

Management and company overview of easyjet



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EasyJet has made the most of successful marketing strategies through the a range of channels available, in order to set up and uphold a control position in the low-cost airline industry. “ One of the great business success stories of the past five years has been the launch of the easyJet airline company” (Dixon, 2000). To make easy our analysis of this purpose, we not only researched EasyJet and its marketing operation adopted over the years, but also identified the main strategies used by the other leading competitors.

EasyJet has frequently tried to identify itself to its customer base as the best form of budget travel in Europe. The company known the demand for this form of travel and its marketing strategies have been first and foremost geared around providing more efficient, low-cost flights, at the same time as maintaining as a high a quality of service as possible.

Easy Jet needs to concentrate on maintaining its established market leadership. Miles and Snow’s theory of the “ Four Business Strategies” would suggest easy Jet should move towards being an “ Analyser” from a “ Prospector”.

To enhancing their market power both long and short-term , Easy Jet should look to move into newer mediums for advertising, primarily using television broadcasting.

Easy jet need to keep on designing new ways advancing to other ways of its competence and mobilizing within their wide employee base. Easy Jet need to further consider and by fomenting such other dimensions of this business, will help out maintain another key element which still, other rivals fail to be familiar with.

Easy jet should keep on hold its new style of advertising which can be with the help out of its existing customers. That can make things easy for Easy Jet to get to know who are the customers that are brand loyal and can use them for their advertising by providing some special offers and discounts to them.

INTRODUCTION

Easy Jet airline is one of the best budget or low price airline, which offer cheap flight to an increasing number of destinations around the world. It was established in 1995. It was launched by the son of Greek Shipping tycoon Stelios Haji-loannou who came to England in 1984, with two leased Boeing 737-200 aircraft.

“ EasyJet’s base in London was low-rent Luton Airport, formerly used only by charter operations. (A large part of easyJet’s strategy was the use of secondary airports, but not as out-of-the-way as those served by the Irish discount carrier Ryanair.) Easy Jet first linked London with Glasgow (beginning November 10, 1995) and Edinburgh (two weeks later) via two leased planes. Aberdeen was added in January 1996.” Answers. com

In the beginning booking was by telephone only, Stelios Haji-loannou used to hate the internet and says that “ The Internet is for nerds, it will never make money for my business!”. From this small beginning Easy jet grew rapidly, In August 1999, the site counted for 38% of tickets sales or over 135, 000 seats. Stelios Haji-loannou was suggested by Russell Sheffield of Tableau one of the Easy jet’s design and adverting agencies in December 1997, that he should consider carrying out tests a website for direct bookings. On the other hand East jet’s marketing director and business manager; they saw the

probable and approved a website specific phone number advertised on the site can be used to trace the volume of users on the site. Haji-loannous saw the results and change his mind, and Easy Jet commissioned Tableau as partners to develop an e-commerce website capable of offering real time online booking from April 1998. In 1998 Haji-loannou invested a total of \$90 million in the company, which had ordered a dozen new Boeing 737s worth £500 million.

Online booking were handled by Tableau. Over 75% of its sales are sold directly through the website. The results have been quick and sustainable growth in the face of firm competition from the big companies. It has broken the mould assumed for low-cost airlines, operation a modern and expanding fleet intensively on competitive routes. Easy Jet strategies are bold and adventurous rather than risky. The Company takes few real risks, as it applies sound business principles at the same time as carefully exploring the market.

SITUATION ANALYSIS

SWOT analysis is a tool for inspecting an organization and its environment. It is the first stage of planning and helps out marketers to focus on key issues. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.

Strengths: characteristics of the business or team that give it an advantage over others in the industry.

Weaknesses: are characteristics that place the firm at a disadvantage relative to others.

Opportunities: external chances to make greater sales or profits in the environment.

Threats: external elements in the environment that could cause trouble for the business.

Strengths and weaknesses are internal factors. Opportunities and threats are external factors. Its o goal is to identify the project its internal and external factors that are favorable and unfavorable to achieve that goal. SWOT analysis may be incorporated into the strategic planning model. Strategic planning has been the subject of much research. It is specific helpful in identifying area for development.

