

AN OVERVIEW OF CUSTOMER COMPLAINTS IN CAR RENTAL ACTIVITIES FROM ROMANIA

Daniel C. OLA¹

Abstract: *An ever growing tourism with a higher competitive market of services, the car rental segment is essential in the development of the tourist transport services, in order to fulfil and satisfy the mobility needs of the customers. The paper focuses on the identification of the most frequent complaints and the efficient management that can be implemented in order to minimize the negative impact that affects the car rental provider, and to effectively address the measures to regain the customer trust and brand loyalty.*

Key words: *rent a car, brand loyalty, customer complaints, online customer feedback, tourism.*

1. Introduction

Worldwide, tourism represents 9% of the global GDP 2011, creating 255 million jobs. It is estimated that the tourism industry will grow with a rate of 4% each year in the next 10 years. It is estimated that by 2022, about 328 million tourism jobs will be achieved, or 1 out of 10 jobs worldwide will be in the field of tourism [10].

Personal transportation modes have diversified greatly, and rental use in tourism area can be one of the strategies to popularize tourism and new transportation vehicles [7].

Tourism is more a social activity than economic and it involves people from all over the world with different cultures and habits and different expectations and

understanding of the quality services.

Regarding overall satisfaction of the rental service, most users were satisfied and want to use it in a tourism area as an alternative to, primarily, private cars. According to Nakamura H. 2016, users ranked the order of importance for car rentals as "safety", "convenience", "joy", and "mobility".

World tourism organization (UNWTO), defines tourism as being summarized by the activities carried out by persons during travelling and accommodation in places outside their usual residence in a time frame that does not expand more than one year with the purpose of entertaining, doing business or other reasons [12].

A tourism package is defined by having at least two of the following tourism services: accommodation, transport, lunch,

¹ Department of Engineering and Management in Food and Tourism, *Transilvania* University of Brasov, Castelului no. 148, Brasov 500014, Romania.
Correspondence: Daniel C. Ola, e-mail: danielola@unitbv.ro.

leisure activities. These services are grouped and sold by a tourism agency at a certain price and are valid for at least 24 hours involving one accommodation over night.

The tourism package is agreed upon signing of a contract that contains informations regarding the destination, means of transport, accommodation address and facilities, price, methods of payment and the terms in which the customer can file in a complaint.

The first contact of the tourist is made with the transport service offered in the tourism package. The transport service represents the first impression of the tourist consumption and this is why the psychological impact upon the tourist is decisive.

1.1. Car Rental Development and Current Situation Worldwide

Even though researchers give considerable attention to the means of transport in tourism fields, it is unfortunate that cars played a secondary role in this concern. Problems and advantages that renting companies show by respecting to other services, it is important to note that the loophole in legal support looks to be for this activity an increasing limitation for further enhancement [6].

Car rental services has evolved greatly and diversified so that today it represents a world industry governed by rules and national and international legislation.

Car rentals represents a main component in the tourism industry as more and more travelers are using the rental services as a preferred choice of mobility. The main reason that many tourists turn to car rental is that the car rentals offer an increased mobility at an acceptable cost, in the frame of an extensive and continually expanding network of roads.

2. Car Rental Complaints in EU

The rules applicable in this industry vary from state to state, although it is desirable that in the near future a standardization of car rental contracts to be implemented so that the rental process to be harmonized globally.

Within the most recent European Policy for Tourism, the competitiveness of the European tourism industry is directly linked to the image of Europe and to its perception, as a collection of sustainable and high-quality tourist destinations. In such context, improving the profile of the European tourist destinations has become a main target. During the last years, the European Commission focused on the sustainable development of tourist destinations [1].

A study published by the European Consumer Centre (ECC-Net), initiated by ECC Barcelona, wants to offer a new perspective regarding base contracts made for rental cars, according to known customer complaints. The aim of this study is to evaluate the best car rental service in order to implement appropriate regulations [11].

The car rental business is one with awesome budgets due to its popularity in tourism and business trips worldwide. The broker service provider model is the dominant one with the brokers searching and negotiating with several providers for each reservation request. Moreover reservations life cycle in the aforementioned model is a complex process bearing exhaustive details and constraints that have to be met until a reservation is confirmed and deployed. Full reservations cycle enables automatic reservation treatment incorporating the most enhanced functional features demanded by brokers and service providers [5].

