

Predefining a marketing plan for easyjet



**ASSIGN
BUSTER**

The objectives of the management summary is to predefine a marketing plan that will not only bring out Easyjet's rich history but also have in place a conscious future in better product and service delivery to the customer.

The practical report also sheds light on the all but important necessity for competitor analysis that is absolutely essential for tactical implementation within the legal framework in light of the ever-changing and unpredictable airline industry.

Easyjet's breakthrough into competitive business is elaborated further with the view of having a clear mission statement for all future employees. The success and failures feature predominantly in the prologue. Understanding and acknowledgement of both the ideologies and principles of the founding managers is also an added advantage.

Management needs to be wary of the activities of the organizations immediate micro-environment as well as the lesser influential but necessary macro-environment.

At every instant in a business situation it is imperative for an organization to capitalize on the organizations strengths and opportunities and ensure that adequate information is gathered ethically about competitive counterparts. The last thing we expect is law suits for Ryanair for copyright and privacy infringement.

Emphasis is made to proper selection of tools and resources necessary to deliver the required goals for this compulsory section of organizational analysis.

The detailed information gathered from the pre-amble and the situational analysis play a major role in the laid down firm foundation of the eMarketing strategy. The top brass can at this particular stage employ a mindful corporate strategy that places Easyjet in an acceptable environment.

The selling side strategic approach to be implemented generally brings out the quality and objectivity of the plan that are exceptional from those of Ryanair and BA. The company website that continues to play a role in marketing and public relations comes across as the important tool in the information's systems strategy.

The listing below prioritises some of the key discussions to be addressed in the eMarketing strategy.

Equilibrium in between the direct phone line sales and internet based booking in an elaborate marketing mix.

Alternative restructured business model that offers offline services to clients opting to fly Ryanair.

URL and easyeverything partnership.

Organisation segmentation and restructuring policies.

Management has its intentions on an internet based marketing mix that is acceptable to the customer in terms of quality and value for money. This is to be implemented in discount and credit based environment with flexible payment terms.

There is also intent to foster balance of the always available online sales and marketing website with offline implementation by establishing remote sales support, partnership and subcontracting, banner ads and telephone directory entries.

This is to be employed in a dynamic strategic to clearly assess if Easyjet is moving in line with the set objectives set on the outset.

Comprehension and interpretation of the legal system of the UK and EU is important to the management team especially in regards to the acquisition of information.

A set of guidelines and principles have to be agreed across a board of service provider in view of the consequences of internet based information on clients.

The organizations management is tasked with the conclusive verdict based on the issued report with viable options. The conclusion should be considered as a successful measure in placing Easyjet in the aviation map going forward.

2. 0: Introduction

2. 1: Easyjet Formation

Mission Statement

To be an acknowledged world class airline meet the travel needs of the customer.

Vision

To progress to greater heights by hard work and determination.

Easyjet was initiated in 1994 by the son of a Greek shipping magnate known as Stelios Haji-loannou who was to be later described as a visionary and flexible founder. He launched the company as a competitive carrier with the strategic view of challenging conventional players like British airways.

Although he wasn't particularly optimistic on the idea of the internet in the early stages of company formation, statistics began to illustrate the imminent benefits.

In the initial stages the direct channel services were used to market and sell tickets but a decision was to be made to expand the same or put up a website whose benefits were not clear at the time but commercial pressure was piling up due to increasing popularity.

The direct channel phone service was manned by attendants employed by Stelios to attend to customers. As the number of customers began to grow so did the need of a proportional equivalent of the attendants. This was an extra expense and essentially a toll on the company's margin. This essential sales method by use of the phone would however against the odds simplify the integration into a centralized ordering system.

2. 2: Monetary Performance

The financial background of Easyjet is a classical tale of how it began ticket sales via a single phone line only to be convinced by a line insurance company of the savings of direct selling. This mode of sales together with

unavailability of channel conflicts such as agents led to its successful integration into the web.

Easy jet's £ 10 million website development decision was handled by tableau, an out sourced media organization with the marketing director – Mr. Tony Anderson monitoring the initial results. Mr. Haji-loannou was keen on the impact of the booking phone line posted on the website.