“ SWOT analysis of Easy Jet Strengths The corporate culture at Easy Jet is that of informality and adaptability. The company favors a flat hierarchy whereby the management work closely with those below them in the chain of command. Employees are given responsibility to make decisions themselves. This empowerment is not only eliminates wasteful layers, ensures any situation is dealt with as quickly base possible but is also thought to increase employee motivation.” WriteWork. com Essays and writing guides for student’s n. d

Strength

Financial growth was solid in Easy Jet, In 2005 Profit was improved by 9. 1% over the previous years and the total amount before tax was £67. 6. Number of passenger increased by 21. 4% to 29. 6% million and revenue raised per sear by 78 pence to £38. 66.

The brand name is strong It built its name on the back of the founder Mr. Stelios Haji-Loannou. It bright orange airlines and online booking system which lead to the strap line, The Company has become media friendly and identical with low cost travel.

Easy Jet airline's strategy paying attention " Focus on our customers", " Own our markets" and " Reduce costs", which has remained strong. Easy Jet presents an online promotion alert which is e-mailed to existing customers and contact on the company's database. Easy Jet runs a fast and competent service with an average turnaround time of 30 minutes or below. This makes possible for them to preserve a reliable and hassle free service to their passengers.

Weakness

Domestic air travel is a tremendously competitive industry with Easy Jet's main competitors being Jet2, BMI Baby, Ryan Air plus a host of smaller independent competitors. These external competitive forces can confine and shape pricing policy on some of Easy Jet's less profitable routes as they search for to compete with their competitors. The other important thing which Easy Jet can be its weakness is that they do not offer the service of free food on longer flights of more than two hours.

Opportunities

Possible opening of options routes to main cities in Europe. A key route could be from Dublin to the UK, as this has a large potential for travelers going to soccer matches in the UK and new links into corporate flyers to and from the

UK. Updated versions of the fly on the wall documentaries would provide the brand with more coverage and publicity.

Offering of free refreshments and food on flights with a travel time more than two hours, this would offer an extra advantage and comfort to passengers making their experience with Easy Jet all the more comfortable and enjoyable.

Threat

Pricing is very threat to Easy Jet Company because competitors flying the same routes compete very competitively on price forcing pressure on margin on more popular flights and time slots. Economic slump may lead to reduce in casual flyers and corporate travel as companies seek to limit what they see as unnecessary expenses and in turn make less business trips.

Outside market forces can have a major impact on Easy Jet's business, Example; the rising cost of oil can have a major impact on running costs putting major pressure on the profitability of less popular routes and time slots.

PEST analysis is very important that an organization considers its environment before beginning the marketing process. In fact, environmental analysis should be continuous and feed all aspects of planning. The organization's marketing environment is made up from PEST analysis, the acronym PEST stands for Political, Economic, Social, and Technological it is used to describe a framework for the analysis of the micro environmental factors

Political factors are how and to what level a government interfere in the economy. Particularly, political factors take in areas such as tax policy, labor law, environmental law, trade restrictions, tariffs, and political stability.

Political factors may also include goods and services which the government wants to provide or be provided advantages and those that the government does not want to be provided disadvantages. In addition, governments have vast influence on the health, education, and infrastructure of a nation.

Economic factors on Easy Jet include economic growth, interest rates, exchange rates and the inflation rate. These factors have main collision on how businesses function and make decisions. For example, interest rates affect a firm's cost of capital and therefore to what extent a business grows and expands. Exchange rates affect the costs of exporting goods and the supply and price of imported goods in an economy

Social factors include the cultural aspects and include health consciousness, population growth rate, age distribution, career attitudes and emphasis on safety. Movements in social factors affect the demand for a company's products and how that company operates. For example, an aging population may entail a smaller and less-willing workforce , thus increasing the cost of labor. In addition, Easy Jet Company may change various management strategies to adapt to these social trends.

Technological factors include technological aspects such as, automation, technology motivation and the rate of technological change. They can decide obstruction to entry, minimum efficient production level and influence

outsourcing decisions. Additionally, technological shifts can affect costs, quality, and lead to innovation.

Environmental factors include ecological and environmental aspects such as weather, climate, and climate change, which may especially have an effect on industries such as tourism, farming, and insurance. Additionally, growing awareness of the potential impacts of climate change is affecting how companies operate and the products they offer, both creating new markets and moving back or destroying existing ones.

Legal factors include discrimination law, consumer law, antitrust law, employment law, and health and safety law. These factors can affect how a company operates, its costs, and the demand for its products.

