

A Great Guest Experience

As the filled-to-capacity Boeing 737 taxis to the ramp at Maui's Kahului Airport, 200 weary travellers are brought back to life by the a capella stylings of the lead flight attendant's playful rendition of "Over the Rainbow." Customers, or "guests" as WestJet prefers to call them, quickly realize that they are now part of another unique WestJet moment. They chuckle as the WestJetter cleverly integrates local time, temperature, and gate information into the lyrics, but he earns genuine LOLs when he works in the verse, "flying to Hawaii is free when you're a WestJet employee."



Thus, despite being awake since 4:30 A.M., boarding a plane in Calgary in the dead of a prairie winter, and enduring a seven-hour flight with two young children who refused to sleep, these "guests" are ready to embrace the magic of Maui. The travellers may never know the reason for the improv performance, but maybe it was just another example of what the advertisements have been telling us for the better part of a decade: "Owners care," a slogan communicating how the airline's employee stock option package motivates participating WestJettters to go just a little bit further to please.

WestJet's philosophy of creating customer value is not based in its industry-leading turnaround times, modern fleet of planes, or even its competitively priced fares. Customer value stems from the core of a corporate culture, something only achievable when your people are engaged. In the words of Bob Cummings, executive vice-president of sales, marketing, and guest experience, "the big success factor in the whole corporate strategy is making sure that your employees are understanding and with you all the way." Richard Bartrem, vice-president of communications and community, adds "we want all of our frontline employees to leave their inhibitions at the door, knowing, one day, they'll have their WestJet moment . . . moments [that] ultimately make the WestJet flight memorable to customers."

A perennial survey chart-topper in categories such as corporate culture, best employer, and customer service, WestJet is also no stranger to industry-specific accolades, earning kudos for "Best Flight Attendants" from FlightNetwork.com. If creating customer value means exceeding as opposed to merely satisfying needs, then WestJet's "DNA" would seem to be serving both its customers and owners well.

With the song still fresh in their minds, WestJet passengers join thousands from around the globe scurrying through Kahului's terminal. They're easy to identify among the throngs, though, as they're the ones talking about what made getting there half the fun.

QUESTIONS

1. What is WestJet's value proposition?
2. Explain how WestJet's "Owner's Care" ad campaign helps communicate its value proposition.
3. Which marketing management orientation does WestJet base its marketing strategies on?

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Building Momentum

The phrase was the theme of WestJet's 2012 annual report, but "building momentum" has been an unwritten part of WestJet's mission since its formation in 1996. There are few other words to explain the airline's success other than the inherent refusal to rest after conquering any single milestone. Going from zero to 30 percent of Canada's domestic air travel market in a little more than 10 years is perhaps the single most impressive achievement.

The fabled beginnings of WestJet paint the picture of a typically ambitious start-up poised to change the world—with three planes, five cities, 220 employees, and blind faith. As of mid-2013, the little airline that could had 100 planes flying to 85 destinations supported by 9000 employees. As an encore, the airline launched its new regional subsidiary, called "Encore," in June 2013 to build a deeper network of destinations within Canada and serve many of Canada's smaller communities. That said, it has methodically begun penetrating global markets by partnering with other airlines.

"Code-sharing and Interline agreements have allowed us to facilitate global travel for our guests, without the capital barriers of purchasing long-haul aircraft," claims WestJet vice-president of network planning, alliances, and corporate development, Chris Avery. "Each new partnership opens up more choices and flexibility for Canadian travellers who love the WestJet brand." The difference between code-sharing and interline agreements is worth noting, as it demonstrates WestJet's tactical approach to growth. The latter involves a seamless transferral of baggage for customers using WestJet and a partner airline, while the former allows WestJet passengers to book a ticket from a WestJet origin, such as Toronto, through to a non-WestJet destination, such as Seoul, South Korea. The goal is to create interline agreements and strategically evolve them into code-shares.