The website was launched in April 1998 with a slow start in the first month but secured 800, 000 bookings in that time. The site also exceeded projected expectations of 30% internet based sales by 2000 by attracting a 38% statistic (135, 000 seats) way before in August 1999.

Fig 2a

Fig 2a above illustrates the impact of the website on internet based sales at the begin of the millenium.

2. 3: Products and Services

Easyjet's main objective is to sell affordable airline tickets for various destinations in both the UK and Europe.

In addition to ticket sales the telephone attendants also gave additional information about the company i. e. special prices if booking is made in advance. This PR exercise would later be implemented on the website replicating the same task as the attendants by displaying all the needed information, FAQ's and others services and the collective expense of Easyjet's contract with tableau. There was a steady and comfortable

increase of the volume of sales in 1998 of slightly less than a million initially in 1998 to the projected six million per year as has been currently analyzed.

Easyjet has also looked into the possibility of capitalizing on its easyEverything brand so that it can venture into cross selling just as other airlines such as virgin have recently. Customers can browse in internet cafes or rent cars at affordable rates. This strategy is aimed at creating a partnership that ensures the airlines brand is maintained with the sale of other commodities and services.

3. 0: Situational Analysis

Easyjet's strategic team needs to have a detailed clarification of the opportunities and challenges that not only exist within the organization but also in its environment. These would also be as internal and external factors respectively that would be impeding the success of the company going forward.

Mr. Haji-Loannou and his team of executives need to employ all necessary measures to ensure that positive aspects of these factors of situational analysis are enhanced while the negative ones are dealt with. The organization will therefore in the event of negligence have on its own failed to plan and consequently planned to fail.

The marketing team can therefore build up propositions, hunches, on probable causes and solutions to the potential setbacks.

Situational analysis (Austin and Pinkleton, 2006) can spark creativity by inspiring practitioners to assemble bits of information or to observe and analyze organization affected by similar concerns.

Easyjet's marketing team would have to understand that the most effective inputs of situational analysis are company sales reports. The records can be further classified by product, market, geo-location, price channels and product end use.

Another aspect to be considered by the marketing team in the plan would be growth strategies like sociological, technical, economical, environmental and political factors that if carefully evaluated would have the present situation in clear perspective (Peter & Harold, 1997).

3. 1: Current Position

The analytical review of the Easyjet's Present Position in the airline industry can also be reviewed in light of the discussion below.

3. 1. 1: Strength Weakness Opportunity Threats (SWOT) Analysis

According to (Lane, 2004) the SWOT tool can be used to detail the internal factors (Strength and Weakness) and also demarcate the external factors (Opportunities and Threats) as well that have a significant impact on the achievements and overall performance of Easyjet as a company. Fig 3a below demonstrate how the combined SWOT elements can be used in analysis.

Fig 3a

Source: Easy-Marketing-Strategies. com, 2009

Situational Notes

The SWOT tool (Chaffey et...al, 2006) is important in the formulation of strategies and will therefore be useful to Easyjet's present and future marketing team

Strength and Weakness = Internal factors.

Opportunities and Threats = External factors.

Strengths + Opportunities = Attacking Marketing Strategy.

Weakness + Opportunities = Counter Measures for Attacking Marketing Strategy.

Strengths + Threats = Defensive Marketing Strategy.

Weakness + Threats = Counter Measures for Defensive Marketing Strategy.

Strengths

Eastjet as an underdog has come from continued growth of customers of merely 800, 000 bookings in the year 2000 to 6/56th of the entire annual market as described candidly by Mr. Haji-loannou.

There is also the need to promote convenient online ticketing by complimenting it with a £ 1 per ticket discount.

The success of Easyjet as an organization has led to the branding of the "Easy" prefix and hence the Easygroup of additional service providers.

Brands

Easyjet – The Web's Favorite Airline.

Easy Everything Franchises.

Customer Base

800, 000 bookings recorded by 2000.

6 million vital customers each year.

Over 90% internet based sales.

Distribution

£ 2. 50 less per online ticket.

Low cost ticketing no network, no in-flight meals.

