



# Driving Loyalty: Market Insights on Car Rentals & Reward Programs

OCTOBER 2024



# The Loyalty Landscape

With loyalty programs shifting to meet modern consumer demands, car rentals emerge as a significant yet underutilized growth opportunity.

Historically focused on point accumulation and rewards, modern loyalty programs have evolved to build more meaningful relationships with customers through personalization, enhanced value propositions, and broader offerings. This shift reflects the growing need to meet changing consumer expectations and differentiate in an increasingly competitive environment.

The following report is based on a comprehensive survey of consumer attitudes in the U.S.; the findings reveal new opportunities for loyalty programs to refine and align their strategies with what matters most to consumers today.

Within this dynamic landscape, car rentals emerge as a key but often overlooked offering. Ranked among the top preferences for loyalty program members—surpassing health and wellness products, clothing, and homeware—car rentals represent a valuable and untapped opportunity for loyalty programs to capture substantial growth.

The report outlines five key themes from the survey findings, offering a clear perspective on the vast potential for loyalty and membership programs within the car rental market. These insights demonstrate where loyalty providers can focus to enhance their appeal and address emerging consumer preferences.



## Methodology

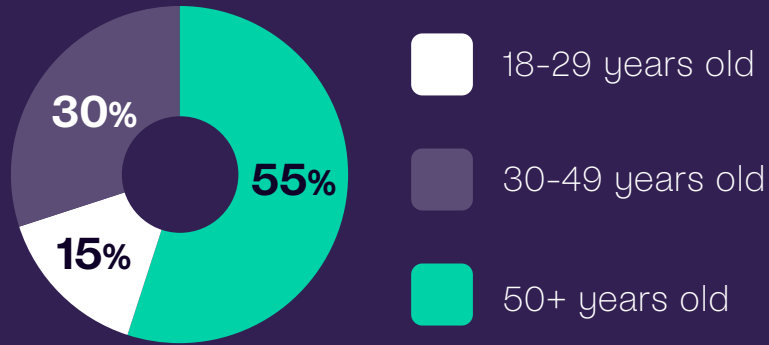
To gain deeper insights into member behavior and preferences related to car rental bookings through loyalty programs, CarTrawler conducted a survey of over 3,500 participants across all 50 U.S. states and Washington, D.C. The survey aimed to explore how consumers perceive and interact with 64 different loyalty programs within the U.S. market.

From this nationally representative sample, nearly 2,000 respondents\* who had rented a car in the past 12 months were asked a series of questions about their interest in renting cars through these loyalty programs, general car rental preferences, key factors influencing membership, and loyalty point accumulation and redemption habits.

\*The final sample size, grouped by regions, closely reflects the demographic composition of the overall U.S. population.

# Methodology Overview

**3.5k**  
U.S. consumers

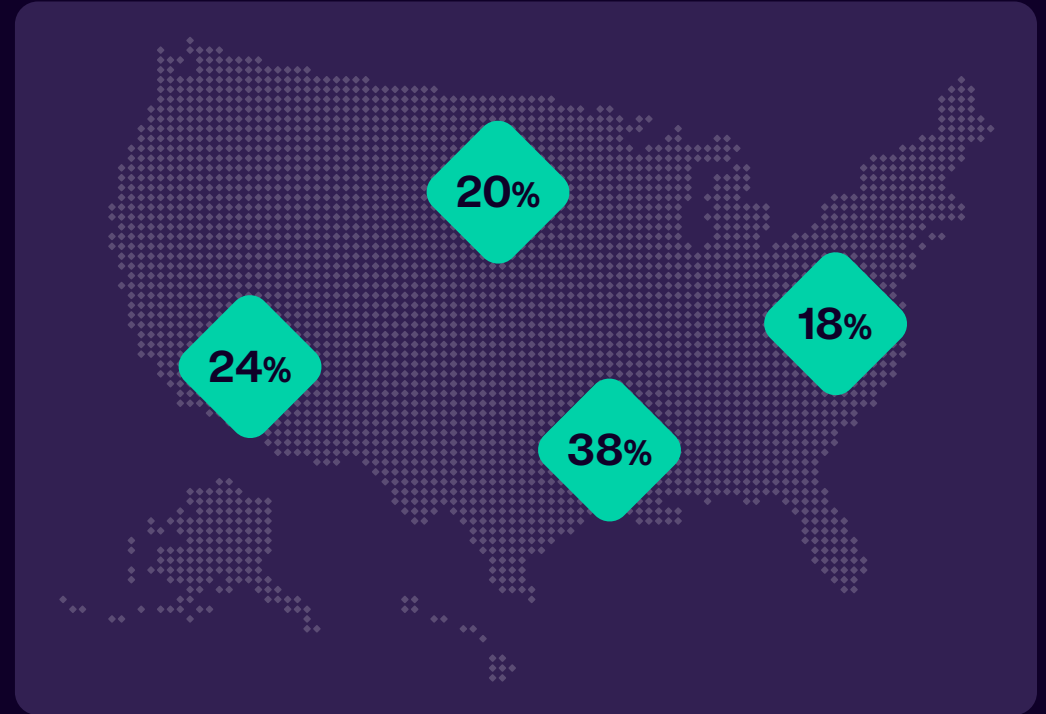


**49%**  
Male

**51%**  
Female

**60+**  
Car rental and loyalty behavior questions

**64**  
Loyalty programs surveyed







# Key Findings

How Loyalty Programs are poised to dominate car rental bookings over the next five years.