With these aggressive strategies to get WestJet guests to different points around the world, wouldn't it make sense to just buy bigger planes capable of trans-oceanic flights? While capital, cultural, regulatory, and competitive barriers would appear to be fairly daunting at this point, Bob Cummings, executive vice-president of sales, marketing and guest experience states with a sigh, "The intoxicating growth of China, India, and parts of South America certainly create grounds for discussion at some point."



QUESTIONS

1. WestJet's introduction of "Encore" represents an example of what form of growth strategy from the product/market expansion grid?
2. Go to www.westjet.com and create a list of airlines WestJet currently holds code-share or interline agreements with. How do these partnerships enhance WestJet's value network?
3. What specific threats would WestJet face if it were to begin flying to overseas markets in Europe, Asia, or South America?

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Writing on the Wall

Local graffiti artists in Aquas Negra, Dominican Republic, had defaced the wall on a basketball court that had been restored through the efforts of 50 WestJetters who had travelled to the impoverished slum in 2012 to build five homes as part of the airline's community investment. They had raised funds not only to fly themselves to the country, but also to build the actual homes. Jennifer van Meenan, WestJet's team leader of community investment, stared at the graffiti, then said to her colleague, "That has to go. That can't be there." She was referring to the hand-painted word "WestJet." "It just felt wrong to me," she recalls. "I said to them, that is not why we do this. We do not do this to get our name on the wall."

It is a public perception dilemma faced by any for-profit organization. The spirit of corporate social responsibility is to deliver positive outcomes at the triple bottom line (profit, planet, people), and yet a firm like WestJet, who delivers at all levels, feels somewhat reluctant to communicate their acts of kindness and goodwill. "People have a cynicism today because they see that you're doing something," van Meenan explains, "but are you doing something because it's the right thing to do . . . or are you doing it to put a halo around your brand?"

"We have another program called 'Do the Right Thing,'" says Richard Bartrem, vice-president of communications and community relations, "where we will see something in the media which falls outside of the framework of our community investment, and yet the right thing to do is to fly someone in need, to somewhere where they can be helped. But we don't toot our horn about those."

The Dominican Republic project was the first of a new community investment program called "Hero Holiday." More significantly, it provided an opportunity for WestJetters to give back to a country that has become one of WestJet's most popular destinations. WestJet president and CEO Gregg Saretsky flew down during the final four days of the event, not just to observe but to celebrate and thank the WestJet employees who had personally raised the funds. "We will leave with memories in our hearts and minds for the love you have shown us, and gratitude for allowing us to build these homes for your beautiful families," said the emotional leader to the joyous gathering.

So did the company's name stay on the wall? According to van Meenan, the villagers pleaded, "Please, we want to remember you. We want to remember WestJet."

QUESTIONS

1. Do WestJet's community investment programs accurately demonstrate societal marketing? If so, how?
2. Why are companies like WestJet reluctant to communicate their acts of goodwill?
3. How do companies achieve a perception of credibility from the public if the public is inherently cynical?



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Blue Sky and Storm Clouds

“I remember once advising a group of students, at a business case competition, that Apple would never enter the cellphone business,” admits Bob Cummings, WestJet executive vice-president of sales, marketing, and guest experience, with palpable humility. “Having spent over eight years in the mobile industry myself, I did not conceive that an outsider could revolutionize the space by bringing touch screen and a simpler navigation. I do view Apple and Virgin as unique companies that have unique perspectives and competencies that have taken them in different directions, and I say, wow—never say never.”



Cummings and other senior business leaders like him can be forgiven for underestimating the broad range of certain companies when it comes to exploiting possibilities. That, however, is the driving rationale for deep examination of the marketing environment. An obsession with gathering intelligence on macroenvironmental forces has assisted WestJet leadership in key business decisions. “We look at the market in Canada, where we’ve penetrated, and where the other guys have penetrated the market,” states Cummings. “As we analyze the markets we have not touched, we realize that we need to make some product, network and channel investments to continue growth.”

