

# Zipcar case: influencing customer behavior essay sample



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By offering car sharing, Zipcar offered a different way other than rental, car ownership or taking taxi with competitive advantage of low cost, service speed and convenience. Zipcar targets at people groups similar as car rental companies, specifically people who don't want to own a car (hassle and cost), need a second car or different car for different purpose, but in a more convenient and cheaper way. It provides low cost by cutting infrastructure and employees. For example, it will save people who live in Brooklyn 40% by taking a 2 hour drive, compared to rent a car.

Besides cost saving which can be achieved compared with owning or renting a car, unlike traditional rental companies, Zipcar takes care of car maintenance, insurance, parking and gas. Although Zipcar offers customer service through multiple channels, its service is mainly based on online, mobile phone or Zipcar apps. Speed and convenience is Zipcar's main focus. After joining as a member, customers can reserve through different channels, pick up the car in designated parking lot by comparing car name tag, unlock car with Zipcard, use key and gas card in the car, finally return car through locking car by Zipcard. Customers don't have to deal with people like in renting a car and fill out papers. It offers flexibility even it has less people interaction. For example, if the gas card is not working, customers can use the gas fare receipt to get reimbursement.

Its service model is greener for business and universities. In cost wise, it saves business companies which usually have low weekly ride lot of money and time in dealing with management such as fee reimbursements. Its variety choice of green cars such as prius is very attractive to companies building sustainability. By cooperating with universities, with offered parking

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space, Zipcar helps to reduce university traffic and increase convenience to users in university.

Zipcar service model is not sound because there is a contingency in the process. Next customer's experience depends on reliability of getting the car in time. As we can see in the case, Anita is going to have terrible customer experience if Sal decided to continue interview instead of returning car on time. As stipulated by Zipcar, customers can only extend their use if there is no next booked schedule for the car. Customers can sign up alerts and they will receive a text near the end of reservation. If the car's available and they would like to extend, they can proceed. However, there is no pre-warning for them that there is a customer right waiting for their car. If there is no backup car available, and the booked car is delayed, mechanically disabled or in an accident, the entire schedule will be messed. Since outcome of the experience will greatly influence the customer as memory, it's hard for Zipcar to gain loyalty from these customers and even their friends.

Therefore, critical factors to go forward,

1. Increase reliability of service to create successful and satisfying experiences
2. Influence and establish correct customer behavior by technology or process
3. Provide different strategies for problem solving
4. Keep advantage in costs
5. Establish national network

6. Continue to set different prices for different areas

7. Regular maintenance of the fleet.

In this case, customers are not only customers. They are also part of service providers in a way. Users greatly influence next customer satisfaction rate by following the rules. Place things in correct positions, add gas when it is less than 1/4, drives into designated parking location on time, and lock the car with Zipcard. Any mistakes in the process may cause problems to next user. Customers are empowered to set their own experiences.

There are some mechanisms Zipcar have in place to manage customer behavior. a) They make simple and easy videos in less than 3 minutes to explain what behavior or actions they expect from the customer b) Customers have to find the car with same name tag as you they booked to avoid mistakes in taking different cars. c) Next customer checks the potential car damages outside and inside of the cars caused by the previous users. This will save Zipcar costs and solve the potential arguments in first place d) To put more gas, customer has to put gas card number and mileage in the process to avoid using gas card for non-zipcar. e) Customer has to drive car into the designated parking space on time. Next customer will pick up the car there. However, some processes have issues,

f) Although the customer may get a reminder that they can extend the car after close of the reservation if there is no pending customer. They didn't get pre-warning that they have to return the car on time when there is pending customer. A process has to be established to address this issue. g) In the case, it is not mentioned that Zipcar is doing anything to un-accountable

customers. Un-accountable customer's should be charge more and eventually not welcome by Zipcar if there is multiple unaccountable returns.

h) Via GPS combined with other technologies, Zipcar should intervene in situations that cars are not on time for next customer. It should inform the customer before or offer other solutions to the issue, not letting customer waiting and calling Zipcar.

In order to make the business model sustainable and sound, accountability of customers should be considered more seriously. Unaccountable customer will influence next customers experiences and drive them away. In order to influence customer's behavior, a process has to be created. Under this process, customers will be well noticed when there is pending customer. Unaccountable customer will be charged more. By using technology, Zipcar will provided next customer more solutions if there is delayed situation. These solutions can be a different car, a well ahead communication and etc. The best practice " take-aways" from the case is empowering the customer to set their own experiences. Customer is part of service provider. This engagement is not only personal but also environmental. The customer not only " goes into" the experience but also provide service to next customer. This can create reach and satisfying experiences.