

What's Driving EZ Rent-A-Car's Cryptocurrency Initiative?

June 4, 2018 • by [Michaela Kwoka-Coleman](#)



Launched in May on customer relationship management firm [Persuade Loyalty's CryptoRewards Exchange \(CRE\)](#), EZ Rent-A-Car is the first company in the car rental and travel industry to offer cryptocurrencies as a reward option.

Photo via [Pixabay](#).

Using technology valued by customers is crucial for any rental company that is serious about generating and retaining business. However, it is the companies that are first to adopt a new technology — be it online booking tools, mobile apps, or cryptocurrencies — that emerge as industry leaders and experts.

For EZ Rent-A-Car, adding cryptocurrencies as a redemption option for its customer loyalty program was a way to differentiate itself not only from its competitors, but also from its parent brand, Advantage.

Launched in May on customer relationship management firm [Persuade Loyalty's CryptoRewards Exchange \(CRE\)](#), EZ Rent-A-Car is the first company in the car rental and travel industry to offer cryptocurrencies as a reward option.

“The cryptocurrency aspect of our loyalty program is a brilliant opportunity to make a statement that was very consistent with our brand, in terms of our core customer, and an additional opportunity to really boost our loyalty program, EZ Money,” says Scott Davido, CEO & president of EZ Rent-A-Car and Advantage.

Davido says the best way to think about exchanging rewards points for cryptocurrency is to view it as another way to divest your financial portfolio, instead of banking the points for a future rental.

“It's almost as if we were offering you points for euros instead of dollars,” Davido says.

Three Crypto Options

Currently, the CRE has three crypto options: Bitcoin, Litecoin, and Ethereum.

EZ customers who are part of the EZ Money rewards program can exchange their rewards points for one of the three currencies, much like they would do when cashing in points for gift cards, for example.

One of the unique things about the exchange is that it also functions as an educational tool, says Joe Doran, vice president of client services for Persuade Loyalty.

Typically, cryptocurrency investors set up a portfolio on an exchange such as Coinbase or Gemini, and create their digital wallets using their own money to start trading. In addition to taking days or weeks for trades to go through on these exchanges, the process itself is very involved.

“You have to know what you're doing,” Doran says. “With our partnership with EZ, an EZ Money customer can create an account and own Bitcoin, or own Ethereum, or Litecoin using their points without having to go through that rigmarole.”

Opening an account on the CRE takes a few minutes. Once opened, customers can track the currency they're invested in and see what it does to the market.

“The other idea behind the exchange, and what we're doing with our partnership with EZ, is providing a way for people to become educated about [cryptocurrencies] with less risk,” Doran says.

Early Adopters Regardless of Age

Davido says he was eager to add the cryptocurrency option to the rewards program, as coins like Bitcoin are becoming increasingly popular with Millennials.

A 2017 online survey of 2,000 U.S. adults conducted by Harris Poll for Blockchain Capital found that about one in four Millennials (27%) would prefer to own \$1,000 in Bitcoin over \$1,000 in stocks.

