



KodaCars
PARKING THAT PAYS

Driving Repeat Business: Building Customer Loyalty in Off-Airport Parking



Executive Summary



In the highly competitive off-airport parking and hotel park-and-fly industry, customer loyalty is the essential engine for predictable revenue and sustainable growth. **Retaining existing customers is up to five times more cost-effective than acquiring new ones.**

However, parking has a persistent reputation problem, often perceived as confusing, penalizing, and a source of friction.

The solution lies in shifting the parking experience from a stressful transaction to **a seamless, personalized service**. This white paper details how digital solutions, like the KodaCars platform, are necessary to achieve the frictionless experience that **wins loyalty** and how loyalty programs, supported by customer data, maximize the customer lifetime value (CLV).

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The Loyalty Imperative: Why Friction is Fatal

The modern consumer, influenced by services like Uber and Amazon, expects frictionless experiences as the standard for convenience. This expectation is magnified in the travel sector, where ease of use is crucial to attracting and retaining customers.



- **Impact of Customer Service:**

88% of customers will likely make repeat purchases with companies that offer good customer service. When parking is the first and last physical touchpoint, a breakdown in the parking experience directly undermines loyalty.

- **The Power of Data:**

Loyalty programs are crucial because they provide the broad customer knowledge needed to personalize offerings and boost customer lifetime value (CLV). Without this data, operators cannot create the personalized experiences that strengthen customer loyalty.

- **Industry Focus:**

The parking industry recognizes technology and increasing automation and tech usage as a near-term success driver. This technology is key to delivering the convenience consumers now expect, making parking a positive, not penalizing, part of the journey.

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The Digital Foundation of Loyalty: Frictionless Experience

A successful loyalty program must be built upon a seamless operational experience. The KodaCars AI platform provides the digital infrastructure to transform the customer experience:



A. Enhancing Convenience with Technology

Technology is crucial for improving the customer experience, which in turn drives loyalty.

- **Eliminating Wait Times:** The KodaCars mobile self-check-in process allows customers to **reserve and pay for parking in advance** and complete verification before arriving, thereby reducing wait times, and increasing satisfaction.
 - **Frictionless Entry/Exit:** Adopting mobile-friendly operations, where **85% of consumers prefer contactless payments**, simplifies the entry and exit process. This **reduces friction**, which is a direct factor in boosting satisfaction and improving retention.
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B. Leveraging Customer Data for Personalization

Digital systems collect the necessary data to move from generic service to personalized rewards:

- **Targeted Marketing and Rewards:** Incorporating data analytics allows parking brands to understand customer behavior and preferences. This leads to more **targeted marketing efforts and rewards programs**, which are essential for maximizing customer retention.
- **Personalized Experience:** Digital transformation facilitates enhanced personalization based on customer behavior, which **strengthens customer loyalty**. Customers are more likely to return when they feel understood and catered to.

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Strategies for Driving Loyalty and Revenue

Building a loyalty program in the off-airport parking sector requires a structure that directly rewards frequency and provides premium experiences, mirroring successful automotive loyalty models.



A. Implementing Tiered Loyalty Programs

A well-structured loyalty program is designed to influence customer behavior and personalize rewards based on data collected during the digital journey.

- **Rewards Structure:** Loyalty programs should offer rewards like discounts for long-term parking, or special pricing for frequent customers, which directly **increase revenue and customer loyalty**.
 - **Tiered Systems:** Tiered-based systems (e.g., Bronze, Gold, Platinum) create an **aspirational path** for customers, motivating them to increase their interactions to reach higher tiers and access premium perks like **priority service** or **guaranteed space**.
 - **Gamified Engagement:** Gamified elements (like earning points or reaching tiers) encourage customers to engage more frequently and **willingly share valuable data**, enriching the database for better personalization.
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B. Strategic Partnerships and Cross-Selling

Loyalty programs can be leveraged through partnerships to expand value without increasing direct costs:

- **Partnership Rewards:** Partnering with other travel services (e.g., car washes, dry cleaning, or hotels) creates a **coalition loyalty program** that significantly increases member value and provides an edge over the competition.
- **Add-ons:** Integrating services like **vehicle care**, or **car washes** into the loyalty rewards allows operators to reinvest in facilities, **further distinguishing their brand** in the market and enhancing guest satisfaction.

Conclusion

Customer loyalty is the most cost-effective path to increased revenues and profits in the off-airport parking sector. The NPA's focus on technology as a success driver affirms that the future of parking is digital, seamless, and data-driven. By adopting platforms like KodaCars to **provide a frictionless digital experience** and simultaneously power a personalized, tiered loyalty program, operators can **shift parking from a pain point to a point of delight**, securing stable revenue, fostering brand ambassadors, and ultimately driving repeat business.

For more information on how to drive customer loyalty, please contact

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