

Introduction

Ryanair is an Irish airline established in 1985, and is widely known for being one of the cheapest airlines in Europe. Ryanair reduces the cost of a plane ticket by adding subtle additional expenses, such as seat reservations, administrative fees and bag check-ins.¹ As a result, many of Ryanair's customers have become outraged and complained due to these "hidden" additional expenses.

This commentary will attempt to answer the question **"Will Ryanair financially benefit from focusing more on customer satisfaction?"** Firstly, a SWOT analysis will be constructed to set a base for the rest of the commentary, and to uncover any strengths or opportunities that could eliminate Ryanair's weakness or threats regarding their low customer satisfaction. Then the 4P's of marketing of Ryanair will be listed to review exactly the service Ryanair is offering and how they manage to offer it at such a cheap price. Afterwards, Ryanair will be financially benchmarked against other worldwide airlines, as well as European airlines, to check if their low customer satisfaction has a toll on their profit. Finally, Ryanair's annual report for 2015 will be used to determine whether Ryanair's increasing profit-focused strategies has benefited them, and then come to a conclusion whether they would actually benefit financially from focusing more on customer satisfaction.

Findings

1. "Keeping Passengers Happy is Not What Makes Airlines Profitable, Study Finds" is an article by Fox News describing a study by IATA that showed that increased customer satisfaction does not mean increased profits.
2. "The Importance of Customer Satisfaction" is an article explaining the correlation between customer satisfaction and profit.
3. "Why is Ryanair So Cheap?" is an article by Investopedia, explaining how and why Ryanair manages to offer flight much cheaper than other airlines, by charging fees for several different things.
4. "Best and Worst Brands for Customer Service" is an article by Which with a survey that asked more than 3,500 UK consumers about the best and worst brands for customer service. Ryanair had a place near the bottom.
5. "Ryanair Annual Report 2015" is Ryanair's annual financial report for the year of 2015, revealing vast yearly increases in revenue over the past decade.

¹ **Appendices:** Investopedia: Why is Ryanair So Cheap?: <http://goo.gl/5fmQzh>

Pleasing your customers goes beyond just delighting them with uber polite agents and offering special offers periodically. Your business must prove it can consistently show up for your customers throughout their lifetime relationship with your company, regardless of the hour, situation or channel of their time of need. Be ready to answer your customers' questions and reach the golden ring of customer service - loyalty

Effort is one of the biggest satisfaction sucks for the customer journey for many businesses. The more difficult your business makes it to be your customer, access your knowledge base and find instant resolution to their questions, the less satisfied your customers. But, why does it matter? Here are some stats that reveal why customer satisfaction should be high on your priority list and something you seek to improve:

- A "totally satisfied" customer contributes 2.6 times more profit to your company than a "somewhat satisfied" customer.
- A "totally satisfied" customer contributes 17 times more profit to your business than a dissatisfied customer.
- A totally dissatisfied customer decreases profit to your business 18 times more than a totally satisfied customer contributes to a company.

Satisfaction Contributes to Lifetime Loyalty

Your competitors are one click away, one search result away and ready and waiting to scoop up your customers. Satisfying your customers is one thing, but lifetime loyalty is much harder to obtain. Ask many businesses however, and they will tell you that the road to lifetime customer loyalty is paved with satisfaction.

Several factors can defer your customers to the competition and away from loyalty to your business, including better value and less effort. Even with providing "good" customer service, without an easy-to-use, omni-channel self-service option and a strong knowledge base to accompany your customers throughout their lifetime at every stage of their journey to answer important questions, businesses are leaving giant gaps for the competition to sweep in and grab that sale.

More Money

It's all about the 80/20 rule, 80% of your profit comes from just 20% of your clients and their repeat sales. This is why your profitable powerhouse originates from a customer-centric business plan. Put away the idea of just finding the "right" customers, focus on retention for the ones that you have and increase repeat sales. Do away with the unhappy customer syndrome, and improve customer sentiment.

Your avid brand lovers are the clients you need to nurture. Offer personalized service that can directly pull data from your CRM with every engagement for all of their questions. They need to check their account status? Shipping details? Want to upgrade to a better package? Make this data available to them even at the most superficial engagements with your company. The answer? You've got it, a digital customer assistant.

Decrease Customer Churn Rates

So you scramble to decrease customer churn rates and transform unhappy customers to improve retention. You spend time, money and devote your teams to investigate the Voice of the Customer with surveys and software, and to find a more competitive pricing plan to blow the competition out of the water. That's all fine and good, but data tells us that poor customer service is the main culprit in customer churn, lower retention and unhappy customers.

Here is some staggering data:

According to a study by [Accenture](#), price is not the main reason for decreasing customer churn rates, it's due to overall poor quality in customer service that creates unhappy customers.

- [Bain](#) found that your customers are 4 times more likely to defect to a competitor if the problem is service-related than price, or product-related.
- 96% of unhappy customers don't complain, however 91% of those will simply leave businesses and never come back – [Financial Training services](#).
- 70% of buying experiences are based on how the customer feels they are being treated (unhappy customers equal bad buying experiences) – [McKinsey](#).

The bottom line is that without self-service your retention rates will suffer. Consistently "there for you" service is attainable through self-service engagement that also offers personalized escalation paths when customer questions are high-touch and need human contact. This kind of customer service produces the kind of satisfaction that businesses want and that will lead to lifetime loyalty.

New Generation, New Expectations

Generation Y, or as we like to call them the [Convenience Customers](#), have raised the bar on lifetime customer satisfaction expectations for businesses. As the largest generation in the history of the world, they're buying power makes these trends essential to consider in reaching the goal of customer loyalty.

Offering support via social channels is one way that you can empower Gen Y with the information they need in order to stick around and even be your brand's ambassadors. Because this generation, they talk. According to [American Express Global Customer Service](#), 42% of people will tell their friends about a good customer experience with businesses on social, while 53% will talk about a bad one. So look at good social customer service as not only your duty, but also an opportunity.

And speaking of social media customer service, 33% of users prefer to send questions to brands using social media. When companies engage and respond to customer service requests over social media, those customers end up spending 20% to 40% more with the company according to [Bain](#). So manage those twitter accounts and offer self-service on your company's facebook pages. It's the best way to ensure that these always sharing customers, are in your corner.

This generation is the everywhere generation, and mobile is king. Smartphones and tablets combined now account for 60% of all online traffic. So providing the kind of great user interface for mobile that makes getting answers easy and fast, is another way that you can satisfy millennials.

Satisfied Customers Will Make you Their BAE

The bottom line is that if businesses put customers Before Anyone Else (BAE), they will reciprocate. Loyalty is the goal and totally satisfied customers contribute about 3 times more profit than unhappy ones. So with that being said, what are you doing to make unhappy customers happy? Consider the following customer retention strategies:

- Adopt a self-service solution
- Build up a vast knowledge base and one that relies on customer feedback
- Keep your customers in the loop with educational blog posts
- Don't be stingy with promotions, who doesn't like discounts and free stuff?
- Don't shy away from customer satisfaction surveys and other analytics
- Get personal, make it effortless, make it count.

You must align your entire company, get sales and marketing in on the customer satisfaction journey and watch your engagement and conversions improve. Marketing can step in to help with messaging, building the knowledge base to improve engagement and manage the social channels. Give marketing access to your internal knowledge base with self-service tools and sharing information with them will be a breeze.