A Tale of Two Airlines: A Comparative Case Study of High-Road Versus Low-Road Strategies in Customer Service and Reputation Management

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Southwest Airlines - "The Somebody Else Up There Who Loves You"

Southwest Airlines customers were treated worse than Ryanair customers.

• Poor Customer Service 29%
• 10% overall concerned poor handling of flight delays

"Ding! You are now free to move about the country!"

Southwest customers rated significantly higher (n=05) than Ryanair customers on:
• Overall rating
• More willing to recommend airline to a friend
• Cabin / Staff service
• Food
• Overall value

Price is a big factor to customers. Low prices and low expectations of customer service offered by Ryanair did not result in positive customer perceptions. Customers expected fair treatment and fair processes that were not "mean spirited."

Customer service programs add value and are important to customers.

REFERENCES


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ABSTRACT

Customer surveys from Ryanair and Southwest Airlines passengers were examined to determine their perceptions on customer service for the period of 2012-2013. Southwest Airlines (n=149) was rated significantly higher than Ryanair (n=165) in overall rating (p=.0228), seat comfort (p<.0001), cabin/staff service (p<.0001), and value (p=.0004). Additionally, passengers would recommend Southwest Airlines at a higher rate than Ryanair (p=.0006). Open areas comments emphasized that customer service and policies had a large impact on the ratings. Specifically, 53% of Ryanair customers complained about inefficient or unwelcome processes and discourteous or unfriendly service compared to 29% for Southwest Airlines. Ryanair customers complained about check-in procedures, open seating policy, and fees ranging from oversized carry-on bags to fees for printing out boarding passes. The largest area of complaint for Southwest customers concerned how customers were treated for flight delays.

RESULTS – ALL NULL HYPOTHESES WERE REJECTED

<table>
<thead>
<tr>
<th>Overall Airline Rating</th>
<th>Southwest (n=149)</th>
<th>Value p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airline</td>
<td>10.6</td>
<td>4.022</td>
</tr>
<tr>
<td>Seat Comfort</td>
<td>10.6</td>
<td>4.022</td>
</tr>
<tr>
<td>Cabin Service</td>
<td>10.6</td>
<td>4.022</td>
</tr>
<tr>
<td>Food</td>
<td>10.6</td>
<td>4.022</td>
</tr>
<tr>
<td>Value</td>
<td>10.6</td>
<td>4.022</td>
</tr>
</tbody>
</table>

Southwest Airlines had a higher median rank than Ryanair with regard to overall airline ranking and that difference was statistically significant. These results support rejection of the null hypothesis of no difference in customer perception between the two carriers with regard to overall ranking on a 1 to 10 scale.

| Ratings for Seat Comfort, Cabin Service, Food, and Value (1-5 stars) |
|---------------------|---------------------|---------------------|---------------------|
| Yen                 | Total               | Value               |
| Southwest           | 98                  | 112                | 4.022               |
| Ryanair             | 96                  | 114                | 4.022               |
| Total               | 194                 | 226                | 4.022               |

CONCLUSIONS

Southwest customers rated significantly higher (n=05) than Ryanair customers on:
• Overall rating
• More willing to recommend airline to a friend
• Cabin / Staff service
• Food
• Overall value

Price is a big factor to customers. Low prices and low expectations of customer service offered by Ryanair did not result in positive customer perceptions. Customers expected fair treatment and fair processes that were not “mean spirited.”

Customer service programs add value and are important to customers.