For Question 1 the conclusion can be drawn that in potential stress situations that there is no immediate control at the customer level. The companies with the strongest team presence are Hertz and National. This is a pro-active response on the part of management. This indicates a level of team performance and awareness that has its members all working together to make decisions based on future events. They not only know the goals of the team, but also see the evolving of goals to correct and reshape the organization.

The members of the team are aware of their responsibilities and are 100% committed to the success of the team and it’s members. The team is functioning
with little or no intervention from the outside environment and is, most likely, an empowered team.

However, it should be noted that Alamo, Avis, and National are above average in the reactive management response. Their response is an indication that team work is present. The members of the team know they are part of a team and are working as a team. The team functions as a cohesive unit. This is a non-threatening work environment where the members of the team value each other.

The goals of the team have been clearly defined and are known and understood by all members. Decisions are made based on the pool of shared information and knowledge. Each member of the team takes responsibility and is accountable for the actions of the team.

Best in class conclusion for cross-functional teams in potential stress situations, where there is control over the situation where, direct customer satisfaction occurs is National.

The conclusions can be drawn for question 2 that in potential stress situations where there is immediate control at the customer level. The company with the strongest team presence is Hertz. This is a pro-active response on the part of management. This indicates a level of team performance and awareness that has its members all working together to make decisions based on future events. They not only know the goals of the team, but also see the evolving of goals to correct and reshape the organization.
The members of the team are aware of their responsibilities and are 100% committed to the success of the team and its members. The team is functioning with little or no intervention from the outside environment and is, most likely, an empowered team.

However, it should be noted that Avis, and Budget are above average in the reactive management response. Their response is an indication that team work is present. The members of the team know they are part of a team and are working as a team. The team functions as a cohesive unit. This is a non-threatening work environment where the members of the team value each other.

The goals of the team have been clearly defined and are known and understood by all members. Decisions are made based on the pool of shared information and knowledge. Each member of the team takes responsibility and is accountable for the actions of the team.

Best in class conclusion for cross-functional teams in potential stress situations, where there is control over the situation, where indirect customer satisfaction occurs is Hertz.

The conclusions can be drawn for question 3 that in potential stress situations where there is control over the situation where indirect customer satisfaction occurs. The companies with the strongest team presence are Hertz and National. This is a pro-active response on the part of management. This indicates a level of team performance and awareness that has its members all working together to make decisions based on future events. They not only know
the goals of the team, but also see the evolving of goals to correct and reshape the organization.

The members of the team are aware of their responsibilities and are 100% committed to the success of the team and it’s members. The team is functioning with little or no intervention from the outside environment and is, most likely, an empowered team.

However, it should be noted that Alamo, Avis, and Budget are above average in the reactive management response. Their response is an indication that team work is present. The members of the team know they are part of a team and are working as a team. The team functions as a cohesive unit. This is a non-threatening work environment where the members of the team value each other.

The goals of the team have been clearly defined and are known and understood by all members. Decisions are made based on the pool of shared information and knowledge. Each member of the team takes responsibility and is accountable for the actions of the team.

Best in class conclusion for cross-functional teams in potential stress situations, that there is no immediate control over, at the customer level are Hertz and National.

The conclusions can be drawn for question 4 that in potential stress situations where there is immediate control over the situation where direct customer satisfaction occurs. The company with the strongest team presence is Hertz and National. This is a pro-active response on the part of management. This
indicates a level of team performance and awareness that has it’s members all working together to make decisions based on future events. They not only know the goals of the team, but also see the evolving of goals to correct and reshape the organization.

The members of the team are aware of their responsibilities and are 100% committed to the success of the team and it’s members. The team is functioning with little or no intervention from the outside environment and is, most likely, an empowered team.

However, it should be noted that Alamo, Avis, and Hertz are above average in the reactive management response. Their response is an indication that team work is present. The members of the team know they are part of a team and are working as a team. The team functions as a cohesive unit. This is a non-threatening work environment where the members of the team value each other.

The goals of the team have been clearly defined and are known and understood by all members. Decisions are made based on the pool of shared information and knowledge. Each member of the team takes responsibility and is accountable for the actions of the team.

Best in class conclusion for cross-functional teams in potential stress situations, where there is limited control over the immediate situation at the customer level is Hertz.

The data gathered shows that Hertz is number one in customer service and has set the benchmark for the other companies to follow. They are the best in
class, and the other companies should strive to reach the level of cross-functional team approach that has been developed at Hertz. This study further indicates that while there is an awareness of teams in other above average companies, there are inconsistencies in their cross-functional teams.
Figure 4  Table of results of survey by company

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<th>RESPONSE</th>
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RECOMMENDATIONS OF THE STUDY

The conclusions drawn from this study indicate that cross-functional teams are present in the most successful car rental company in the country. Hertz has set the benchmark for others in the car rental industry to follow. It is therefore recommended that for other agencies to be able to provide customers with the level of service that Hertz provides they need to become more cross-function team based in their approach to customer service.

