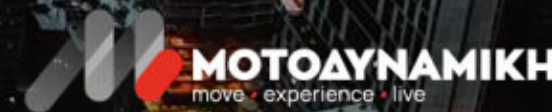




THE COMPLEX ROLE OF PRICING IN RENTAL BUSINESS

SIXT Greece
23/02/2022



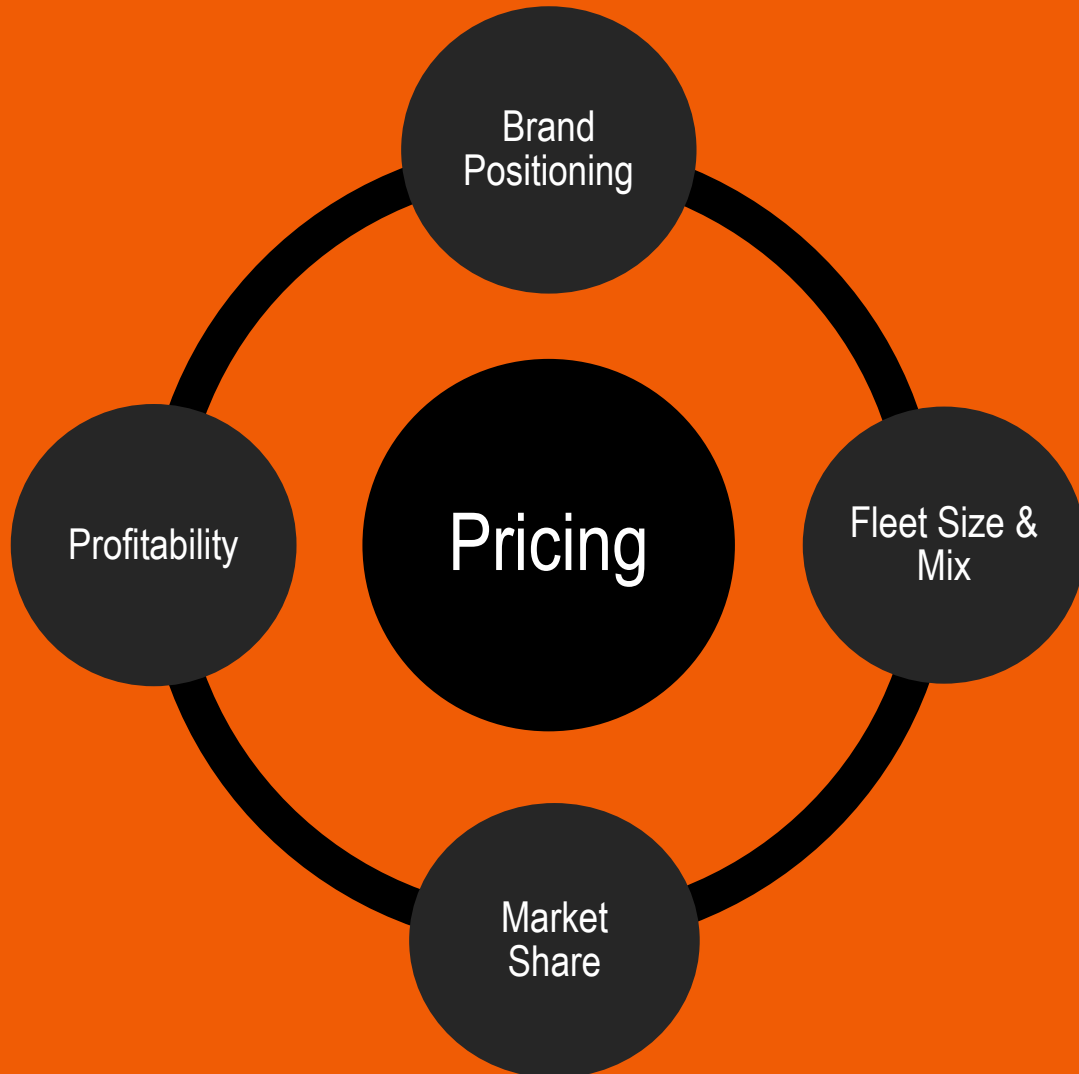
INDUSTRY KEY ELEMENTS

- 🔍 Growing market, directly linked with Tourism
- 🔍 Inbound customers mostly
- 🔍 Market share of traditional channels keeps shrinking
(Tour Operators, Travel Agencies, Hotels)
- 🔍 Online bookings continue growing
- 🔍 Price transparency due to internet
- 🔍 Intense competition, over 2.000 active companies
- 🔍 Short product life cycle (perishable products)

Covid Impact:

- 🔍 Sharp decline in demand due to travel restrictions
- 🔍 Financial and general insecurity
- 🔍 Increased last-minute demand
- 🔍 Unstable car supply