2.1. Car Rentals Complaints in Romania

Car rental market in Romania is made up

of both large foreign companies and local companies. The touristic season in summer has an increase in the number of cars rented by Romanian citizens or foreigners traveling to the country for tourism purposes. Most customers are foreigners, their weight can reach up to 95% of total rental vehicles [8].

Cheapest car rentals and the most sought by tourists are the cars categorized as in economy class. For these cars the rental price starts from 13 euros to 20 euros per day, while the price for premium cars can go well over 100 euros per day [3].

It is estimated that about 80% of all customers who rent cars, are foreigners. Around 75% of all foreign customers rent a car for an average of 5 days [3].

3. Management of Customer Complaints in Car Rental Services

Given the growing appeal of the concept of destination loyalty in tourism marketing, it is highly important to investigate the travel expenditures of loyal vs. non- or less loyal visitors. Adopting the behavioral approach to loyalty, the spending patterns of visitors could be studied, while comparing between the different loyalty segments: no previous visit, one previous visit, and multiple visits. The analysis is based on an intercept survey [2].

However, the loyalty segments are distinguished in their spending patterns at the destination, when first timers spend more on lodging, food and restaurants, and car rental, and the those with one or more previous visits spend more on gasoline, activities and entertainment, and shopping [2].

In general, customers are reluctant to complain when faced with some inconvenience, especially when it comes to minor problems. They believe that their complaints will not alter the quality of service and therefore the time during

which they assign complaints would be wasted [3].

In reality, the exact opposite happens. Despite the fact that many customers do not complain directly to companies, they are very attractive idea to complain on the Internet in various forums and specialized websites. Customers thinking that their complaints can not change anything by addressing the company directly, customers will find a method of sharing their unpleasant experience using the Internet.

4. Online customer complaints Questionnaire

A customer questionnaire was developed by a Romanian car rental company that was used from 2010 to 2012 in order to assess the customers satisfaction. The questionnaire was accessed on the Internet page and clients were able to access it after they benefited from the car rental services.

The questionnaire sent to customers contains new quality assessment factors with corresponding marks awarded on a scale of 1 to 5, where 1 is very poor quality service and high quality service is rated by 5.

A number of 3002 customers of different nationalities have completed the survey and average mark was calculated using the scores they gave for the service quality.

The goal of the questionnaire was to assess the aspects of the car rental process that generate the highest level of complaints among customers and to apply changes in a most efficient way to correct deficiencies.

The feedback from the customers was categorized in positive, negative and neutral comments and were represented in Figure 1. Out of all the 3002 customers that completed the questionnaire, 1109 (36.94%) have added a comment in which they justified the scores given or

manifested their discontent on the services they received.

Generally, customers who gave marks to an average greater than 3.5 are considered to be overall satisfied with the services offered by the company, while customers who gave marks to an average of less than 3.5 were considered to be unsatisfied with services in a lesser or greater level.

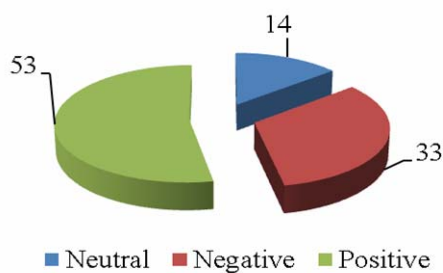


Fig. 1. Complaints categories in car rental services based on the feedback questionnaire

This indicator for the assessment of service quality was the final mark (average of the evaluations given for each question) that offered a tool to identify the percent of dissatisfied customers that are willing to post a negative comment and how many of satisfied clients will offer a favorable comment to the company.

4.1. Identification of the customers who leave positive or negative reviews

A major problem for the rental company are the customers that would give negative advertising. These unhappy customers can alter the negative perception of prospect customers who have never used the company's services but would like it to if given the chance.

There are situations where a company offers good services and still have negative reviews on specialized sites because the dissatisfied customers are more likely to advertise negative comments than to advertise the positive experiences. This

particularly affects small businesses that tend to ignore the customers feedback.

From the total participants in the survey 2612 customers gave a grade higher than 3.5 and 592 from them (representing 22.66%) also left a comment (Figure 2). Of the 390 clients who gave a rating of less than 3.5, a total of 363 left a comment describing what displeased them most.

Very few of the clients who completed the questionnaire and were satisfied with the service left a comment (23%), while 93% customers who were dissatisfied left comments (Figure 2). If this situation remains when it comes to posting comments on specialized sites on the Internet, the damage brought to the company's image is overwhelming.