Segmental analysis:

The geographical analysis of turnover is as follows:

Area 2001 2000

Within United Kingdom 86, 545 73, 008

Between United Kingdom & rest of Europe 244, 764 177, 141

Within rest of Europe 25, 550 13, 545

Financial analysis:

eMARKETING STRATEGY

A strategy is long term plan of action aimed at achieving a particular result.

Plans pass on to the instantaneous actions taken to implement a strategy.

Strategy also can be defined as the first step to implement in the planning.

eMarketing is the procedure of marketing a brand using the Internet.

Whether the business is purely an online entity or a traditional business taking its first cautious steps into the digital realm, the marketer's team will guide in formulating the most suitable Internet marketing strategy to accomplish the business objectives. Importance of developing an effective e-marketing strategy is indicated by Michael Porter (2001) who has said: ' The key question is not whether to deploy Internet technology companies have no choice if they want to stay competitive but how to deploy it.'

Strategy

Competitive strategy is at the heart of the field of strategic management.

Easy Jet ran its first Internet only promotion in a newspaper in The Times in February 1999, with remarkable results. Easy Jet's early marketing strategy was based on " making flying as affordable as a pair of jeans" and urged travelers to " cut out the travel agent". Its early promotion consisted of little more than the airline's telephone booking number painted in bright orange on the side of its aircraft.

The scalability of the Internet help out deal with demand since everyone was directed to the web site rather than the company needing to employ an extra 250 telephone operators. Though, risk management did occur with a micro site built for Times readers ([www. times. easyjet. com](http://www.times.easyjet.com)) to keep away

from putting a damage on easy Jet's main site. Flight promotions are intended to avoid attracting people who had fly with Easy Jet, so advance booking schemes are proposed to attain that.

Book in advance for cheap seats

The basic principle is that the cheapest seats are sold first, but the approaches to give way management do differ between the airlines. Easy Jet almost completely first-come, first-served, with few special offers or sales.

Figure. 1 Showing Booking in Advance

Thirty Percent of seats were sold online, with the rest of transaction being completed by phone, 13, 000 orders were taken over the Internet in the first day alone with over 15, 000 people on the site at one point. This plan made Easy Jet make more profit, five week later after the promotion Easy jet. Promotion offered cheap flights to a choice of all Easy jet destinations when 18 tokens were collected. Seats were sold during the promotion and Easy Jet got more than £2m.

Stelios Haji-loannou uses the website as a PR tool, he uses its nearness to keep newspapers informed about new promotions and offers by phoning and e-mailing journalists and pass on them to the website rather than faxing. The website was used as an aggressive tool in what is very competitive marketplace

The essential components to re-think to Stelios Haji-loannou traditional views of marketing to face up the new challenges he face. The model acts as a checklist that advises us to confront the need for:-

VALUE STRATEGY – A logical and customer focused offer of better value to each of his customers in the terms that matter to them.

MARKET STRATEGY – A clear balanced strategic pathway to market that take advantage of learning and intellect capabilities to make better market choices, clarify value propositions, and to identify the relationship network to be managed in the process of going to market.

INTERNET STRATEGY – Developing and Integrating the potential of the Web in changing buyer and sellers relationships, offering multiple channel capabilities and developing new business models.

PROCESS STRATEGY – Designing and managing clear and focused process of decisions making in creating and delivering of value to customers

CHANGE STRATEGY – A reliable and effective approach to making things happen in the Easy Jet Company, to deliver maintainable competitive advantage and better-quality performance through the flawless delivery of value to customers

Easy Jet protect its strategy, pointing out that all decisions have been made by the full board with agreement, where necessary, from shareholders. The agreement should keep growth at 7.5% this will enable Easy Jet to boost its share of the European short-haul market from the current 7% to around 10%.” The board of EasyJet is also committed to ensuring that the company achieves a proper financial return on its capital and therefore has set a target of 15% return on equity.”

An Important strategic implication for Easy Jet is that while its current pricing strategy is optimal given its size, it would not be optimal for airline to offer such low initial prices were it to add substantial capacity to any given route. This would be the challenge for a firm that has built up expectations among customers as as airline with a great value proposition for those willing to buy early.

Value Proposition

The Value proposition concept is an integral part of the business model tool that hold a set of elements and their relationships and allows expressing the business logic of a specific firm. It can be understood as the statements of benefits that are delivered by the solid to its external population.

In spite of opposing opinions concerning what factors make firms successful, differentiation and focus are two normally accepted principles that bring about effective strategies and many strategy frameworks.

