Case study

The future for 'do-it-yourself' customer service

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Abstract Customer relationship management (CRM) has come to mean many things. For many the concept is merely an upmarket term for direct marketing. The originators of CRM — like IBM — however, were very clear about CRM ... it was specifically about getting customers to provide their own customer service through the web. By making the enterprise accessible to customers, customers would service themselves at a much lower cost. New sales would be created through customer satisfaction, which would be self-generated. The paradox was that the more 'work' customers did for themselves, the better the experience.

Was this concept based upon a brilliant understanding of the human mind or just a sharp way of selling more software? A decade on, this paper examines how the budget airline easyJet has adopted the specific principles of CRM as a central element of its strategy, even to the point where passengers pay to perform their own customer service. The strategy appears to be working.

INTRODUCTION

It has become received wisdom that companies must provide an excellent customer experience in order to prosper. Moreover, the notion that the provision of information to customers is key to good customer service is also taken for granted. But is this always true? Is it not more accurate to say that companies need to provide a sufficient standard of customer service for a market, in the context of other satisfactions that they also provide? Can it also be the case that too much information encourages a poor service experience?

This paper examines the customer service strategy of the highly successful

budget airline easyJet from the user's point of view. easyJet is an outstanding example of a high profile consumer-facing business that has adopted the controversial principles of customer relationship management (CRM). In doing so it has set out to limit the amount of customer service it has to provide while maximising the amount of information it gives to its customers. The paper examines the ways in which the airline has successfully trained a substantial customer base to conduct *its own* customer service over the web, while highlighting the fact the company is in the early stages of proving this controversial but surprisingly promising model.

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Do-it-yourself customer service

'Do-it-yourself' customer service, readers may remember, was the big hope of the CRM software providers of the last decade. This view of automated service — where software made it easier for customers to sort out their own service concerns — was reinforced by IBM publicity material. In a booklet entitled *Relationship Management*, sponsored by IBM and Kana and published in the late 1990s, the view was expressed that: 'In a dot.com world, where customers are accessing a company's resources remotely, self service is everything.'¹ The author continued, '(If) we make the enterprise accessible to the customer, the customer will service himself ... at a much lower cost.' 'New sales', he said 'are created through customer satisfaction, which is self-generated. Behind today's positive experience lies a paradox ... the better the experience the more 'work' the customer does him or herself.'²

Is this true or is this just an excuse for companies temporarily to cut costs at the expense of customer satisfaction? After all, in today's world it is accepted that consumers will serve themselves ... in supermarkets, in petrol stations and through cash dispensing machines. CRM advocates, they explain, are only extending this trend into customer service, so that expensive human contact can be avoided and customer service staff employed only when there is additional money to be made.

(Call centres) are often bogged down with routine enquiries. Dealing with such calls through one-to-one conversations not only keeps costs high but also downgrades its role, leaving staff no time for cross selling and upselling.³

Is 'do-it-yourself' really a viable and sustainable model of customer service? The CRM movement is now a decade

old. Its fruits can now be seen and the question 'Has do-it-yourself customer servicing really created customer satisfaction?' now addressed. Will 'do-it-yourself' customer service become an established element of the customer experience, and what lessons have been learned by companies that have implemented such practices?

easyJet

Most readers will probably have experienced 'do-it-yourself' customer service and, indeed, companies that exist *only because* customers do it for themselves (like Amazon and Ebay). Probably the most obvious comparisons of 'old' and 'new' customer service can be found in the airline industry, where low cost airlines (like easyJet and RyanAir) compete assertively with established carriers like British Airways. It is clear that, 11 years since easyJet made its first low-cost flight in October 1995, customer self service has become an increasingly key element of the low cost model, which, among a number of enviable statistics, has enabled easyJet to boast of continued reductions in customer handling costs (Table 1).