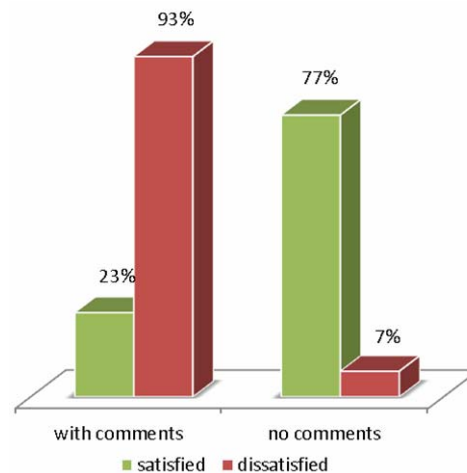


Fig. 2. Percentage situation of customers leaving comments categorized based on satisfaction

It is important to know the percentage of customers who were dissatisfied with the service provided by the company and in the future will no longer return as a customer. To estimate the potential losses that the company recorded because these customers were not loyal, questions were used to determine the level of customer loyalty.

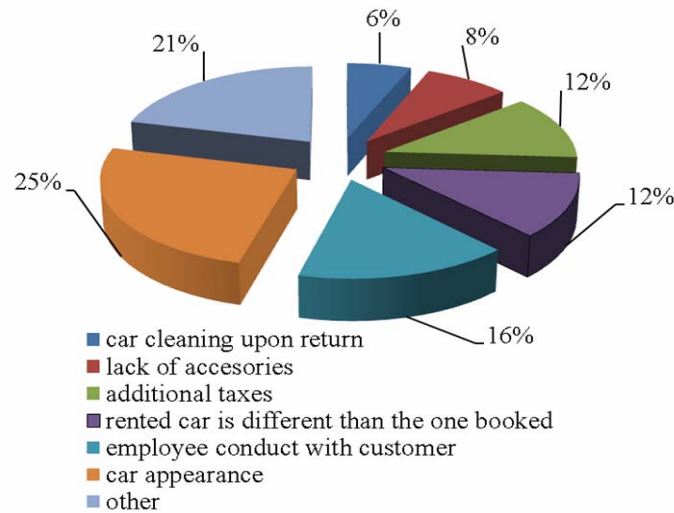


Fig. 3. Pie chart of main customer complaints.

From a total of 363 customers who complained about the services, 247 of them gave a score less than 3.5 to the question "Have you ever rented a car from us?". These customers most likely will not return to use the car rental services due to the inconvenience encountered.

The percentage of dissatisfied customers that will no longer use the services of the company was of 68% from the total of dissatisfied customers. The percentage of dissatisfied customers that will return to use the services of the company was of 32% since they considered that the problems encountered were usual and would happen in any other company.

4.2. Classification of Main Customer Complaints

Based on the negative comments left by customers various complaints were identified and represented in Figure 3. The main complaints were categorized and numbered in order to quantify the occurrence frequency and the percentage. From a total of 363 customers who complained about the services, 25%

complaints were about the state of the car at reception (technical problems, cleaning), 16% complaints were related to employee behavior (attitude towards customers, punctuality, preparation), 12% were complaints about the fact that the car was different than the one originally booked by the customer (replacement car without consulting the client, providing a vehicle of category other than that requested or with different engines), 12% complaints were related to additional fees to be paid by the customers, 8% complaints were relating to additional accessories requested by customers (GPS maps systems inoperable or outdated, inadequate child seats, audio systems flaws), 6% complaints related to customer requirement to wash the car before returning it, 21% different complaints that do not fall within any of the categories mentioned.

4.2. Classification of customer Complaints according to the Country of Origin

People from different corners of the world perceive things differently or in this case the quality of service offered is

depending on the cultural background of the customer. For example, a service that can have a very good quality in a South American or Asian eyes can be perceived as inferior in the eyes of European or North American and vice-versa.

The purpose of this determination of complaints by nationality is to identify the most demanding customers so that the company's employees have a more appropriate approach towards them. Even if it seems somewhat discriminatory, it is a part of the customer relations management that the car rental company must act.

In this study, the percentage of complaints by country of origin were acquired relative to the total number of complaints registered.

Compared to the total number of customers in these countries, the most demanding customers by country of origin are presented in Figure 4. Clients who have complained leaving negative reviews of all customers according with the country of origin showed that the most demanding were clients from the country where the business was conducted.

