

Marketing research – easyjet plc

[Business](#), [Marketing](#)



The company offer a number of services from package holidays to car hires booklet via the easyjet. Com website, the 3rd most searched for airline on a global scale (Google Analytics). With number 1 and 2 market share positions in key airports across Europe, this year Asset have been voted one of the best for budget flight in a Scanner survey. Having seen a rise of 10. 5% in revenues between PAYOFF and PAYOFF and with over 370 million visits per annum to easyjet. Mom attributing to 85% of sales, Asset are now looking at ways in which the company can have a stronger understanding of their customers and their needs/preferences in order to balance keeping costs down with a strong customer experience increasing customer satisfaction and loyalty. From the background information available, the management decision problem (MAD) was defined as: " Should Asset invest capital into improving the online customer experience in order to understand their customers, increase customer satisfaction and loyalty? Using a combination of conclusive descriptive and exploratory research approaches, the market research group acquired detailed qualitative and quantitative data from previous Asset customers and concluded with a recommendation of Asset not investing into further improving the online customer experience. In terms of the levels of satisfaction, the majority of respondents did not have an opinion meaning that the company need to invest in other areas/activities in order to improve sales etc. A loyalty programmer for easyjet. Mom users was recommended in order to reward highly frequent flyers whilst at the same time encouraging them to continue word-of- mouth-advertising, which is still the most effective way for businesses to win new customers (ARE, 2013). Finally, Asset are attracting older affluent business passengers with an

increase of 1.2% to the average age of customers on the Asset database. It was recommended by the market research group that Asset invest into further adapting networks, offers and plane layout (allowing for more allocated seating to suit business travelers) in order to capitalize on this opportunity.

Background Information Airport, United Kingdom. The British airline carrier is now one of the largest airlines in the UK and "Rupee's leading airline operating on over 600 routes across more than 32 countries" (Asset PAL, 2013). In line with the company's growth, employment levels across Europe have increased with now over 9,000 employees (Asset PAL, 2013). Primarily operating in the United Kingdom and Southern Europe (Marketing, 2013) and alongside offering short-haul flights, Asset offer a range of services via their website www.easyjet.com.

Customers are able to book hotel stays, package holidays, arrange car hires with European travel insurance and purchase Euro currency cards in order to ensure safety when using money abroad (Quick Numbers, 2013). Also, for customers who have a fear of flying, the company facilitate "Fearless Flyer" course booklet via the company website and aimed at helping people to overcome their fears through a number of techniques (Asset PAL, 2014). On a global scale, the airline industry comprises of "air transport service providers of passenger and cargo" (Lucent, 2012).

Over the past five years the industry has experienced positive growth and it is estimated to have reached \$832.8 billion by 2020. This is a positive sign for companies such as Asset as it is expected that the increasing demand for

low-cost carriers will be a factor driving growth in this market (Lucent, 2012). Asset has number 1 and 2 market share positions in "21 major slot constrained airports such as London Gatwick, Paris Orly, Milan Malpensa, Amsterdam and Geneva" (Marketing, 2013) as well as a strong position in the "low-cost" competition market with 41% market-share [refer to graph 1. Below] (Asset, 2013). This year Asset has been voted best for budget flights alongside Norwegian Air in a Scanner survey of 4,000+ Britons who fly frequently via short haul (Traveling Reporter, 2014). Asset's key competitors include: British Airways, Air France, Ryan, Norwegian Air and Fueling amongst others (Marketing, 2013). Key competitors can be sectioned into three main categories: Network/legacy carriers, Low-cost competition and Charter carriers.

Despite the fact that operating and fuel costs have increased over the past year (Asset PAL Annual Reports & Accounts, 2014), Asset recorded revenues of appear. £1.4 billion and an operating profit of appear. £1.1 billion for the PAYOFF (financial year ended Sep 2013). In-line with industry growth, this was an upsurge of 10.5% from revenues seen and 50.2% from the operating profit seen in PAYOFF (Marketing, 2013). A 6.1% growth on return on capital has been recorded as well the total shareholder return growing by 143.8%.

Due to the company's continued strong financial performance, the Asset Board decided in 2013 that in addition to the regular dividend of 33.5% per share, they would recommend a "special dividend" of 44.1% per share which is the equivalent to £1 million (Asset PAL Annual Reports & Accounts,

2014). As a company with roots focused on "reducing existing costs and marketing strategy was based on "cutting out the travel agent" resulting in the impasses early advertising consisting of solely telephone booking. By 1999 (following the 1997 easyJet. Mom introduction) the Asset website accounted for 38% of sales. By 2004 the figure rose to 98% and now flights can only be booked via the internet saving the company on running costs (Beyond-Davies, 2013). Asset. Com is now the 3rd most searched for airline on a global scale (Google Analytics) generating over 370 million visits per annum accounting for 85% of sales (Asset PAL, 2014). Peter Duffy, Asset COM, stated that the company is founded on: " ... The internet. Asset has had digital at its heart right from the start.