easyJet's self service model may even be creating a new type of customer for whom high service standards are seen as being as much their personal responsibility as that of the service provider. Such customers may even relish being involved in the enterprise, by being given access to operational information, and being asked to find a way through for themselves. Through such involvement, these 'self-served' organisations may create a bond with the customer that transcends the service problems that self service can create and which generates a sense of ownership and loyalty. For example, when the author's easyJet flight into Edinburgh had

Table 1: easyJet operating statistics 2005/6

Profit before tax	£70m
Revenue	£1.3bn (+23% vs. 2004/5)
Seat utilisation	Planes 86% full
Cost per seat excluding fuel	-6.2% (vs. 2004/5)
Revenue per seat	+1% (vs. 2004/5)
Ancillary revenues 2005/6	+17% (vs. 2004/5)
Ancillary revenues 2006/7 (first half)	+31%
Cash	£726m
Number of passengers carried	+10.1%
Number of planes in fleet	109 (vs. 2 in 1995)

Source: easyJet plc interim results for six months to 31 March 2006 (revised interim results).

been cancelled without notice, and there were no more flights that night, and none of the airline's staff were available to give advice or reassurance, a fellow would-be passenger remarked:

You're either a budget airline person or you are not. I always fly with the cut price airlines, I save a lot of money and I understand their rules. I won't try for a refund ... it's too much hassle ... and I will have to pay for a hotel. I won't get home tonight. But that's the price you pay for the low costs and convenience of the service they provide.

When self service works it works well. For example, British Airways passengers can book a flight on the web at any time, pay and receive a confirmation of the flight ... and even a boarding pass and seat allocation ... all the time knowing that they have saved £15 per person for doing so.

The contract is that the passenger is in charge of his or her own satisfaction. When this is not understood it creates resentment and anger, as the amount of criticism on the complaint websites will testify. But does this lack of service damage the cut price flight companies, or does it just emphasise the 'cheap and cheerful' nature of the service provided? The author would suggest that the airlines, perhaps unconsciously and perhaps not, are happy to allow a 'Dunkirk Spirit' of shared adversity and a

'do-it-yourself' involvement as there seems to be little evidence of this damaging their profits and growth. easyJet is even happy to allow a 'warts and all' TV documentary series called 'Airline', even if this shows unhappy punters venting their wrath on the carrier. Clearly this is working for easyJet, as the growth and profits continue.

Passengers need to understand this new relationship with easyJet, however. When flights are cancelled and there are no staff, and passengers are told to go onto the website to find alternative transport and to seek a refund, they may need a certain degree of patience ('Where do I find web access in Olbia airport?'). In such a situation, this model of customer service is not for everyone — at least not until everyone has web access via mobile phones.

Customer self service with easyJet: A personal experience

With easyJet, if passengers want customer service they literally have to pay for it, even when doing it themselves. A recent experience of booking a family holiday to Greece involved two system shut-downs because the cost of the flights increased during the booking process. Trying to book the flights in a hurry before the price rose for the third time, the author hit the wrong key and mis-spelt his daughter's name.

What to do? Nearly £600 had been charged to a credit card — how easy would it be to recover this money? With a mis-spelt name the girl would not be allowed on to the flight. Fortunately, it seemed, the website had the answer in its 'frequently asked questions' section (along with: 'Can I take ashes from a cremation on board?' and 'Can I take Christmas crackers with me on the flight?') — all one had to do was to ring a telephone number. After several fruitless minutes queuing for service at £1 per minute, the author sought a cost-free route to redress the situation and found one — the opportunity to email the company. This, however, involved a wait of 20 days for a reply, not particularly helpful in the circumstances.

The answer, it seemed, was not to queue for the call centre at £1 per minute but was to make the change oneself, even though the cost, so the website explained, would be £15 (interesting, as the customer does all the work with nothing required of easyJet). On making the change, however, it transpired that the cost was £45, as the outbound and return fares had both increased by a further £15 during the 10 minutes it had taken to deal with the problem. The £45 was immediately charged to the credit card with no right of reply or possibility of challenge. Clearly, this is one of easyJet's 'ancillary revenues' which rose by 31 per cent in the first half of 2006.