Knowledge of a volatile economic landscape, and building an airline business model designed to endure that volatility, allowed WestJet to navigate through the 2008 recession without layoffs. Awareness of technological trends available to the commercial airline space prompted the airline to begin using required navigation performance (RNP) technology, which allows more direct approaches in and out of airports. Keeping up with regulatory patterns with regards to flight attendant/passenger ratios earned WestJet permission from Transport Canada to effectively cut operational costs without compromising the guest experience. “And that,” adds Cummings, “was done only after we explained the rationale to our flight attendant group.”

Aside from the launch of its regional carrier, Encore, and the inevitable discussion about someday considering new global destinations, Cummings and WestJet’s leadership team would appear to have a fairly wide angle lens when it comes to growth opportunities. “You do have to know where you are coming from. Do you have a broader DNA or perspective that can be leveraged more horizontally or in different directions? But unless you are in R&D, for most of us, mixing in more incremental type innovation and executing well is the more prudent approach to business.”

QUESTIONS

1. Identify the macroenvironmental forces which helped WestJet and those which threatened to hurt the airline.
2. What macroenvironmental forces prompted WestJet to introduce Encore?
3. Besides the technological opportunity in implementing RNP, why else would WestJet implement this system?

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Old-School Data Mining Goes Social

So much of what you read about WestJet, in this or any other source, will tell the story of Western entrepreneurialism turned wildly successful based on two key competencies: low-cost structure and high-quality customer service. But, while always easier said than done, this is the value equation that will lead any business toward success. Those strengths began as a series of puzzles, which ultimately required solutions. Finding those solutions, as Merridy Mitchell, WestJet manager of market research, can attest, begins with asking questions—lots of questions, many times, to countless guests and WestJetters.

“We’ve actually been doing post-flight surveys with customers since 2005 so we have a lot of historical data to assist us with key questions around satisfaction and loyalty drivers,” explains Mitchell. Data mining through this ongoing research and analysis sets off a chain reaction through the company. “Not surprisingly, customer interaction tops the list of needs guests have with WestJetters . . . more than seat comfort, TV not working, even on-time departures. So, knowing how important that is to our guests, it permeates into our training programs, our internal materials, and our creative as well.”

Conventional forms of market research such as surveys and focus groups prevail as battle-tested forms of intelligence gathering; however, digital and social media communication has been a game changer in this field. So infinite is this knowledge resource that it is often overwhelming as to how to use it. “Social media and even email are different forms of intelligence than that which comes from traditional research tools. If you think about it, the feedback tends to be reactionary.” The challenge, then, would be developing methods to not only mine the data, but also to make sense of it in a way that can truly benefit the company and, ultimately, its customers.

WestJet has been using what Mitchell refers to as a “voice of the guest” tool, which combines a survey system with text analytics. “Its original intention was to be used across the social digital space, but we began first using it only on email to provide us with quantitative and qualitative analysis.” The result is a sophisticated tool that not only counts tweets about WestJet, for instance, but also classifies them as positive or negative and even begins to answer “why.” Because, as suggested, whether it’s a pen and paper survey or a Facebook post, there’s a question being asked or answered, and that process, as Mitchell puts it, is what motivates her team of “research geeks.”

QUESTIONS

1. What research approach has WestJet been using since 2005, and how has data been gathered?
2. How does WestJet’s market research affect other areas of the organization?
3. Why should a market research analyst be particularly cautious about information gathered through social media?



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Road Warriors

It has always been one of WestJet's most visible in-flight distinctions from the beginning: the absence of a curtain separating business class from economy. When employed by most other successful commercial airlines, the curtain draws a physical line between those who paid a premium and those who did not—a metaphor for the division of social classes. In WestJet's world, the curtain was just never on-brand, and the profit margins associated with having an actual business class was in conflict with WestJet's cost-saving business model. So why, in 2013, would Canada's preferred airline, where WestJetters care and everybody loves everybody, decide to introduce a "class" system of seating?