## 1. Significant Latent Demand

While not yet the go-to choice, loyalty programs are poised to capture a \$20B opportunity. With 1 in 4 members renting a car annually and nearly half wanting to book through their loyalty programs, the potential for growth is undeniable.



## 2. Tapping into Everyday Car Rentals

24% of car rentals are for everyday use, a market largely untapped by traditional travel channels. Loyalty programs have a golden opportunity to fill this gap.



## 3. Engagement Through Rewarding Redemptions

Car rental is one of most attractive product lines for driving engagement through redemption; offering split payment options with points and cash is critical for car rental redemption offerings.



## 4. Member-Exclusive Perks and Convenience

Customers want member-only discounts, a simple booking process, and competitive pricing when shopping for car rentals. Loyalty programs that deliver these benefits can outshine traditional channels.



## 5. Trust and Personalization Drive Success

Members trust their loyalty programs to offer curated, high-quality car rental options that meet their needs. Success hinges on a broad supply, excellent customer service, and sophisticated personalization.



# 1 Significant Latent Demand

With 1 in 4 members renting a car annually and nearly half of survey respondents wanting to book through their loyalty programs, the potential for growth is immense. Loyalty programs have the chance to capture half of the U.S. car rental market, *translating to a \$20B opportunity.*

## Market Overview

The U.S. car rental market serves a substantial customer base, with approximately **60 million loyalty members<sup>1</sup>** renting cars annually.

This equates to nearly **23% of the total U.S. loyalty membership base** having rented a car within the last 12 months.

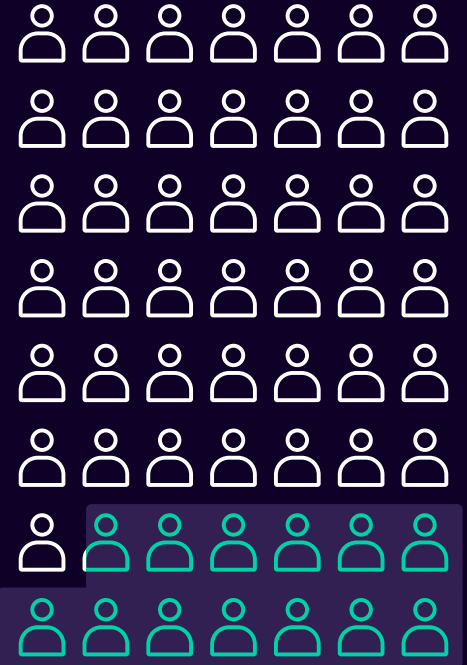
Looking ahead, the car rental market is expected to surge to a total value of **\$44.7 billion<sup>2</sup> by 2028** (+2.6% CAGR), underscoring its robust growth trajectory.

Loyalty programs stand to benefit from this projected growth over the next four years.

Source: <sup>1</sup> Figure derived using U.S. Census data as a baseline.

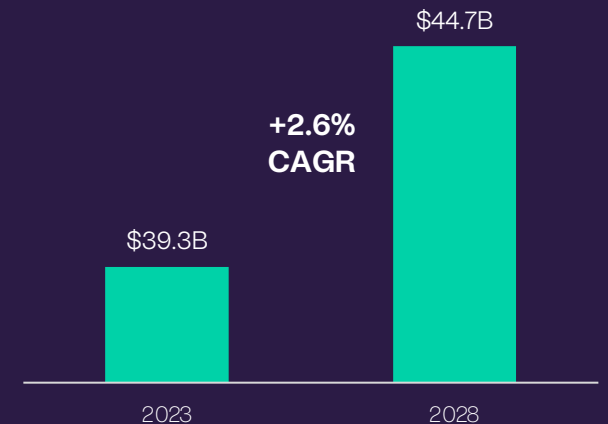
<sup>2</sup> Euromonitor International: Total U.S. Car Rental Market Value

**60M**  
U.S. loyalty membership base



**23%**  
Rented a car this last year

## U.S. Car Rental Market \$





## The Power of Loyalty Programs

Survey data reveals a significant opportunity for car rental: 45% of respondents indicated they are likely to rent cars through their loyalty program. This represents an estimated **27 million loyalty program members** who are potential car rental customers.