PRICING & COMMERCIAL STRATEGY DESIGN



- Low-cost brand or premium brand?
- Pricing placement supports the respective brand positioning
- Forecast of bookings according to the price target
- The fleet strength and mix is defined according to the forecasted bookings
- The fleet strength and pricing policies will define the market share of the company
- The final price and utilization will determine the profitability, as rental companies' cost is mostly fixed

PRICING & COMMERCIAL STRATEGY IMPLEMENTATION



Yield management is based on understanding, anticipating and influencing customer behavior in order to maximize revenue from a fixed, time limited resource



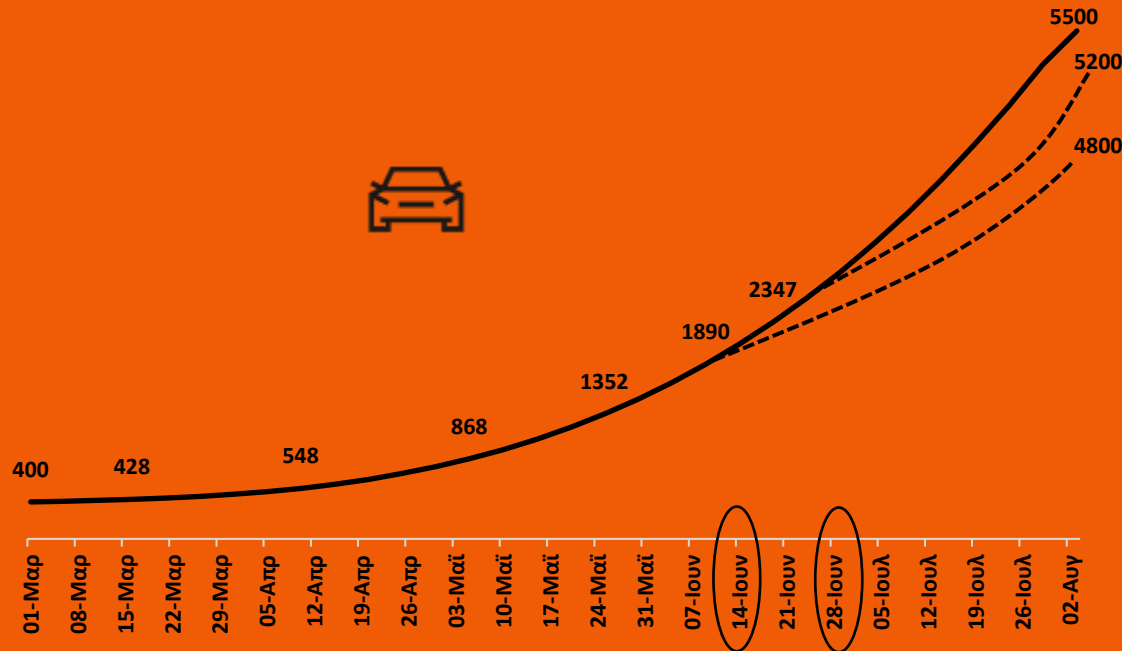
Determine the efficiency of each car group per area, according to past data and support internal discussion and forecast planning for new cars. Design the new allocation plan.

Actively communicate and interact with all functions:

- Giving input and feedback to Communications
 - Support the Network
 - Coordinate Operations
- Align with Fleet Management

PRICING & COMMERCIAL STRATEGY IMPLEMENTATION

Nowadays that crisis management is the new normal and the price transparency is absolute, the role of dynamic pricing is significantly upgraded



- Rate management
- Fleet transportations
- Channel management
- SEA Optimization
- Revenue streams management

PRICING & CUSTOMER SATISFACTION ●

Yield Management involves strategic control of inventory to offer the right car to the right customer at the right time and place for the right price

Ease & Flexibility

Customers want a variety of options, to make their bookings easily and with flexible terms



Effective inventory management, to ensure that all rental offers, displayed via various booking channels, are available without previous request or any other sort of confirmation as a prerequisite

Excitement

Customers want to pick up the car of their choice, to ask questions, to understand the procedure and start their journey as fast as possible



Control the number of customers served each time of the day with dynamic pricing of hourly granularity. Ensure the necessary time for the rental agent, to appropriately interact with the customer. Answer potential question and offer additional services-products

Honesty

Customers really dislike feeling being price scammed

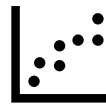


Reward customers that have made their plans early - accurate timely forecast so as not to be forced to decrease prices at last minute. Ensure price parity between various channels

PRICING & TECHNOLOGICAL DEVELOPMENT



Need for a better understanding of past data



Evolved analytical processes with new methods and tools, that helps us understand and correctly interpret the available data

Need for better and more insightful reporting systems



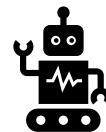
Develop more friendly-user reporting systems with only important and useful information that contributes to decision making

Need for specific targeted information and insights delivered at the right time



Develop “smart” alerting systems, to receive the more relevant information when is needed, saving time and effort

Need for dynamic pricing 24/7



Develop partially or fully automated systems for Yield Management



Thank you

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