

# Locating a business to enhance the customer experience

## An Enterprise Rent-A-Car case study

### Introduction

One of the most important decisions a business has to make is where to locate. The location of the business can have a significant effect on how it performs. Businesses will aim to operate from locations that provide the maximum competitive advantage. These decisions need to be reviewed regularly.

By selecting the best location, a business could get more customers, improve its efficiency and generate greater profits. For example, choosing an out-of-town shopping park instead of a high street may allow a retail business to have greater shop space, better overheads and attract more customers because parking is easier.

Multinational businesses need to make many decisions about the location of their operations. At an international level, they might need to choose which countries or territories to operate within to maximise opportunities. Within each country, they would need to locate the head office. At a more local level, they may need to choose whether to locate within or around major cities.

Enterprise Rent-A-Car is an internationally recognised brand, operating within the United States, Canada, the UK, Ireland and Germany. Car rental is an extremely competitive market. Enterprise aims to outperform its competitors through a focus on customer service. Service is a core element of Enterprise's ethos and as such, employees seek to provide the highest standards of customer care.

As part of this strategy, Enterprise attempts to locate its branches as close as possible to its customers. It has an extensive branch network. Within the UK, the company operates from 350 locations. Most people (over 75% of the country's population) live within five miles of an Enterprise branch.

This case study focuses on how Enterprise Rent-A-Car decides where to locate its new or relocated branches.

### Factors affecting the location of a business

There are several reasons why an organisation might decide to open new branches or relocate its existing operations. It might want to expand the business, so it will open branches in cities where the organisation did not previously have a presence.

A business will have to consider many factors when determining where to locate a new branch or operation. Usually, it will have to balance several factors in making a decision. Sometimes one factor may sway the decision:

- It may choose a site with the cheapest land or buildings.
- It might decide on a location that is convenient for key employees. A business needs to be able to recruit staff with the right skills base.

- It might choose a site that has easy access to raw materials. For example, many frozen food factories are located near fishing ports to reduce transport time taken and to keep fish fresh.
- The key factor could be the transport and service infrastructure. Many businesses require easy access to good road and railway links and modern telecommunication services. These ensure that they can meet service or delivery deadlines.

Enterprise Rent-A-Car is a service business. Its customers include:

- Businesses, who may require regular car rentals for their staff or visitors
- Individual customers, who may want to hire a car when they are on holiday or if their own vehicle has been involved in an accident.

Enterprise makes it as easy as possible for customers to use its services. For example, business customers may need a car delivered to their doorstep. Alternatively, retail customers can use Enterprise's unique pick-up service, where the customer will be collected from their location and taken back to the branch to collect the car.

Customers can also pick up cars direct from branches, so all Enterprise sites need to have good transportation links and easy access. They also need to be close to their customers. This helps to ensure Enterprise can keep its promise to customers on the speed and efficiency of its service.

### ***Types of locations:***

Enterprise has branches in two types of locations:

- First, there are 'home/city' branches. These are located in areas close to long-term business partners, as well as to a large market for personal customers. These branches meet the demand for car rental from businesses and individuals wanting a car for accident cover or for leisure purposes and represent 95% of all Enterprise's locations.
- Second, there are branches at airport locations. These provide a service for people flying into or out of a region.

By locating branches in busy areas and near to its customers, Enterprise can also increase awareness of its services by using its premises to project a strong visual brand. The signs and fittings at each branch premises display the Enterprise corporate logo and reflect the company's colours and branding.

Enterprise also needs to be open to changing customer demand. For example, a major new housing development may generate a new source of customers in an area. The growth of residential housing could also encourage new businesses, such as shops and offices, to open nearby to provide services and goods to this new market. Enterprise needs to be in a position to adapt its locations to meet any changes in its market efficiently.

## **Glossary**

To enhance – mejorar, realzar

Overheads – gastos generales

Ethos – valores, comportamientos

Doorstep – umbral de la puerta

Outperform – hacer mejor que

# Creating a new and exciting brand – Café Cadbury

## An Cadbury Schweppes case study

### Introduction

Everyone knows about Cadbury and what it represents. This case study examines the creation of a new and exciting brand – Café Cadbury – which shows how detailed thought has been applied to making this a successful venture which extends the Cadbury reputation by providing a high profile presence and by giving consumers more reasons to choose Cadbury. Café Cadbury is an exciting all day premium café also offering a take-out service on the ground floor.

The emphasis is on chocolate, offering the customer a range of products and experiences they cannot find elsewhere.

### The target market

It is essential to have a clear picture of the type of people that make up your core target market. Armed with this information you can then select how to best reach and appeal to this market.

Cadbury's carried out its own research which confirmed that the café concept would particularly attract ABC1 women aged 25-45. This research has been confirmed by experience.

### Choosing the right location

Knowing the target market, Cadbury was then able to research the right locations to attract 25-45 year old females with high disposable incomes who were regular café users.

In addition, it was necessary to take into account a number of business and practical criteria the location must have:

- a prime site location in the main shopping area of a city with 100,000 people
- a double shop frontage for maximum visibility
- a high number of shoppers all year round - average weekly footfall of 50,000, peaking 5,000 per hour during the week and 10,000 per hour on Saturdays
- a size between 2,000 and 2,500 square feet
- planning permission for catering and retailing.

The building required a prestigious location and character to support the luxury of the experience. Getting this right was vital because retailing and catering support each other, for example:

- restaurant-quality cakes and chocolates can be sold at higher prices in this atmosphere
- when customers try products in the café's seating area or Cadbury Lounge, they may wish to buy them as gifts and take home purchases.

Cadbury's aim is for customers to aspire to eat and shop in Café Cadbury, so the view of the shop frontage is important. A double frontage is ideal so that people can see, at a glance from the street,

the range of products and services by looking in. Outside seating also draws attention to the food and drink offer.

## Glossary

venture – empresa, “aventura”

take-out – para llevar

appeal to – gustar, atraer

ABC1 – Tipo de métrica social (A: gestores y profesionales altamente cualificados; B: gestores y profesionales intermedios; C1: supervisión, administración, mandos intermedios; C2: trabajadores manuales cualificados; D: trabajadores manuales semicualificados o no cualificados; E: pensionistas, trabajadores eventuales).

footfall – paso, pisada

frontage - frontal