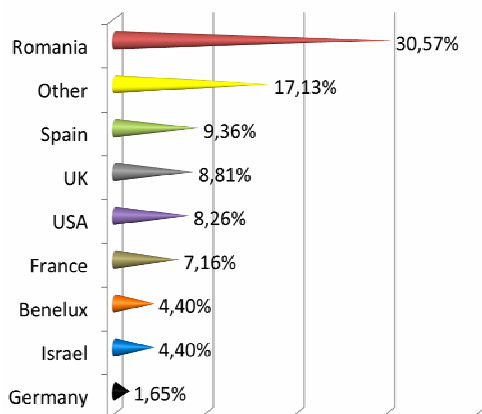


Fig. 4. *Complaints by country of origin of the customer*

According to Figure 5, the most demanding customers are Romanians followed by British, French and Spanish.

Romanian tourists that were expatriates and came from other countries (mainly Spain and Italy) have been counted as Romanian, even if they have completed the questionnaire at their current country of residence.

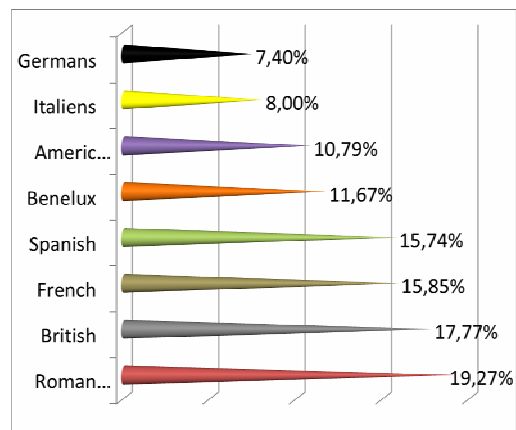


Fig. 5. *The most demanding customers by nationality*

5. Evolution of Quality in Car Rental Services based on Customer Feedback

To have a clear picture of the evolution of quality car rental services in the company it was necessary to identify the number of complaints registered each year and to relate it to the total number of clients who completed the questionnaire in that year. According to the survey, the trends in the quality of services for the years 2010, 2011 and 2012 was represented in Figure 6.

The percentages represented in Figure 6 are the total number of negative comments from a year compared to all customers who completed the questionnaire in that year.

Therefore, in 2010, out of a total of 1,171 clients who completed the questionnaire, 184 (representing 15.71%) expressed their dissatisfaction with the services they had leaving a comment. In 2011, the 1,067 customers who have

completed the survey, 110 (10.3%) have left a negative comment, 5% less than the previous year.

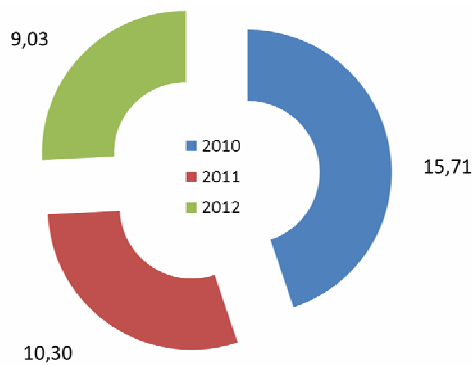


Fig. 6. Evolution of customer negative feedback

This decrease in negative comments suggest an improvement in the quality of services. The year 2012 recorded a decrease of just over 1% of complaints compared with 2011, only 69 customers (9,03%) out of 764 expressed their dissatisfaction with the company's services.

Overall, in the period 2010-2012 the company was headed in the right direction, with a decrease of over 6% of complaints in 2012 compared to 2010.

6. Conclusions

Dissatisfied customers, even though they represent a relatively small percentage of total customers, may have a negative impact on the company's image. This is caused by the fact that, as demonstrated in the analysis of the questionnaire, dissatisfied customers are more prone to express public reviews and comments than satisfied customers.

The conclusions of the study reveal that since satisfied customers are far less kin to leave positive comments on the Internet this may give the impression that a higher percentage of customers are dissatisfied

when the actual percentage is actually far less.

Based on this result from the study, it is essential for any company to reduce the number of complaints in order to maintain a good image and when complaints exist to make everything possible for them to be manifested in an environment controlled within company and isolated from the exterior. This can be achieved by encouraging complaints made directly to the firm and in a modern and motivating environment such as a Internet platform built by the company.

It is therefore in the direct benefit of the car rental company to facilitate and encourage the customer to express his complaints in a method that offers both moral compensation to the customer and a valuable feedback from him to know what corrective measures need to be taken.

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