

## The Industry: Car Rentals

# Payless' New Partner

**Mike Harley talks about Payless' cooperation agreement with Sixt**

BY MARK ROGERS

**P**ayless Car Rental System and Sixt last month signed a new cooperation agreement that builds on the dual strengths of the two companies. The pact replaces the partnership Sixt has had with Dollar Rent A Car since 1999. Payless is undoubtedly well known to agents here, but Sixt, a Germany-based company that has been in business for 90 years, may benefit from its new tie with Payless here. Rüdiger Proske, Sixt's vice president and director franchise, says the company is represented today in more than 50 countries. "Our key markets are Germany, the U.K., France, Austria, Switzerland and the Netherlands," says Proske. "All other European countries, and the major African and Middle East countries, are operated within a franchise system." Sixt is positioning the company as a "mobility provider" by addressing the needs of its customers. This includes E-Sixt, which provides online solutions; and reservation tools, such as Car Express Machine (self service rental terminal), Sixt mobile service (rental process via cell phone) and the Sixt Express Card System (Sixt Credit Card System). "Our leisure product is called Sixt Holiday Cars," says Proske. "The customer receives a pre-paid voucher which covers all possible rental costs and guarantees a hassle-free rental." **Travel Agent** spoke with Mike Harley, Payless' president and COO, for an update on what agents can expect from the new partnership.

### How did the new partnership come about?

Sixt called us one day and said, "You're all over the Internet. We'd like to talk about putting something together." Our agreement is referred

to as a cooperation agreement. This primarily means that here in the U.S., we'll be looking at doing something like Payless/Sixt, and over in Europe, Sixt/Payless.

### How will the deal help Payless in terms of expanding the destinations it serves?

We're talking about being in 60 countries, 1,400 locations, with over 100,000 cars. All of a sudden we're going to be a player with the big boys. Sixt is a first-class company operating a fleet of 60 percent premium class vehicles.

### How does the partnership affect your leisure/business equation?

Sixt is more of a corporate-driven entity than a leisure-driven one. They are about 85 percent corporate. They also are looking to get into the leisure market obviously, and we would like to get a piece of the corporate travel market. So, it's a great marriage.



**Harley: "The Payless/Sixt agreement makes both companies more competitive."**

### What are some of the bumps in the road that agents might experience?

I don't really see any. We'll have completely centralized commission through NPC. Sixt also is already centralized. We see the Payless-Sixt partnership as a huge alternative to using the big boys and paying the higher

prices—because Payless and Sixt are going to be a much more competitive brand.

### Will agents see significant changes in the reservations process?

We are now handling the U.S. call center for Sixt. Our center is completely Web-centric. As long as somebody knows how to use the Internet, they'll be able to take reservations. I visited Sixt, and I've never seen an operation run as smoothly. Trust me, I've been in the car rentals business since 1979. Customers can leave the counter in 20 seconds and be in their

car in less than a minute. It's an absolute first-class organization.

### What kind of growth is Payless projecting in 2004?

We're currently negotiating with more than 30 airport operators to join our system. We are focused on being in the top 50 airports in the United States, and we're hoping to reach that by the end of this 2004. We recently opened in Seattle, and are confident in bringing on board both Dallas airports and both Houston airports, plus San Antonio, Austin, Nashville, New Orleans, Salt Lake City, Boston, Hartford, Richmond and Philadelphia. In addition, it is our intent to franchise aggressively in the local communities as well. When you look at the international side, we're all over Mexico and Central America. South America, Australia, Canada and Asia are target markets through 2005.

### With companies such as Payless Car Sales, Payless Lodging, Payless Parking and REZlink International, the company's technology provider of reservation services, is Payless expanding beyond car rentals?

We're growing, we're focused, we're diversifying. That's why Payless is doing all these different brands. Does parking work with car rental? Absolutely. Does car sales work with car rental. Yes. Even lodging works with car rental, because after you book your hotel room you need a car. All of these are going to be in complete synergy with all of our brands. And that's what we'll tie into globally, not just in the U.S. As Sixt comes on board, we're going to be seeing what we can do to drive business to each other.

### How would you sum up the Sixt/Payless cooperation agreement?

This is a huge deal. The only thing you hear about in the car rental industry recently is negative. You hear about bankruptcies, down-fleet-ing and lawsuits. What we are doing with Sixt is the most exciting news in the business.