Hertz in order to continue to maintain their status in the car rental industry and standard setter within the industry needs to continue to use cross-functional teams. It is further recommended that the area of indirect customer service be examined more in depth, this is beyond the scope of this study, it might show that in the area where there is indirect customer contact and control cross-functional teams could be used to improve customer service.

The findings in this study support the hypothesis, therefore, further studies could be conducted to further prove the relationship of cross-functional teams in the car rental industry. This study proves the use of cross-functional teams have superior customer service. Furthermore, if a company is to remain on the cutting edge of the car rental business, they will move locations to cross-functional teams.

The car rental industry is highly competitive and any advantage that can be gained to benefit superior customer service should be sought and included in the company vision.
You come into work and are informed that there are 400 reservations booked over the next three hours. You then see that there are only 200 cars available for rent and that 200 cars are due to return over the next three hours. You react in the following way:

A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.

B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done.

C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.

D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.
2. Everyone is aware that the cars that are being brought out for the customers are expected to be; free of litter on the inside, have empty ashtrays, clean windows, a full tank of gas, and have been run through the car wash. Customers are complaining that the car they picked up was dirty inside and that the gas tank was not full as it was supposed to be. You react in the following way:

A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.

B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done.

C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.

D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.
3. An irate customer is yelling at one of the staff saying that your company is the worst car rental company around and that the last five times they rented from you the car was filthy and he had to wait to get a car. The employee starts to apologize to them and they interrupt them and scream at them using foul language. You go to their aid and attempt to diffuse the situation. The customer doesn’t let anyone solve the problem or talk and finally leaves saying “I’ll never rent from this lousy place again.” And then says to the other customers waiting, “I wouldn’t rent from this company. They’re no good!” You are relieved that they are gone but realize that they have upset everyone else. You react in the following way:

A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.

B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done

C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.

D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.
4. Cars getting from the rental location to the service area and back are not arriving on a timely basis. A member of the staff tells you the following: They notice that all the people that do this job take their break at the same time. They said that they said something to them about the situation and that they were told that it doesn’t matter how many of them take their break at one time because they never have the cars cleaned to get over there anyway. You react in the following way:

A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.

B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done.

C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.

D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.
APPENDIX B

COVER LETTER

AND QUESTIONNAIRE

USED IN SURVEY
DATE:  August 1, 1996
TO: 
FROM:  Iris Wolfson, Graduate Student at Rochester Institute of Technology
RE:  Questionnaire for a Masters Thesis on Customer Satisfaction
      in the Car Rental Industry

I am a graduate student at Rochester Institute of Technology in Rochester, New York in the School of Hospitality and Tourism. I am working on my thesis in the area of customer service. You have been randomly selected to receive this questionnaire, and the information you provide will aid me in the completion of my thesis. I would appreciate it if you took a few moments to complete the enclosed questionnaire. The responses will be used only for the purpose of my thesis.

I have enclosed a self-addressed stamped envelope for you to return the questionnaire to me in. I look forward to receiving your questionnaire back.

Thank you, in advance, for your time.
HOW WOULD YOU RESPOND TO THE FOLLOWING SITUATIONS? PLEASE ANSWER WITH THE RESPONSE THAT WOULD BEST DESCRIBE WHAT YOU WOULD DO AT YOUR FACILITY. THANK YOU.

1. You come into work and are informed that there are 400 reservations booked over the next three hours. You then see that there are only 200 cars available for rent and that 200 cars are due to return over the next three hours. You react in the following way:
   A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.
   B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done.
   C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.
   D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.

2. Everyone is aware that the cars that are being brought out for the customers are expected to be; free of litter on the inside, have empty ashtrays, clean windows, a full tank of gas, and have been run through the car wash. Customers are complaining that the car they picked up was dirty inside and that the gas tank was not full as it was supposed to be. You react in the following way:
   A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.
   B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done.
   C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.
   D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.
3. An irate customer is yelling at one of the staff saying that your company is the worst car rental company around and that the last five times they rented from you the car was filthy and he had to wait to get a car. The employee starts to apologize to them and they interrupt them and scream at them using foul language. You go to their aid and attempt to diffuse the situation. The customer doesn’t let anyone solve the problem or talk and finally leaves saying “I’ll never rent from this lousy place again.” And then says to the other customers waiting, “I wouldn’t rent from this company. They’re no good!” You are relieved that they are gone but realize that they have upset everyone else. You react in the following way:
   A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.
   B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done
   C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.
   D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.

4. Cars getting from the rental location to the service area and back are not arriving on a timely basis. A member of the staff tells you the following: They notice that all the people that do this job take their break at the same time. They said that they said something to them about the situation and that they were told that it doesn’t matter how many of them take their break at one time because they never have the cars cleaned to get over there anyway. You react in the following way:
   A. ( ) I have an “open door” policy and tell my employees and customers that they can always come to me with their questions or concerns.
   B. ( ) I am aware of the situation and make sure it is corrected, the way I say it should be done
   C. ( ) I am aware of the situation and we will locate the root of the problem and get it corrected.
   D. ( ) I am aware of the situation; we will correct the situation and take every effort to prevent it from happening again by providing a better environment.

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