Weaknesses

Easyjet has also has its flaws like the article of the owner with horns & a Mexican moustache that generated a complaint. The direct sales channel method of ticket sales that has been used to date is slow in marketing as other airlines have used the web like British Airways and Ryanair. These factors among others have exposed the organizations demerits in the competitive aviation industry.

Brand perception

Image compromise i. e. Mexican moustache saga.

Technology / Skills

Direct sales approach no longer popular.

Cross channel support

Easyjet use of direct line phone (initially) and internet (presently) to promote ticket sales.

Intermediary use

Brokers or sales agents.

Opportunities

The success of the 'easy' prefix ideology that portrays simplicity in all of the transactions carried out by the organization has brought along the ability to create partnership with internal organizations or entrepreneurs. The cross selling approach over the internet via other media aids direct marketing.

New services such as £ 1 discounts on online transaction and Pin Number rather than tickets have boosted the customer confidence who are always on the go and prefer the least downtime at airports. In addition internet based promotions like the use of The Times and Sunday Times as well as the recent controversial British Airways BA losses customer guess promotion that has been used by the founder to enhance the company's Public Relations.

Cross Selling

Easyeverything franchise like the low internet surfing rates and Easyrentacar organizations that can be exploited

New Services.

£ 1 off online ticketing tactic.

Pin number offer for web based tickets with no mediators, distractions, snacks etc.

Internet based promotions for last minute tickets.

Web Advertising and Public Relations.

Threats

Court battles have been consequential to the company's performance if the legal decisions are in favor of a stern competitor; therefore stalemates such as accusations by British Airways BA copyright infringement by using the slogan " The webs favorite airline" have affected the customer relations. Customers have also resulted to companies such as Ryanair who go the extra mile to reach offline customers.

Virgin extension services that are not related to aviation have also improved their marketing and advertising ideas. Organizations like Swiss air are also looking for new entries into the promising markets.

Customer Choice

Offline customer preference to Ryanair due to lack of online services.

New Competitive products

Virgin Airlines brand of extension services.

New Entrants

Battle for new routes like Geneva-Barcelona with Swissair.

3. 1. 2: Political, Economical, Social and Technological (PEST) Analysis

Easyjet's marketing strategy has to be empowered with an in depth analysis of the macro environment. PEST analysis is also referred to as general/exterior environment analysis and its acronyms are derived from the terms Politics, Economy, Society and Technology (Zheng, 2009) due to the impacts they have on business setting. This section of analysis as illustrated in Fig 3b below is therefore bound to provide a proper consultation outlook of the situational analysis.

Political

-Related Legislation. -Market regulations. -Trade Agreements. -Tax levies & breaks. -Govt. regime e. g. comm. Democrat. Dictatorship.

Social

-Social forces i. e. attributes, internet & opinions. – -Demographics - Responses to social settings.

Economic

-National & global interest rate & fiscal policy. -Recession Scale. -Stake holder behavior. -Labor Rates.

Technological

-Technological infrastructure, systems, hardware e. t. c. -Fast Internet technologies. -Technological change.

Location

Merchandise

Cost

Advertising

Fig 3b

Source: Learnmarketing. net, 2010

Political factors.

Easyjet is based in the UK currently a member state of the European Union (EU) and there is a combined EU legislative assembly. This with the exception of Switzerland has led to the relative ease in acquisition of rights to fly to and from EU member states under predefined and approved terms and condition the are overseen by the EU.

Taxes and trade agreements are discussed in the presence of state representatives who revert back to deliberate before consensus is reached.

EU member states would be interested in offers from low cost airlines like Easyjet due to the affordability in preference to national carriers like British Airways and Swissair.

Economic factors

Recession is likely to affect employment negatively therefore companies like Easyjet would be forced to relieve some of the personnel to keep the margins steady by outsourcing media houses like tableau.

Globalization is expected to impact various economies and more so interest rates.

Easyjet's relatively low costs can be attributed to its budget and subsequent labor rates that have received well with the consumer.

Social factors

The UK is ready to embrace foreign investor like Mr. Stelious and even employees from other European countries in its quest for customer satisfaction and improvement of employee living standards. Free or complimentary tickets for damage control to upset customers are always public relations life savers. The Increasing acceptance of the internet among social circles in Eastern Europe has improved online based sales.