Why continue to use easyJet then? In exchange for flights that can be significantly cheaper than the 'legacy' airlines, passengers buy in to the expectation that they will do customer service themselves. In other words, by participating in the process, customers are working *with* the airline which is paying them in the form of lower travel costs for their work. They are earning themselves a

dividend in the airline business and feeling part of it; they have trained themselves to expect different things from easyJet compared with other airlines (just as the author has trained himself not to even think of complaining about railway performance — there is no point!)

easyJet, therefore, seems successfully to have established three somewhat unorthodox principles of customer service:

- 1 Customer service is the customer's responsibility — or at least is a responsibility shared with the customer.
- 2 Customer service is not necessarily a cost overhead but a legitimate source of additional revenue, even when there is no cost to the company of providing that customer service.
- 3 Any bad PR that inevitably results from a lack of traditional customer service is not necessarily bad for business where bonding can be achieved by other means, such as by creating a customer involvement in the business and through a sense of shared hardship with other customers. (Perhaps customers need to feel that they are earning their cheap flights before they properly value them).

easyJet passengers, as well as conducting their own sales, ticketing and check-in processes, are also asked to get involved in the business itself and to feel ownership. The author recalls being asked, on disembarking an easyJet flight, to arrange the seatbelts of his soon-to-be-vacated seat in a cross-over pattern for the next customer therefore becoming a (small) part of easyJet's operations. Equally, Leslie Cadwallader⁴, an easyJet customer, says:

We're happy to fly easyJet, especially as we are familiar with their routine — even to the

collection of rubbish towards the end of the flight.

David Smithson (a person who seems to be an air travel enthusiast and one perhaps happy to participate) reported to *SkyTrax*⁵ on 28 February 2006, that having to wait an hour for check-in to open, then having to wait in an area with no seating and no facilities seems for some only to add to the sense of participation, pioneering, and solidarity:

'NCL-SXF return. easyJet were excellent. However in NCL airport I waited over an hour for check in to open (which was fine) to find that one of the boards was slow and check in had already opened, so I found myself in group B, which was a little disappointing. Self Check in at SXF was fine except that at the gate we had to wait for an hour with little seating and no toilets. The easyJet crew were good.'

Not every user of easyJet and other budget airlines like RyanAir, understands the new paradigm or is happy with it. The many customer service complaint websites contain much comment about budget airline travel, some too bloodcurdling to be credible, like this one in a *Traveller's Digest* webpage⁶

... while I was writing a complaint against EASYJET at the cafeteria of the airport using AENA forms, the Spanish organization available for complaints at the airport, the EASYJET supervisor came to the cafeteria and assaulted me in the middle of the Barcelona Airport cafeteria. The police came, took my statement, some witnesses statement and I was sent to the medical department of the airport.⁴

Other users seem not to have understood that they are in charge of their own customer service:

Well, easyJet. There is certainly a lot of work to do. First, I am looking for an email address

to contact Customer Services. Impossible. They have to rethink their whole strategy and re-focus it on the key aspect of an airline: customer satisfaction. From personal experiences (numerous), Ryanair is a thousand times better. So maybe they could learn a few tips from them.

To come back to easyJet, they owe me money after leaving, deliberately, my luggage and those of another 60 passengers, at Luton last year, because our flight was overcharged to go to Geneva. So I have no sympathy for them, to be polite.

The first thing to do for them would probably be not to ignore complaint letters from customers especially when they are entitled to a refund. To put it simply: pull yourself together and start to work as there is a lot to do to restore your very bad reputation.

(Claire Letailleur on Cheapflights website⁷
20 April, 2006)

We (me and my mom) used easyJet for the first time last month — flight 7045 from Liverpool to Paris on April 11, 2006. This flight suffered great damage by sudden cancellation on that day at airport departure gate.

We have already told easyJet customer centre about the details of a complaint and the damage by post. However, there is no communication at all.