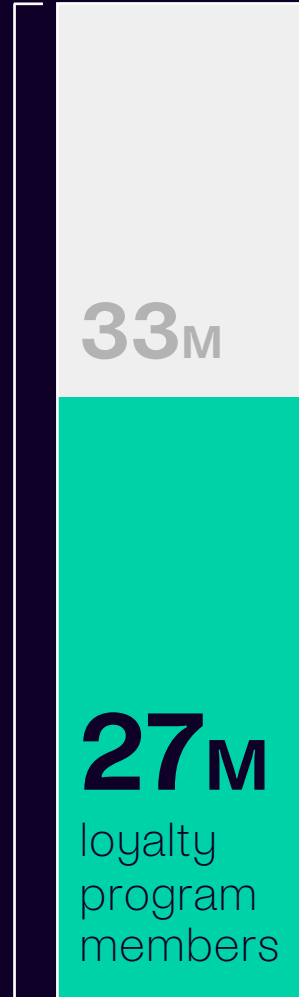
Currently, around 12% of those who rented a car in the last 12 months did so using their loyalty program for the booking.

This gap in car rental adoption highlights the latent demand, presenting a valuable opportunity for loyalty programs to expand their offering into the car rental market and better serve their members.

**56%** of 25–39-year-olds show the highest interest in renting cars through loyalty programs, highlighting the potential to acquire, engage, and retain this traditionally hard-to-reach demographic.

## Latent demand for car rental among loyalty members

**60M**  
US loyalty members who rent cars



55% have not expressed a strong intent to rent a car through their loyalty program

**45%**  
Strong intent to rent a car through their loyalty program

## Repeat Business Potential

The high satisfaction among this 12% cohort is evident. Of those who rented a car in the last 12 months using their loyalty program for the booking, **88% would rent through their loyalty program again.** When comparing customer willingness to re-purchase other products again via their loyalty programs, car rental ranks third, only behind groceries (89%) and outdoor products (92%).

The frequency of car rentals further underscores the potential benefits of focusing on this vertical within loyalty programs. Data shows that **66% of all adults who rent cars do so at least twice a year.** This behavior highlights a robust potential for repeat business, particularly among those who rent through loyalty programs.

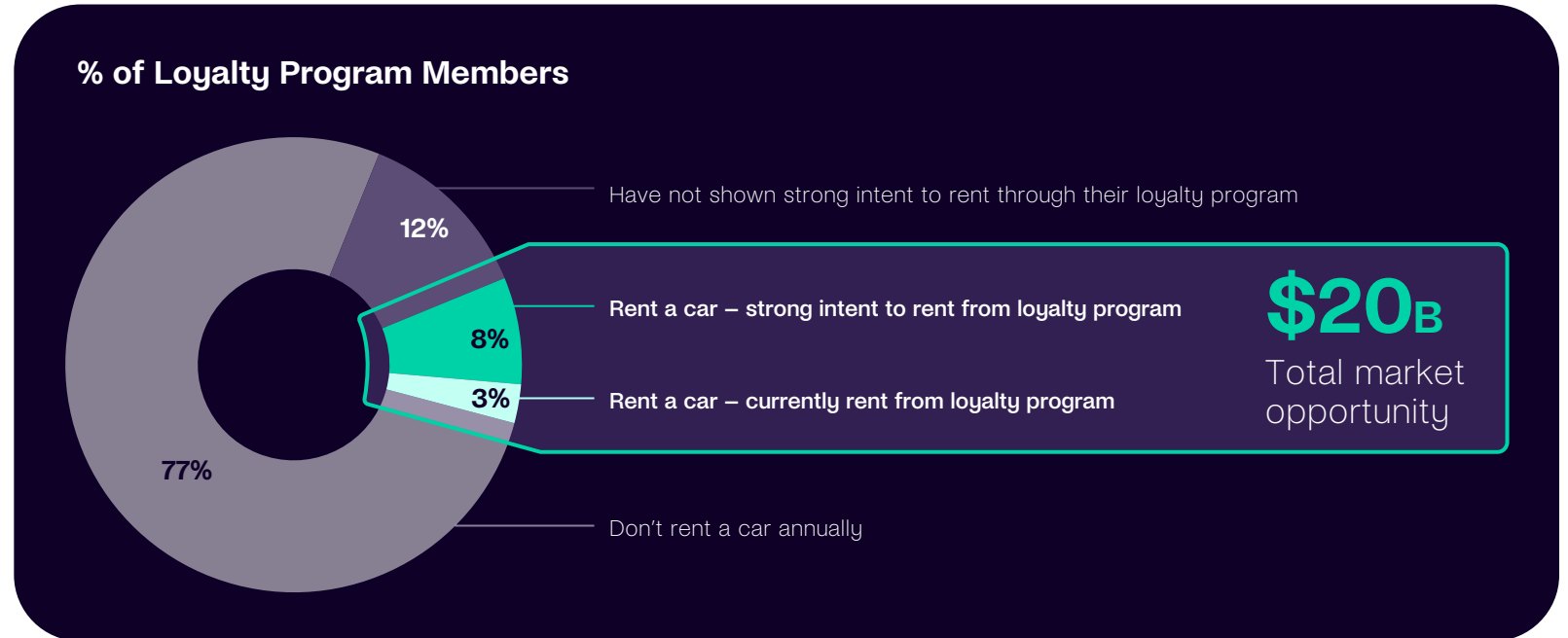
**88%** would rent a car from their loyalty program again.