Technological factors

The advent of information technology has brought the sophisticated nature of the internet characteristics like speed, reliability, scalability that enables new services like Pin ticket based approach, available online information that is always useful to the client. The direct phone line approach has laid the technical foundation for integration into the web and central booking database.

3. 2: Industry Analysis

Industry Analysis just like the PEST analysis cover macro environment but with a competitor based approach.

Bargaining power of customers – Easyjet discounts, and less paper work.

Intensity of competitor rivalry – Easyjet's increasing popularity is contributed from the legal tussle inflicted by competition.

Threats of new Entrants – New offers from Ryanair and British Airways.**Bargaining power of suppliers – Tableau intent to increase IT consultancy charges.****Threat of Substitute products and services – Alternative eMarketing strategies by Ryanair, BA, and Virgin.**

Michael Porter Five Force Model – Industrial Analysis Easyjet own industry analysis can be explained by porter's five forces approach. This comprehensive examination as described by the figure below (Mackenzie et al., 2009) aims at looking at competitors & suppliers from the external view point for the marketing plan.

Fig 3c

Source: Mackenzie, 2009

Bargaining power of customers

Easyjet have created a competitive price environment that is conducive to the customer. Online discounts with less paperwork and bureaucracy at airport terminals have resulted in consumer satisfaction and hence less haggling of air tickets. The web and newspaper based promotion gives clients all the necessary information to fill airplanes.

Bargaining power of suppliers

Easyjet's suppliers in terms of the marketing plan are IT media house Tableau. The services provided by them were initially outsourced by the airline but as the benefits of the website began to show for 1998 there was always the threat of increase in consultancy charges from tableau that would affect the sale of tickets indirectly. Easyjet has since made the initiative to take Tableau on board as a strategic advisor.

Threat of new entrants

Easyjet's strategy to deal with new entrants has been defined by the current perception of customer loyalty in that economical flights are available. New entrants here doesn't necessarily mean new players in the aviation industry but competitors such as BA and Ryanair can come up with new strategies like offline marketing to enhance sales consequently capturing a sizeable portion of the customers. BA is likely to employ economies of scale and legal support to make a saleable statement.

Threats of substantial products or services

Easyjet is well known in the UK and EU aviation industry for its breakthrough in emarketing. There was always a threat of using the web extensively to market and sell tickets by key players like BA but Mr. Haji-loannou made the multi million pound decisions that paid off. Virgin airlines have also intensified extension services to aid marketing ticket sales.

Intensity of competitor rivalry

Competitor rivalry is healthy for an organizations growth, hence Easyjet has taken court and legal conflicts with major commercial carriers as a chance to improve their creative marketing campaign. BA went to court to make a spirited case for their alleged copyrighted slogan while Swiss are persuaded their government to accord them rights to fly the Geneva-Barcelona route excluding Easyjet. Easyjet has reciprocated this seemingly hostile reception by resourcefulness with promotions such as the BA go losses that attracted up to 65, 000 people. This environment has in the eyes of the customer elevated Easyjet to a national level in the marketing perspective (Mackenzie et.. al, 2009).

4. 0 eMarketing Strategy

Easyjet's eMarketing Strategy intends to bring about the potential markets, positioning and detailed marketing suggestions that shed light to the most ideal marketing mix, resources, customer services and dynamics that will affect the organizations performance (Smith et al, 2005).

4. 1: Promoted Strategy

The discussed situation analysis is the platform of Easyjet's eMarketing plan and the following are on the management agenda to ensure ongoing market capitalization

Value proposition.

Differential advantage.

Objectives

The objectives are intended to capitalize more on the online advantage that the company has enjoyed its recent history.

To maintain its present status in the European market as the most efficient airline.

To mount a strong attacking strategy that ensures consistency and further production.

To launch a comprehensive website that is capable of all customer transaction at the end of the day.

To incorporate and outsource all necessary resources or tasks required to supplement

Although Easyjet has adopted the website for most of its advertising, public relations and commercial transactions there is a constant need to maintain the telephone for feedback, clarification and further urgent information.

Campaigns like the BA Losses project / campaign have been touch with customer and plans for this dynamic nature of dialogue are intended to be enhanced infuture

4. 1. 1: Value preposition

Easyjet has found it fit to introduce benefits that will demonstrate added value to the products and services on offer.