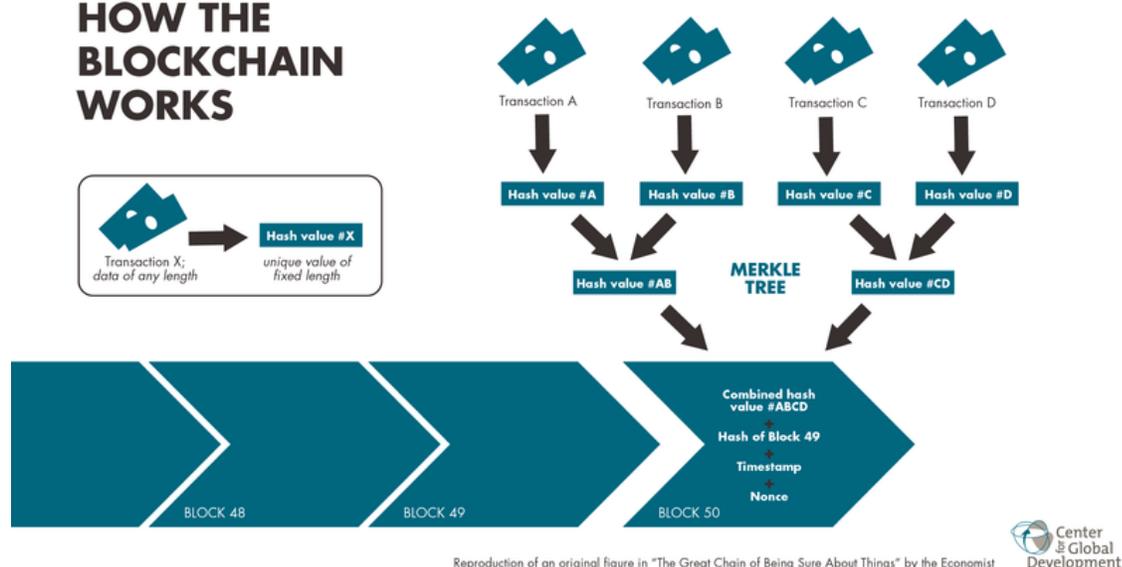
However, while the study found a preference for Bitcoin, only 4% of respondents said they actually own Bitcoin.

Both Davido and Doran stress that the CRE, with its low risk due to investing rewards points rather than money, creates a safe, low risk environment for people who learn more about crypto while benefiting from it.

“In a growing cohort with the younger generations, they're starting to trust it more than traditional banking,” Doran says. “We think it is going to grow over time. But the first idea here is that we're offering a redemption option that is meaningful to younger customers.”

It's not just value-conscious Millennials who are the target audience of EZ Money's crypto rewards, but what Davido calls the “young-at-heart or our experiential traveler.” “They're not worried about how fancy their rental car is,” he adds. “They want to spend their money on the experience that they are about to have. And we find a real affinity between that and folks who are also early technology adopters and the like.”

HOW THE BLOCKCHAIN WORKS



At the core of cryptocurrencies is the concept of blockchain, a decentralized, coded continuously growing ledger system hosted on a peer-to-peer network.

Graphic via [Wikimedia](#).

Cryptocurrencies for Dummies

Cryptocurrencies have come a long way since Bitcoin was first introduced to the cyber world in 2009. What was initially seen as a revolutionary way to anonymously conduct business on the dark web has evolved into a more mainstream, hyped form of payment with over 4,000 variations.

At the core of cryptocurrencies is the concept of blockchain, a decentralized, coded continuously growing ledger system hosted on a peer-to-peer network. Each block in the chain contains cryptographic information about the previous block, current transaction data, and a timestamp of the transaction.

By its design, data in blocks cannot be altered after the transaction is complete without altering the data in all subsequent blocks; doing so would require a majority approval of all peers on the network.

“Because it's based on the blockchain, it's safe and secure in a way that institutions or governments can't guarantee,” Doran says.

CryptoRewards Exchange Security Benefits

It's the decentralized nature of cryptocurrencies that makes it such an attractive option for rewards programs. The CRE is equipped with numerous security and auditing tools to prevent hacks and other security breaches.

As with any rewards program, there is a risk of people hacking into accounts and stealing rewards points.

With the CRE, Doran says there are a number of auditing tools and a checks and balance system that his group manages. Additionally, all activity on the CRE is monitored daily to mitigate suspicious activity.

But, due to the volatile nature of cryptocurrencies, the biggest risk is an exchange shutting down, which would affect the CRE, since it's integrated with other exchanges. However, if there was any sort of security breach on the loyalty program side, the CRE would be safe, and vice versa.

"Some [cryptocurrencies] are winners," Doran says. "Some of them are downright fraudulent. We're working with EZ doing a careful job of selecting ones that we believe are mature, ones that we think are genuine."

<https://www.autorentalnews.com/303645/whats-driving-ez-rent-a-cars-cryptocurrency-initiative>