**66%** of adults who rent cars do so at least twice a year.

# Accessing a \$20B Total Addressable Market

With 23% of loyalty members renting cars annually, there is significant potential to increase member participation. By *raising the proportion of members who currently rent cars through a loyalty program from 3% to 11%*, engagement and retention would be strengthened.

If rental frequency and satisfaction remain consistent, this shift could generate up to \$20 billion in revenue for loyalty programs by 2028, tapping into the \$44.7 billion car rental market.



### KEY TAKEAWAY:

Enhancing and promoting car rental offerings allows loyalty programs to capture a greater share of the market while strengthening their overall value proposition to members.

This shift would position loyalty programs the **#1 channel for car rentals**, surpassing OTAs, airlines, and other intermediaries—second only to direct bookings.



## 2 Tapping into Everyday Car Rentals

*24% of car rentals are for everyday use*, a market that remains largely overlooked by traditional travel channels. Loyalty programs have a golden opportunity to fill this gap.

Loyalty programs have a clear opportunity to broaden their car rental offerings beyond traditional travel.

Nearly a quarter of respondents rent cars for reasons outside of vacation or business travel, such as moving, visiting friends and family, or taking weekend trips. This significant market segment remains largely untapped.

**24%** rent cars for reasons outside of vacation or business travel.

Additionally, *63% of everyday car rentals are picked up at local rental branches*, reflecting a rising demand for convenient rental options in everyday settings.

**63%** of everyday car rental pickups occur locally. For travel-related rentals, this reduces to 28%.

Unlike seasonal travel rentals, everyday car rentals happen consistently throughout the year, offering a steady revenue stream.





# Understanding the Unique Needs of the Everyday Car Rental Customer

The most important factors when choosing where to make a car rental booking, according to respondents.

## Lowest Prices

Everyday car rental customers are more price-sensitive than their travel-related counterparts. A significant **54% of everyday renters ranked "lowest prices" as one of the top three most important factors when choosing a car rental**, compared to 47% of travel renters. This heightened price sensitivity suggests that everyday customers are often renting cars out of necessity rather than choice, such as for moving or short trips that require a cost-effective solution.

## Relevant Booking Platform

Only **10% of everyday car rental bookings are made through online travel agencies (OTAs)**, compared to 17% for travel-related bookings.

This suggests that everyday customers are less inclined to use OTAs, which are typically associated with vacation or business travel planning. The lower engagement with OTAs indicates a gap in the market, where everyday customers are not finding or utilizing the booking platforms that are widely used for travel purposes.

## Convenience

Everyday car rental customers show a clear preference for booking directly through rental companies, with **56% doing so**, compared to 49% for travel-related rentals. This suggests that everyday customers are poorly served by travel-focused, indirect channels.

These customers, who likely value ease and access to local options, prioritize the convenience of finding rental options away from transit hubs like airports or train stations. Booking directly offers them the most straightforward and efficient way to secure these rentals.

### KEY TAKEAWAY:

With a quarter of all car rentals driven by everyday use, loyalty programs have a significant opportunity to expand their car rental offerings beyond traditional travel purposes. By meeting the needs of cost-conscious, everyday car renters, loyalty programs can enhance their appeal, attract new members, and generate a continuous revenue stream.

# 3 Engagement Through Rewarding Redemptions

Car rentals are a highly effective product line for boosting engagement through point redemption. Providing split payment options, allowing members to combine points and cash, is essential to enhancing the appeal of car rental redemptions.