(K. Konomi on Cheapflights website⁸ 3
May, 2006)

While easyJet seems to make little effort to counter these stories, apparently 'right of reply' invitations have been ignored, in the 'Travellers Tales' part of its own website (www.easyjet.com), it does make a somewhat obvious attempt to put the other side of the picture. For example:

This was the first time I've used easyJet, but not the last. Still can't get over the pilot cracking jokes all the way!

(Anne from Bath)

All in all — a fantastic trip!

(Jacqui from Chester)

The easyJet flights were fab and the check in system at East Midlands airport was a dream.

(Mel from Leeds)

CUSTOMER SATISFACTION

easyJet is clearly a very successful enterprise, constantly innovating and pioneering. But its attempt to train its passengers to serve themselves may be hitting barriers. Skytrax is an organisation that surveys passenger opinion and gives a 1 to 5 star rating to airlines. British Airways scores four stars and easyJet scores three. Says *Skytrax*:

The 3 Star ranking signifies a 'satisfactory' standard of core product across most travel categories — but reflects *poor or less consistent* standards of Staff Service/Product quality in selected onboard or airport features for the airline listed.⁹

Reading the many comments about easyJet from passengers on the internet, it is clear that there are no unusual problems with the attitude of staff, the cleanliness of its aircraft or its timekeeping. Indeed there is much praise. What is causing problems is the universally-hated scrum when boarding — where passengers fight for unallocated seats — and the way that easyJet conducts itself when things go wrong, particularly when luggage is lost or flights are cancelled or delayed. Staff are simply not there to sort things out. So far, however, the airline has adapted and prospered. In classically entrepreneurial response, easyJet is tackling the boarding scrum by charging passengers £5 to go to the head of the queue — more ancillary revenue!

easyJet, moreover, is significantly ahead (in satisfaction terms) of its low cost rival RyanAir, which is taking a lot of flak from its customers on complaints

websites. RyanAir secured a mere 2 star rating from passengers in the SkyTrax survey. (A 2-star rating is described as '... representing a poor standard of product across different ranking categories — or poor/inconsistent standards of staff service delivery in onboard or airport environments.' In this category, RyanAir shares its rating with airlines like Air Cameroon and Air Zimbabwe.

Such a rating again does not seem to have damaged RyanAir; on the contrary, it books over 95 per cent of its business over the internet and, in 2003, achieved a massive net profit of £170m on a sales a turnover of £600m. In August 2004, the airline carried 20 per cent more passengers within Europe than British Airways did.

CONCLUSIONS

There are problems on the horizon for low cost carriers like easyJet. Ironically, these may in part come from the internet itself. According to a Henley survey commissioned by Andy Jonesco, Senior Vice President at AOL, 'Once people get online their behaviour changes dramatically.'¹⁰ Increasingly, consumers are using the internet for pre-purchase research (some 74 per cent in 2005) and also in 2005, 42 per cent of consumers in this year changed their minds after browsing the internet and are actively switching brands. It might well happen that the less than euphoric comments made on the web by disgruntled customers become a more serious break on growth than hitherto and have to be addressed more seriously by companies like easyJet.

Competition from other low cost carriers may also be on the horizon, perhaps in the shape of Air Berlin, the German low cost carrier ('Fares from £19 including taxes, snacks and soft drinks'), which has earned itself a four-star rating

from Skytrax. Skytrax says that four stars 'Signifies airlines providing a good standard of product across all travel categories — and a good standard of staff service delivery in onboard and airport environment'. Air Berlin therefore shares the same customer satisfaction status as British Airways and is operating already from UK airports in London, Edinburgh, Glasgow, Belfast and Bournemouth. It is difficult to find any criticism of Air Berlin on the web, although it shares the same low cost/web driven philosophy of easyJet. Maybe customer self service is here to stay but also perhaps there is some development to do?

Whatever the threats of the future, the management at easyJet has clearly developed a successful organisation which is continuously managing to reduce its cost per seat and to increase its revenues through organic growth. While its

do-it-yourself customer service model may not be to everyone's taste and expectation — and may not be conventional — it clearly has supported an impressive growth rate and must be judged to be appropriate for the type of business it serves.

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