

Easyjet, easyride essay sample



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Being in the highly competitive market of budget airlines, easyJet has no option but to be highly marketing orientated. The war fought between these inspirational companies has been gruelling to say the least. The September 11th disaster hit the airline industry hard and the implementation of airport taxes from our government increased fares by up to one third. The success of the early starters, resulted in an increase of new firms penetrating the market, most being subsidiary companies of large firms, such as the introduction of Go by British Airways. These new players were short lived and through acquisitions of Go and Buzz by the pioneers of the market, easyJet and Ryanair respectively, are once again in a head to head battle for market supremacy.

easyJet has to keep its eye on the ball and follow the main three marketing components both precisely and creatively. They extensively use their low prices and brash advertising to keep themselves in the press. A good example of this was the weapons of mass distraction advert where a woman's breasts were plastered on huge billboards, easyJet claimed this was "designed to be "topical, humorous and irreverent" and dismissed accusations it was either sexist or demeaning to women" ¹ but their overall aim was met, increasing publication.

easyJet has identified their customer's needs by extensive use of internal market research. The easyGroup has also initiated a page on their website where they encourage "people who are willing to talk about industry expertise but are not prepared to sign any form of non disclosure or confidentiality agreement". ² This will enable them to develop their products with little cost. Sometimes customers may feel that easyJet do not

understand their needs such as the review; “ Mark my words; the cheap price is no compensation for the abysmal service this Mickey-Mouse operation offers” 3. This is not just the opinion of an individual but also follows with comments along the same lines from other passengers.

Yet out of 112 reviews and numerous comments, easyJet is found to have an 84% recommendation. Will it care that a small few do not like their product? When it comes to satisfying the needs of its guests, easyJet has got it easy as most easyJet passengers do not even have the basic need of good customer service.

This is shown by the vast majority of reviews which include comments along the lines of “ I’d expect a bit of bad service etc for the price of the tickets.” 1 This can be considered a bonus for easyJet as an expected lower level of service can mean a lower wages for staff of a lower quality which will in turn increase profits.

It is the slight changes that make the difference to easyJETS profitability. The decision to charge for coffee during flights means that they can “ eliminate one lavatory from its planes thanks to lower demand for them, making room for a few extra seats.” 2 easyJet also have to consider the bad press due to cost cutting methods such as “ Budget airlines’ pilots ‘ cut corners.” 3 This does not instil confidence in the way the airline carries out its safety procedures and may be the one point that customers may not be willing to compromise on.

When using the Kashani-Turpin model easyJet has a flexible outlook on all dimensions. The context in which easyJet works, is to develop a wide

spanning plan to take easyjets method which will “ slash costs, maximize publicity, and “ sweat the assets.”” 2 to other sectors unrelated to the current business environment. In the long run this decision has added to the brands success. EasyJet also have a knack of just managing to staying inside the boundaries of what can be deemed politically correct, ethical and sometimes even legal. Such as the breasts advert and the blatant publication found from the use of bright orange boiler suits to almost sabotage their competitors.

Following Selios’ love of all things cheap he developed the airline in the same way as Southwest Airlines, who were the main low cost airline in america, but through marketing innovation added the ‘ gymic’ of the easyJet brand to appeal to blast the european airline industry with the new budget market segmentation. This untapped niche market then began to thrive along with the business market segment, which easyJet has great appeal to as more companies have adopted the same cost cutting model as themselves, increasing numbers of business men are being forced into traveling on a budget.

The success of easyjet in these markets can be shown through the phenomenal rate at which its passenger numbers have grown, with a tough time of recession amongst the full service airlines. The only problem for easyJet is that the profits do not seem to be growing as fast the passenger numbers. Their loss leader approach is eroding profits.

The other edge easyJet has over its competitors is the 'easy' brand name. Their use of the colour orange, seen as energetic and extrovert is said to look closer than it really is, drawing customers' focus from their competitors.

On the side of the company's values and workings you would see it as coming directly from its creator Stelios. " He's a sort of bargain-basement version of marketing showman Sir Richard Branson." ¹ Without his creative input the company would not be in the strong position it is in. Even though Stelios has taken a step back from easyJet his values are still rooted in the business and can be seen that his outwardlooking self criticizing approach have been passed on to the current board members and produced a market leader. They know that their market is highly competitive and unstable but strive to ' Paint the world orange.'²

When easyJet analysed their distribution channels they realised that they needed to internalise the one externality which was causing them the most problems: runways staff. With the increasing pressure on turnaround times this area had to be controlled to the greatest degree by cutting down on delays through lost luggage for example.

easyJet operates under intensive distribution means, not just restricting itself to internet sales. Although they are the most popular method of booking and easyJet now sells around 90% of its seats online this does not restrict sales over the phone or through travel agents at an extra charge.

For all the above to run smoothly, easyJet must consider the cost implications of all its ventures. easyJet's aggressive pricing method means that profit margins are low: this year easyJet has reported a worse than

expected 28% drop in full-year profits. This was due to the acquisition of Go and the war on Iraq in the first half of the year, but Chief executive Ray Webster is “cautiously optimistic about our performance in the current year”

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As you can see from the breakdown above, the Kashani-Turpin model is the most effective way of analysing marketing strategy. It gives companies a clear route to being the most

competitive player in its market by highlighting the points which the company excels at and what it needs to improve upon. From the analysis above it is clear that easyJet needs to work on its profitability but is doing well in all other major aspects of its business.

The advantage that budget airlines have over mainstream airlines is the fact that they appeal to a much larger market. If mainstream airlines may only aim their product at the mid to high end of the market they are losing out on the full scope available to them. Budget airlines also give the impression of customer friendly service for those customers who are more used to other forms of travel. A good example of this is how easyJet gives the option to passengers to bring their own food aboard just as you would on a train. The other advantage that budget airlines have is the appeal families giving “a kind of theme-park atmosphere”¹ with the extensive use of orange branding, which is certainly not a thing BA could offer. The other advantage that easyJet could be seen to have is higher market perceived value but not in the way of added value simply in the way that it is value for money and customers will not feel like they are getting ripped off.

As with everything, there are drawbacks. Budget airline's intense use of fixed assets means planes have a very short turnaround time, effecting safety often resulting in delays due to missed slot times. The other experience a budget traveller could be missing out on is the service found when normally travelling by air, the complimentary nuts, the tea and coffee, flight attendants who look professional and not forgetting the little lemon scented hand wipe. If we didn't have these "full service" airlines would we feel deprived of a well known institution?

If marketed correctly it could be possible to have 'half a budget airline'. Taking Thomas Cook airlines as an example with its stratified holiday options where late deals are seen as budget and you have a lot less options and privileges. On a mid budget airline if you booked in advance, say with more than a weeks notice, then they could offer the options of in-flight meals, extended leg room, priority seat booking, and even entertainment, on the condition that a certain amount of people requested the option. For example the extended leg room on planes could be adapted so three aisles moved into two, but the extra charge would have to be the same amount as if the three aisles were full and in-flight meals made by a catering company who could deliver just in time. The main condition for a mid budget airline would have to deliver service as good as the higher end of the market otherwise passengers would most likely choose the extremes of the market.