## Popularity of Travel as a Redemption Category

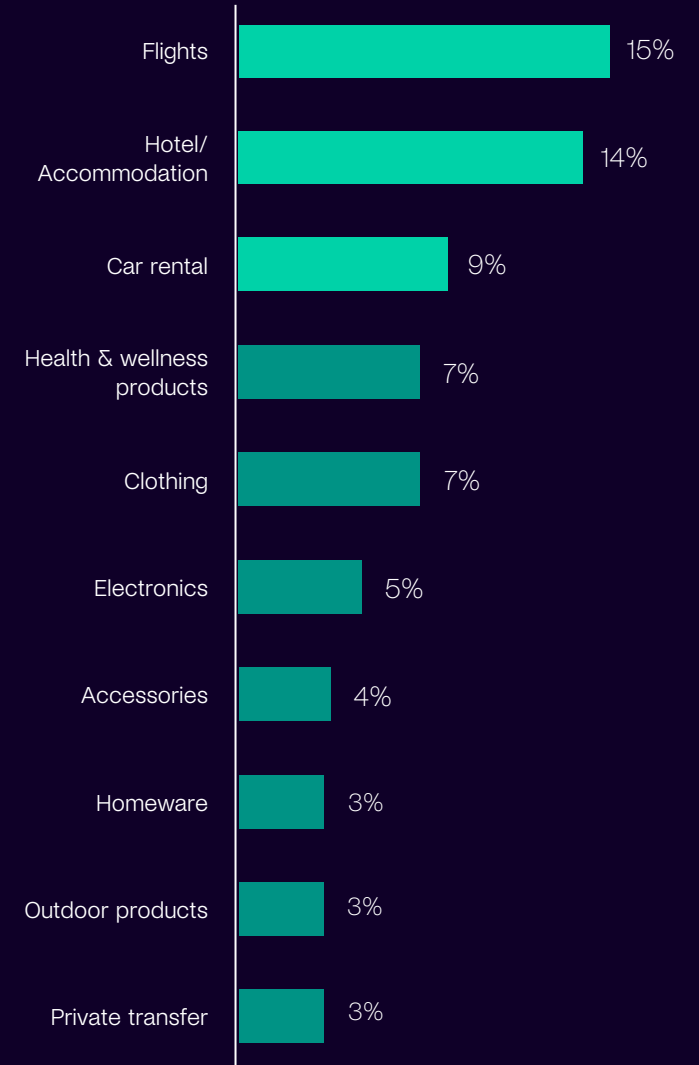
Travel remains the leading category for loyalty point redemption, with respondents *twice as likely to redeem against travel* than other categories. This highlights members' strong preference for travel rewards and solidifies them as a top choice in loyalty programs.

## Impact of Car Rental Redemption

Integrating car rental redemption options boosts the appeal of these programs. A notable **64%** of respondents said the ability to redeem loyalty points for car rentals would increase their likelihood of booking a car through a loyalty program.

**64%** are more likely to book a car through a loyalty program if they can redeem points for rentals.

## Which of the following categories are you most interested in using your loyalty points for?







Despite this clear interest, only 20% of respondents had earned loyalty points on their most recent car rental, revealing a significant gap in current offerings and a key area for program growth.

# Points programs continue to be a powerful tool for driving member engagement

## 63%

of respondents stated that earning loyalty points on car rentals would increase their likelihood of booking through a loyalty program.

### Earning Points on Car Rentals

The ability to earn points on car rentals plays a crucial role in engagement. **63% of respondents stated that earning loyalty points on car rentals would increase their likelihood of booking through a loyalty program.**

Despite this clear interest, only a fifth of respondents had earned loyalty points on their most recent car rental, highlighting a gap in current offerings and a key area for program growth.

**20%** earned loyalty points on their most recent car rental, highlighting an opportunity for growth in offerings

### Flexibility in Payment Options

There is also strong demand for flexible payment options among loyalty program members.

**63% of respondents regularly use a combination of points and cash for their redemptions.** This shows a preference for versatile payment methods that maximize the value of members' loyalty points.

**89%** have earned loyalty points with at least one of their membership programs.

#### KEY TAKEAWAY:

The dual benefits of earning and redeeming points for car rentals create a compelling incentive for members. Loyalty programs can differentiate themselves by catering to the demand for travel-related rewards and flexible payment options. Addressing these gaps could lead to greater member participation and increased satisfaction.



## 4

# Member-Exclusive Perks and Convenience

Customers prioritize member-only discounts, a simple booking process, and competitive pricing. Loyalty programs that offer these advantages can outperform traditional channels.

## Evolving Consumer Expectations

When renting cars through loyalty programs, members are increasingly seeking a variety of benefits. **42% of respondents place member-only discounts** among their top three criteria, signaling a strong preference for exclusive loyalty program rates.

**42%** seek member-only discounts.

**39% of consumers ranked a straightforward online booking process** within their top three, indicating that ease of use and convenience are critical factors in enhancing customer experience.

**39%** value a seamless booking process.

Transparency is also crucial: **32% of respondents prioritized having the same price and options** displayed by their loyalty program as when they book directly with the car rental provider. This highlights the importance of consistent pricing and choices in building **consumer trust** and satisfaction.

**32%** think having the same price and choice when booking directly with the car rental provider is important.







To truly engage and retain members, *it is no longer sufficient to rely solely on traditional points-based systems.*

As consumers seek a wider range of personalized benefits, loyalty programs — particularly in the car rental sector — are evolving to offer a more comprehensive and tailored experience.

**KEY TAKEAWAY:**

To meet evolving consumer expectations, loyalty programs must go beyond traditional points-based rewards by offering member-exclusive perks like discounts, a seamless booking process, and competitive pricing. Consumers value convenience, transparency, and consistency, seeking the same pricing and options as when booking directly with providers. By delivering these personalized benefits, loyalty programs can enhance member engagement, build trust, and differentiate themselves from traditional channels.







# 5 Trust and Personalization Drive Success

Members trust their loyalty programs to offer curated, high-quality car rental options that meet their needs. Success hinges on a broad supply, excellent customer service, and sophisticated personalization.

## Price, Vehicle Type, and Trust: The Key Decision Drivers

For consumers, three primary factors influence their decision to rent a car: price, vehicle suitability, and trust in the car rental supplier brand.