It's where you spend least to get most and [we must] implement strategies to convert more web traffic into flight bookings" (Hall, 2014). The company stress that their aim to improve unit revenues by "having a strong understanding of Asset's customers and their needs and preference in order to balance a low-cost base with strong customer experience to optimism customer satisfaction and loyalty" (Asset PAL Annual Reports and Accounts, 2014). Problem Definition and Objectives MAD: Should Asset invest capital into improving the online customer experience in order to understand their customers, increase customer satisfaction and loyalty?

MR.: To determine customer perceptions towards the online experience by understanding the current level of satisfaction and loyalty towards the brand. Components: To determine how satisfied previous Asset customers were with the online services they had experienced by asking them to rate the

service To determine customer profiles in order to understand their target market To determine customer loyalty by researching the likeliness of repeat booking and word-of-mouth advertising of the company

The research design's chosen by the market research group were:

Conclusive descriptive research and exploratory research. The Conclusive Descriptive Research approach was selected by the market research group in order to acquire quantitative results. Detailed data related to satisfaction and loyalty levels as well as perception of services were obtained via questionnaire, and using this approach measured to determine commonalities, relationships and discrepancies between variables. The Exploratory Research approach was also selected in order for the market research group to carry out a focus group.

The group was able to identify a few key concepts relevant to the MAD which consolidated with the results seen when analyzing the questionnaire using SPAS. The market research group concluded that it would be beneficial to meet with Asset customers in order to have an unstructured and spontaneous discussion allowing them to express their levels of satisfaction and offer up suggestions. The results gave the market research group an opportunity to understand issues that were not considered beforehand and well as a deeper understand of the Asset customer experience.

Target population: For Asset PAL, their customer and geographic diversity is seen as a core advantage for the business and as the company serve a broad mix of leisure and business travelers (Asset PAL, 2013) it was beneficial for the market research group when conducting questionnaires in

public locations. Asset's wide range of varied customer base increased the probability of finding recent customers when conducting the study. Sampling Process Steps: 1 .

The market research group decided upon two research approaches in order to carry out both questionnaires (conclusive descriptive approach) followed by a focus group (exploratory approach). 2. For the conclusive descriptive approach the "convenience sampling" technique was selected. Using this technique the market research group chose the following elements to go by when attempting to obtain a sample of convenience: visiting/ passing the local travel agency in Enfield Town, passing through Ponders End High Street or being present in Middlesex University Sheppard Library.

The group decided upon two qualifying (filter) questions: 1. Have you flown with Asset within the last year? 2. Did you book your flight directly via Asset. Com? Provided they were given the questionnaire to complete. 3. On completion each individual was asked whether or not they would like to be involved in a future focus group, if "yes", their contact details were written separately. 4. A total of 90 questionnaires were given out over 3 few days however, 81 questionnaires were returned and some with missing variables. . For the exploratory approach, a focus group was conducted with 4 individuals who gave their consent to be contacted re: a further discussion. The meeting took place via a Spiky with the 4 participants. Using 3 broad trigger questions to spark off rather discussions the focus group took place for 1 hour. Lauren Sweeney-Fenton acted as moderator and notes were taken by Anemia Popular-Latch. 6. Questionnaire results were then entered

into the SPAS database and focus group answers reviewed and compared to questionnaire data.

Questionnaire When creating the Asset questionnaire, the market research group decided upon two filter questionnaires to ensure that respondents met the required criteria for the subsequent questions: 1 . Have you flown with Asset within the past year? 2. Did you book your flight directly via Asset. Mom? Using a combination of fact and scale questions, the market research group created a questionnaire to ascertain customer profiles as well as their experiences with the company. Using the " Big Five Personality Traits" (Wisped), IQ is designed to determine the personality type (chirography's) of the respondent.