The mixture of benefits offered to customers. Easy Jet operates very cheaply which enables them to offer customers convenience, reliability and great service. It propose cheap flights to convenient European destinations and also gives other related services. Easy Jet apply a direct services business model. The model reaches buyers and sellers directly thereby squeezing the distribution channel and improving efficiency. The reduced expenditure allows Easy Jet to offers a cluster of benefits to customers. Easy Jet's value proposition can be summarized by " value for money, convenience and excellent customer service."

The basic assumption is that every business transaction can be broken down to five major value attributes:-

PRICE – Cost of goods and services

PRODUCT – Goods and services purchased

ACCESS – How consumers obtain goods

SERVICES – How consumers feel about the suppliers as a result of commercial transaction.

EXPERIENCE – How consumers feel about themselves as a result of goods and services.

Easy jet Value proposition has been to offer cheap, punctual, safe, no trappings method of travel to people who generally paid out of their own pockets. By remaining a low cost carrier, customer belief were minimal and as a result brand new planes with the best pilots and punctual flights was clearly successful in satisfaction the customer, as proof but the high number of repeat fliers.

Easy Jet's competitive advantage is largely sustainable due to its fast speed of growth and its offer to quickly achieve the benefits of operating at the most favourable scale for greater profitability.

Implementation

Creating new core and extended value for customers

The capability to bring interactivity and more detailed information through the internet are key to enhancing the extended product offering online.

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Product selection tools can help match product to customer. The Internet also gives great opportunities to get closer to the customer. The modest feedback button can offer a revelation amount of information. Better still, by analysing consumer e-mail queries from the Internet and other channels, companies can offer best product information. Easy Jet has a detailed set of frequently asked questions that are compiled from analysis of the hundreds of thousands of questions received online. Improvement of a clear customer value proposition is now an essential part of customer centric marketing, customer relationship management and branding.

Easy jet planned to implement the project internally, but they decided that they need a strategic implementation partner with experience of the target solution technology stack.

Balancing online and offline promotion methods

Easy jet have the promotion method, it is its first internet only promotion in a newspaper in “ The Times”. The use of online and offline promotion. Online promotion method such as search engine registration and banner advertising often take prominence when discussing methods of traffic building, offline promotion using deferent communications tools such as advertising and PR delivery by traditional media such as TV, Radio and Print on order to deliver visitors to an online presence.

The passenger’s online experience strengthens confidence in the booking process. A five step move towards is taken, allowing the passenger to exit at any time. The booking form remembers essential passenger information, so

irritating towards the inside of basic details is not necessary if passengers want to try-out with dates and times.

Once a passenger has booked their ticket for the first time, they can directly influence the ticket price, and choices are offered to them that are not available elsewhere. As a result, there seems little doubt that easy Jet's customers enjoy their online experience, so ensuring that they come back regularly and often.

Implementation Impact of strategy having upon the performance of the business

The website was designed in such a way that it was easier for the customers to navigate and very simple design. Their new idea in the site design was introducing the games such as " BA's losses" and " Battle with Swissair". These created a curious in the customers to checkup with the site. Also the winners were given prizes in the form of free air tickets, thus increasing the sales by involving the customers themselves.

The most important strategy was to make everything easier for their customers. " Easy" prefix had been added where, easyEverything means, the separate internet cafe which allowed the customers to browse free though the Easy jet site. Some of the strategies which still followed by the easy jet make the customer remember of their service and name of easy jet even in offline, that is even at the street.

The major value produced by this site was that it is well integrated within the business itself. That is the changes or any new destinations, everything were

immediately updated in the website, once they were fed into the information system of the company.

As soon as they have implemented the new system of marketing technique, that is through the internet, their sales rise significantly. This new marketing system facilitate them to lessen the running costs, which is very important to any company. Since their costs were reduced, they were able to offer their customers a discount of €1.

Easy Jet company it is also easier for them to determine how much tickets got booked with the help of their website. This was possible with the help of the special telephone number on the site. It was in fact, their six months' target was reached just in six weeks. Also, one great benefit they found out with the help of the easy Jet's website was, almost everyone who called booked their tickets, opposite to the phone line where only one caller out of the six callers booked their ticket.

Easy Jet's website sales was rising, at one point they reached the level such that two-fifths of the business was generated through the website. Then they took this task to in house maintenance itself rather than outsourcing as a result the cost was reduced further.