Price-sensitive consumers are particularly focused on the logistics of their rental experience, such as the pickup location and the type of car available.

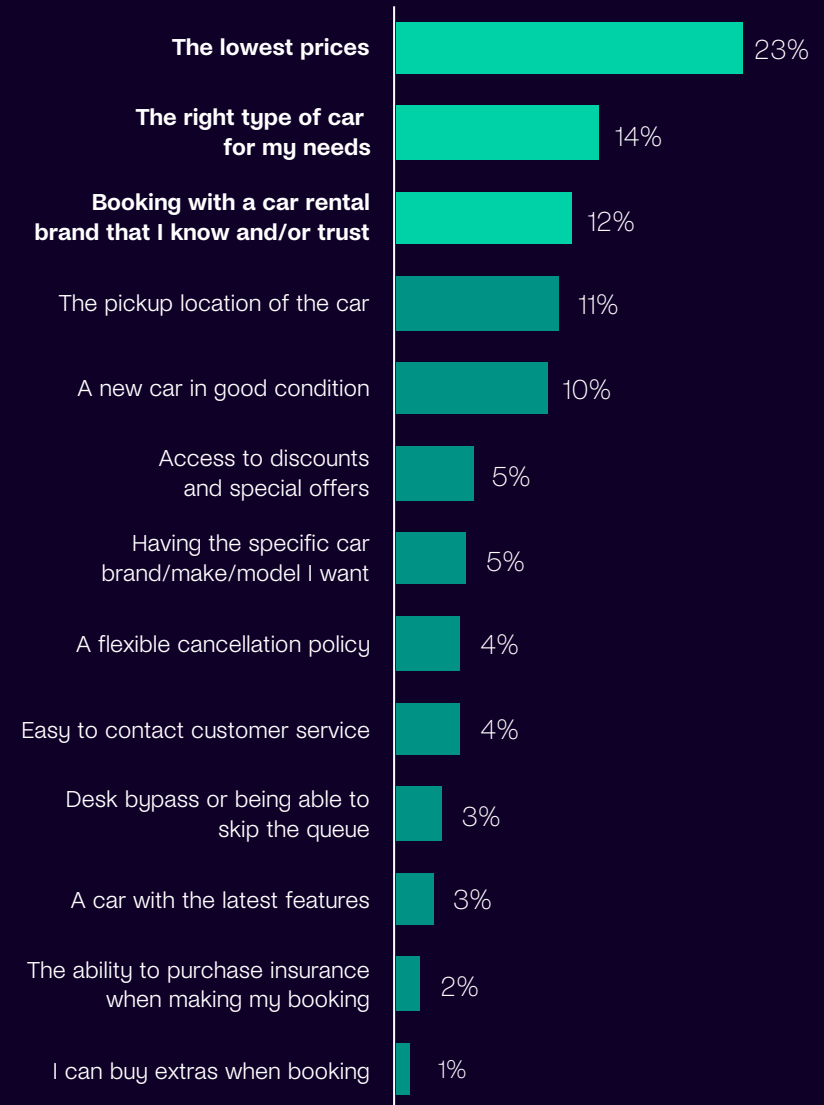
On the other hand, customers who are less concerned with cost place greater emphasis on the reputation and reliability of the car rental supplier brand. Highlighting customer reviews and NPS scores is essential, as these elements significantly enhance trust and credibility in the decision-making process.

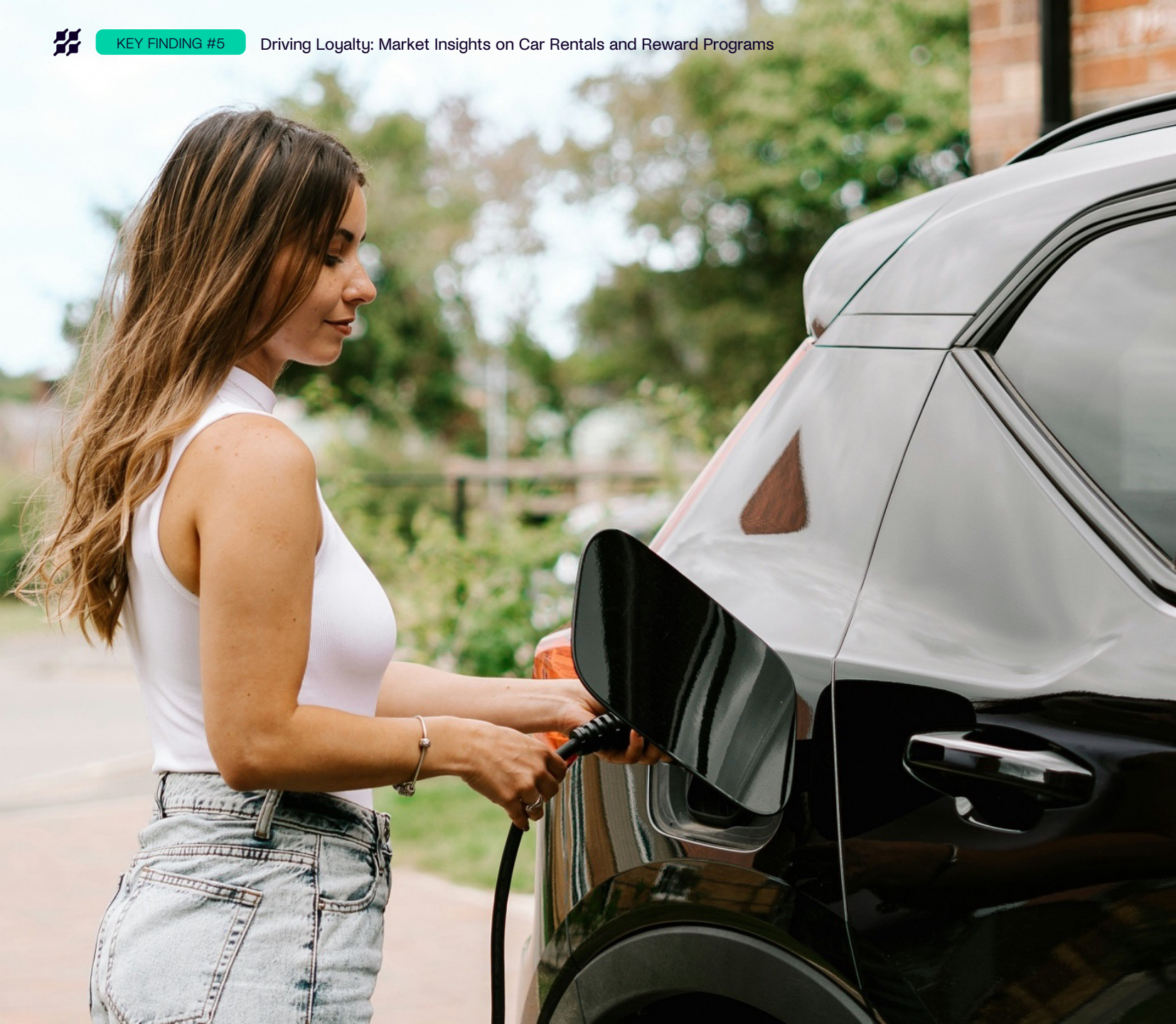
## Addressing Consumer Pain Points

Common frustrations, such as high prices and hidden fees, further amplify the need for a **transparent** and trusted service. These pain points highlight a growing demand for a car rental proposition that offers clear pricing structures and reliable service, fostering greater consumer confidence and satisfaction.

## Which of the following are most important to you when renting a car?

(% of responses)





## The Role of Personalization in Building Trust

Personalization is essential for building trust and satisfaction among loyalty program members. By leveraging data and advanced machine learning algorithms, loyalty programs can offer personalized car rental options that resonate with individual preferences.

This extends to providing vehicle choices that align with the brand's identity, such as luxury cars for premium brands or electric vehicles for eco-conscious ones. Such tailored offerings enhance the customer experience and deepen the brand's alignment with consumer values, creating a stronger sense of loyalty.

## The Impact of Demographic Targeting on EV Adoption

The survey reveals *that 55% of renters under 50 are inclined to choose an EV*, compared to *just 27% for those aged 50 and older*. This highlights the need for tailored offerings that align with the preferences of distinct age groups.

Loyalty programs with a well-developed car rental strategy can elevate the booking experience by delivering this level of personalization, meeting individual preferences while strengthening member loyalty and trust in the brand.

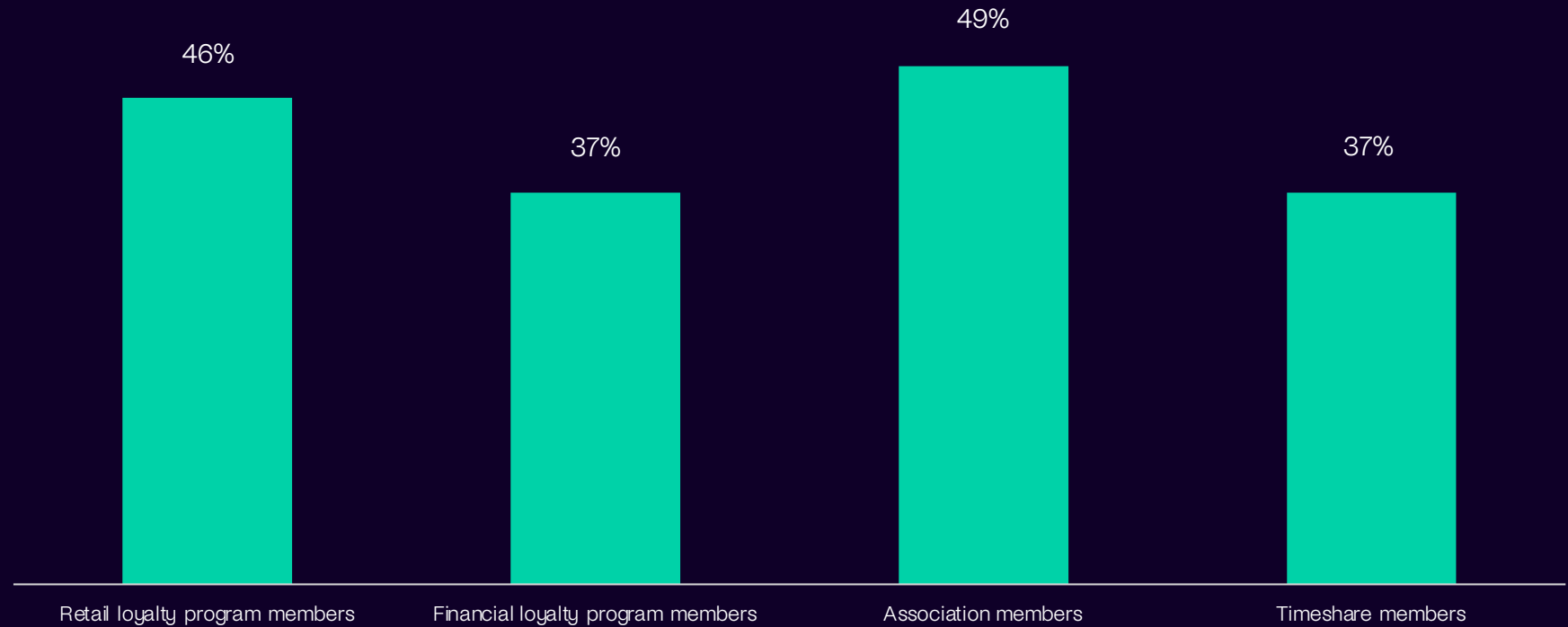
## Trust as a Key Motivator in Loyalty Program Membership

Trust is a powerful driver of loyalty program membership, with **43% of respondents placing it within their top three reasons for joining a program.**

It also remains the leading factor across almost all loyalty program categories, except Timeshares, where location edged out trust by 2%. This underscores the critical role trust plays in building member loyalty and engagement.

**37%** of respondents identify trust as their number one reason for joining a loyalty program.

### Members Who Said Trust Was Their #1 Reason for Joining a Loyalty Program, by Type of Program



#### KEY TAKEAWAY:

In a market challenged by high prices and limited availability, consumers seek brands they can rely on. Loyalty programs that prioritize trust through personalization, transparent pricing, honest customer reviews, and tailored rental options can significantly boost member satisfaction, positioning trust as a central factor in long-term loyalty program engagement.





# Conclusion

## Evolving Loyalty & Meeting Consumer Demands for Car Rentals

This report underscores the growing demand for a more sophisticated car rental proposition within loyalty programs across the U.S., reflecting a critical shift in consumer expectations — one that brands must respond to.

This change presents a valuable opportunity for loyalty programs to increase engagement and satisfaction, particularly as the U.S. car rental market — currently valued at \$39 billion — is projected to grow to \$44.7 billion over the next five years.

Consumers now expect more than the accumulation of points; they expect comprehensive, personalized experiences that deliver real value. By catering to the often-ignored everyday renters, loyalty programs can tap into a substantial yet underutilized market.

Offering flexible payment options, competitive pricing, and emphasizing trust and personalization can reshape how members interact with these programs.

The survey findings make it clear: while points remain a valuable tool for driving customer engagement, they are no longer the sole driver of loyalty. To remain competitive, loyalty programs must offer a diverse array of rewards and benefits that are finely tuned to individual preferences.

The future success of loyalty programs will depend on their ability to innovate and meet the evolving needs of their members, particularly within the car rental segment. By closing current gaps and responding to the distinct preferences of everyday car renters, loyalty programs can realize new avenues for engagement, deepen member relationships, and secure long-term loyalty in an increasingly competitive market.

Integrating car rental offerings with *flexible payment options, competitive pricing, and a focus on trust* and personalization can transform how members interact with loyalty programs.





# CarTrawler

## Driving Customer Loyalty

The leading B2B technology provider of car rental to the biggest names in travel and loyalty globally.

### Trusted Technology

Letting your customers effortlessly book car rentals through your trusted brand via our seamless white label booking engine, and powerful cross-selling capabilities.

### Global Coverage

Giving customers access to 1,700+ suppliers across 50,000 airport and local branch locations—maximizing customer experience and convenience.

### Rewarding Experiences

Enabling customers to earn and redeem points or cashback on car rentals based on their status and tier—enhancing satisfaction and driving loyalty.

### Enhanced Value

Enhancing customer value by providing access to market-leading rates, discounts, value-added extras, and closed user group pricing.

### Unparalleled Personalization

Providing customers with personalized experiences at every touchpoint, maximizing performance, and elevating customer satisfaction.

**300+**

Airline & Travel Partners

**50K+**

Car Rental Locations

**1,700+**

Car Rental Suppliers

**50+**

NPS







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