SQ and SQ are designed to determine the respondent's current level of satisfaction towards the Asset service they experienced online as well as the perceptions they have of the company on a scale of 1-5 (1 being strongly disagree, 5 being strongly agree). SQ-QUO re primarily made up of demographic questions. Please see the following pages for a copy of the Asset Questionnaire. Asset Questionnaire: Data Analysis According to the data collected in the Asset questionnaire, for the statement " I am likely to book via the Asset website again in the future" the results showed [refer to graph 2. Below] that 40. 7% of respondents (the majority) neither agreed/disagreed compared to a total of 28. 4% of respondents agreeing/strongly agreeing. To back up 2. 2]. At 1. 22 it is evident that the spread of responses do not fall too far away from the mean (2. 7 = 3 neither agree/disagree). These results may imply that most individuals choose their

airline according to other factors when they are preparing for a holiday/flight as opposed to knowing who they will fly with the following flight/ being a repeat customer for any particular company.

In terms of satisfaction levels, this may also imply that the majority are neither satisfied nor unsatisfied as they were searching for something in particular. **DIAGRAM 2. 2 Descriptive Statistics**

Minimum	Maximum	Mean	SST. Deviation	Valid N (likewise)
1	5	2.753	1.22449	81

For the statement " I am likely to recommend Asset to a friend" the results showed [refer to crystallization 2. Below] that _ of respondents (the majority) neither agreed/disagreed. According to the data there appears to be a relationship between having no preference and flying occasionally (once each year). This may imply that individuals who fly " as-and-when" do not have a sense of loyalty. However, the diagram shows that those who fly highly frequently would be more inclined to recommend the company to a friend possibly because of the fact that they have more of a relationship with the company resulting in brand loyalty. **DAMMAR 2. How often you fly * I am likely to recommend Asset to a friend**

Cross Tabulation	Count	I am likely to recommend Asset to a friend
Total		Strongly Disagree Disagree Agree Strongly Agree
How often you fly		
Occasionally (Once or less)	9 24 42	
Frequently (2-3 times)	12 25	
Highly Frequently (4 times or more)	4 39 13 76	

The results for the statement " I had experienced good online customer service" **DIAGRAM 2. 4 2. 8312 1 . 09307**

Findings and Recommendations

The following recommendations are based on the research conducted by the

market search group and on any other relevant information available to the group.

According to the data collected via the Asset questionnaire, in terms of the levels of satisfaction, the majority of respondents did not have an opinion. It is the recommendation of the market research group that Asset should not invest capital into further improving the online customer experience as the majority of customers spend approximately minutes (Similarities, 2014) on the website. This may suggest that in terms of flight booking, a customer knows what they're looking for and in order to find out price differences etc. Re more likely to visit a price comparison site such as scanner. Et, the most used comparison site referring customers to easy]et. Com (Similarities, 2014) than to spend time themselves on the website. However, according to the data collected, those who fly at a highly frequent level had been more likely to be satisfied with the service (levels 4 - agree and 5 - strongly agree) and were more likely to recommend Asset to a friend. The market research team recommend that Asset consider investing an online Loyalty programmer for easy]et. Com users in order to increase loyalty, improve satisfaction and for the many to be able to gain a better understanding of their users.

Whilst Asset have " Asset Plus" (Asset Plus, 2014), it was described as a membership programmer in the focus group as opposed to an incentive for flyers. For example, giving a customer a small percentage off of their flight booking on their 5th online booking etc. Or a programmer allowing flyers to have a loyalty code generated which they could share with friends a family

and stack up points for money off future flights. This would reward the highly frequent flyers of Asset whilst at the same time encouraging them to continue word-of-mouth-advertising, which is still the most effective way for businesses to win new customers (ARE, 2013).

Also, according to the results, Asset are attracting older affluent business passengers and. With an increase of 1.2% to the average age of customers on the Asset database (Asset PAL, 2014) along with invest into further adapting networks, offers and plane layout (allowing for more allocated seating to suit business travelers) in order to capitalise on this opportunity.

Limitations Questionnaire Errors: Due to unforeseen circumstances within the market research group, the group were forced to rush through the creation of the questionnaire resulting in a few minor errors which respondents had identified and pointed out.

Unfortunately, a few of these errors made it difficult for some of the respondents to answer the following questions which had an impact on the results. 1. IQ . 1: " I enjoy being the center of attention" 2. QUO. " What time of the year do you usually fly the most? " Missing Data: Another limitation when entering questionnaire data into the SPAS program was that respondents had not filled out an answer for all questions resulting in missing data crucial for the investigation. This in turn may have affected the data analysis.

Location: Originally planning to conduct surveys at a London airport and with factors such as online booking, customers rushing to and from flights etc.

The market research group used an alternative. Survey points were Enfield

Town travel agency, Ponders End High SST. (Enfield) and Middlesex University (Sheppard Library). This affected the results as the group had a disproportionate number of students and also many individuals who didn't fill out the questionnaire appropriately due to rushing through. Focus Group: