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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ABSTRACT

This study used a survey research design to examine customer perception of two different airlines, Ryanair and Southwest Airlines. Skytrax has continuously measured customer perceptions on airline and airport quality since 1989. The organization is dedicated to improving quality of the customer experience for airlines and airports across the world (Skytrax, 2017a, para. 1).

RESULTS – ALL NULL HYPOTHESES WERE REJECTED

<table>
<thead>
<tr>
<th>Overall Airline Rating</th>
<th>Median Rank</th>
<th>Value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryanair (n=149)</td>
<td>5</td>
<td>14955</td>
<td>0.0229</td>
</tr>
<tr>
<td>Southwest (n=123)</td>
<td>8</td>
<td>0.0001</td>
<td></td>
</tr>
</tbody>
</table>

Note: Data taken from Skytrax survey on Ryanair (2017b) and Southwest (2017c) survey for inclusive dates of Jan 2012-Dec 2013. Analyzed with Mann-Whitney U p=.0004 (n=159 using Stata software). Open ended question in which to give the basis for their perceptions of the different approaches used by Ryanair (low level of customer service – low expectation of service) and Southwest (high level of customer service – high expectation of service). Both airlines are low cost airlines, however, their different approaches to customer service offer different perceptions.

SUMMARY

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=0.0228), seat comfort (p=0.0001), cabin/staff service (p=0.0001), and value (p=0.0004). Additionally, passengers would recommend Southwest Airlines at a higher rate than Ryanair (p=0.0006). Open ended question in which to give the basis for their perceptions of the different approaches used by Ryanair (low level of customer service – low expectation of service) and Southwest (high level of customer service – high expectation of service). Both airlines are low cost airlines, however, their different approaches to customer service offer different perceptions.

Ha1. Customers will award Southwest Airlines a significantly higher “overall ranking” than Ryanair.

Ha2. Customers will rate Southwest Airlines significantly higher “overall ranking” than Ryanair.

Ha3. Customers will rate Southwest Airlines significantly higher than Ryanair with regard to seat comfort, cabin service, food and value.

Ha4. A greater proportion of customers will recommend Southwest Airlines than Ryanair.

Southwest Airlines - “The Somebody Else Up There Who Loves You”

“Ding! You are now free to move about the country!”

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

Southwest Director of Customer Service - “We’re the airline everyone loves to hate”.

Ryanair Director of Customer Service - “We’re the airline everyone loves to hate”.

SOUTHWEST VS RYANAIR

Southwest Airlines

Customer Survey Results

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.” Customers expected fair treatment and fair processes that were not “mean spirited.”

SOUTHWEST VS RYANAIR

Southwest customers rated significantly higher (p=.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.