Newspaper was their first major promotion of their site was. Mainly they used 'The Times'. This brought a very remarkable result. Where on the first day itself 20, 000 tickets were sold out. As a result they used the offline advertising to promote their online ticket bookings.

Legal and ethical issues

When using the Internet and E-Commerce it is important to remember that there are many legal and ethical issues to be considered.

Legal Issues

When starting a business on the Web, there are significant legal issues to consider. Making evaluation about legal matters is about how comfortable you are with risk. If you make huge revenue with a high risk business, you could come to a decision that the money is worth the risk, or you might prefer to do it for a short period of time, collect your money and get out. This is just because there is risk does mean that it is not a good business for you.

Everything in life has risks and your business is no exception.

Consideration for legal and ethical matters with regard to the gathering, processing, distributing and use of information on the internet is now becoming very important. As the technology raises the relationship between the society and politics also increases. Ethical and legal decisions are therefore becoming very important to balance the needs and rights of everyone.

Legal issues that can be considered are:-

Where things really happen ?

How should the transaction be authenticated ?

How to determine the minors when making e-transaction ?

Who are behind the screen ?

Declaration of the Independence of Cyberspace ?

How can we solve the jurisdiction problem in dispute settlement ?

Which Legal System will apply ?

Do we have Cyber laws that protect on-line consumer ?

Legal issues can be as follows:-

Copyright Violation – Watch out for this particular crime of sites that copy your website text legal issues or name while trying to pledge off some other item they are selling. It is provided for both the published and unpublished works. It is important when obtaining content for the Easy Jet site and in the protection of the site’s content. The owner of a copyright can have the exclusive right:-

To copy the work

To modify the work

To distribute the work

To perform the work publicity

To display the work publicity

Trade mark – It is the “ ownership of intellectual properties that identifies goods or services”. In internet trademark is mainly used in naming the domains. “ A trademark is a word, phrase, symbol or design, or combination of words, phrases, symbols or designs, which identifies and distinguishes the

source of particular goods. A service mark is the same as a trademark, except that it identifies and distinguishes the source of a service rather than a product.”

Ethical Issues

E-commerce businesses which are entering in the world will be facing a new set of ethical challenges. It is easy for businesses to become sidetracked in the technical challenges of operating in this way and to pay little attention to the ethical implications.

Ethical Issues can be as follows:-

Advertising And Keywords Scams – “ Unethical spyware/adware companies are promoting themselves as: “ get to the top of Google, Yahoo, and MSN search guaranteed for your keywords.” These companies are using the term “ Search Engine Data Merging.” Spyware and adware is installed on some users computers then they sell keywords to professionals for thousands of dollars a year. This is a huge money making scam”.

Identity Theft & Internet Fraud – Identity theft is a main problem of which have been there for long time in many situation. Be cautious, that this issue is related to online B2C ethical business issues and legal issues.

Domain Name Registration Issues and Scams – Domain name registration is another area online where ethics have been thrown out. Without doubt there are some gray areas for someone to be registering a domain name that is close to some other corporate identity’s name. Other than that, many of these individuals and corporations that register domain names in the same

country and other countries that are near to, or similar to the spellings of others, are registering the names to violate upon the trademarks and brands of other corporations and organizations.

CONCLUSION

The main objective of this document is to know what are the strategies followed by the Easy jet to achieve the top position in the low cost carrier in Europe. “ One of the great business success stories of the past five years has been the launch of the easy Jet airline company” (Dixon, 2000). Easy jet has been able to be successful in this industry due to its ground-breaking. And in order to remain in this position in the following years also it has to be more and more inventive. Because in this modern world the competition is becoming heavier and heavier. This is the world of survival of the fittest.

Easy Jet has continuously tried to identify itself to its consumer base as the best form of budget travel in Europe. The company known as the demand for this form of travel and its marketing strategies have been first and foremost geared around providing more efficient, low-cost flights, at the same time as maintaining as a high a quality of service as possible. Through their clear, effective website, they have strived to make it increasingly easy for customers to deal with the company, whereas strategically positioning their advertising to be directed at the market served. Policies for expansion have been the driving force behind easy Jet’s important growth and have enabled them to get rid of key competitor from the industry.

Nevertheless, with the emergence of new, strong competitors in the industry and the increasing demand for low-cost travel, it is evident that easy Jet

must remain inventive in its marketing and assign enough resources to make safe a long-term position as the market leader.