Target Market Focus

All business travelers and tourists in the UK, EU and Northern Africa have their interest on the best and Easyjet has done its best to acquire a large percentage of the market.

Business Resolution

Easyjet proposes an enhancement of the ground-breaking as well as continued service centre that responds to the consumer from the initial stage to final booking stage.

Treaty

Easyjet in its quest for improved service joins forces with what can be termed as the 'easy' group of franchises as a competitive strategy for clients.

Technique

Easyjet simplistic technique of online ticket sales and advertising has been received well by most clients.

Model

Easyjet's business model is very much similar to that of the US based a southwestern airline that cuts out extra cost of middle men commissions by engaging the customer on the internet (Mayer, 2007).

4. 1. 2: Differential Advantage

Easyjet enjoys diversification in the marketing ideas that makes it stand out in midst of immense competitive sales and marketing. The company is one of the first airlines to employ online booking services in UK. There is also the

economical paperless customer bookings and check-ins that are hassle free and reliable. This approach adopted by Easyjet results in a reduction of prices that the customer warms up to.

4. 1. 3: Marketing Mix

The Marketing Mix is the favorable business environment based on selected elements that Easyjet's Management varies with the sole aim of meeting the customer's needs as well as making a profit.

Marketing Mix Elements

Fig 4a

Source: Marketing Mix: Reference (The Full Wiki)

Product

Tickets sales with very little documentation for flights all over Eastern Europe.

Easy Group franchise (Koslowski & Hubig, 2004) also offers Easyspace (Webhosting), Easyshop (Online UK based Lingerie) in addition to the internet café and car rental services discussed in the situational analysis.

Place

Easyjet bases in UK, EU & Northern Africa.

Easyeverything products and services available in major cities target by Easyjet as a marketing strategy.

Promotion

URL placed alongside Boeings 737 planes.

Internet only advertising supported by UK dailies

Price

£ 1 discounts for all bookings made via the internet.

Low airline costs as result of savings made by exclusion of travel agents, tickets, in flight meals among others.

Process

Pin number procedure that brings some ease to the ticketing system.

People

Telephone operators, Web Administrators, Concentration on mainly business travelers,

Click and Mortar

Easyjet has taken the approach of using offline promotions to campaign intensively for the online campaign. The approach also encouraged by varying the mix elements above tends to generate trust needed by the customers (Goymer, 2004). Most prefer traditional methods of business as opposed to modern online deals. Easyjet has the task of maintaining a convincing equilibrium.

4. 2: Implementation

Management Decision – creation of a new website that is expected to congregate the emarketing requirements

Budget for the proposed website.

Website expansion on the value proposition intended to meet customer needs.

Online and Offline promotion equilibrium

Business performance based on website implementation

Analysis

The research carried out the previous topics incline towards the development of a suitable website that will enable the customer to carry out all the necessary online transactions.

Design

Fig 4b

Fig 4c

Realization

5. 0: Legal and Ethical Issues

Easyjet has maintained a good track record with ethics and the legal system. It has so far done enough to get a constant number of clients.

Easyjet road to success has been met with the following major legal and ethical issues

Privacy

Intellectual Property

Free Speech

Accuracy

Accessibility

Workstation offenses and Consumer Protection

Privacy

Customers are only required to provide name, ID or passport numbers and payment in exchange for the goods and services.

Although information on the competitors can be easily acquired over the internet such as BA losses promotions data, Swiss government ban on Easyjet's Geneva-Barcelona flight rights, there is a legal limit to distribution of information.

Laws on privacy are not always definite in that they are not always ethical. Easyjet can use negative information on BA without legal implications.

The client also would need to exclude entry of details on a registration website. Competitors also have the right to some privacy within the boundaries of the legal system.

Intellectual property

BA has registered lawsuits for copy right infringement when the phrase 'web's favorite airline' was used. This was to be resolved in a lengthy court battle

Free speech

The tale of the office owner with horns illustrates the drawbacks of free speech as a result of complaints. Regulations have restricted the use of this right expected in advertising and web page content.

6. 0: Conclusion

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Fig 4c

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