It is important to first distinguish between the perception of business class in other airlines, and WestJet's "Plus" seating, which is merely a new product targeted at a specific segment. As Marshall Wilmott, vice-president of product and distribution, explains, "We're not going after the super-elite business traveller that Air Canada might be catering to, principally because we want to focus on a market that fits well with our network and stays true to the WestJet brand—this is not about anyone on the plane getting special treatment."

Since its inception in 1996, WestJet has been a value airline serving a wide variety of travellers, with a focus largely on the leisure market. That emphasis evolved as the airline began serving vacation destinations in the United States before ultimately launching WestJet Vacations in 2006. Price-sensitive business travellers were always more

than happy to climb aboard and take advantage of WestJet's value proposition, but the airline saw an opportunity to develop that market further.

"We took a look at the key drivers to that segment," explains Wilmott. The introduction of WestJet Rewards, a loyalty program in partnership with MasterCard, was a key step toward attracting the business segment. "Convenience, flexibility, and comfort were other important drivers." To provide additional comfort, WestJet reconfigured its entire fleet of 737s to create extra legroom for 18 seats. "These are road warriors," Wilmott says. "They're on the road all the time, and a little bit of extra legroom added value."

The cost of the legroom makeover, coupled with the resulting decrease in total number of seats available, made for an interesting business decision for WestJet. "It had to make sense from an ROI perspective." In order to recover some of the associated costs while adding value, the extra legroom seats were branded as WestJet's "Plus" seating, available to any guest, road warrior or not.

QUESTIONS

1. Describe the psychographic and behavioural traits of the WestJet "road warrior" segment.
2. What segment was WestJet targeting almost exclusively prior to going after business travellers?
3. Is WestJet attempting to reposition itself in light of this deliberate pursuit of a different segment?

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California Dreaming

As Tim Croyle, vice-president of WestJet Vacations, begins to draw a sketch of how his service anticipates the needs of vacation travellers, the parallels between his sketch and the typical “consumer decision process” (noted in this textbook) become immediately obvious, but with one key difference: “The first phase is dreaming—hmm, like ‘wouldn’t it be nice to go to San Diego?’” and that begins the cycle. Traditional marketing theory calls this the “need recognition” phase; in true WestJet form, it becomes the “dreaming” phase.

It makes sense when analyzing the vacation consumer that a different lens is used—it is a very different form of product. First, it is a service as opposed to a concrete good. But more significantly, as Croyle puts it, “When choosing a vacation, there’s a lot of money and a lot of time spent, and so it’s got to be fantastic, because those memories have to last a lifetime.” So what is the single biggest influencer when travellers choose their vacation provider? “With those great expectations, there has to be trust. Whoever you’re giving your credit card to, you have to be confident that they’re going to deliver on those expectations.”

While equity in the WestJet brand helped launch the vacation business in 2006, it is product differentiation that has earned it the highest guest satisfaction rating of any

Canadian tour operator in 2012. At first glance, the WestJet Vacations website might not appear to be very different from Expedia or Travelocity. However, it’s what WestJet does on the ground that helps meet travellers’ expectations. “In our key destinations we have WestJetters who live and work, and they will contact every single WestJet guest who arrives in those destinations. They will meet the guests at their hotel and their sole focus is resolving any issues those guests have during their vacation,” claims Croyle.

The final phase of the consumer decision process, according to WestJet, is “share.” At this stage, where consumers will evaluate their purchase, WestJet Vacations builds in a platform for guests to rate their experience. Croyle admits, “It’s like TripAdvisor, but because it’s WestJet Vacations travellers, sharing their WestJet Vacations experience, we feel, again, there’s a higher level of trust.” And as for the inevitable bad reviews, “it gets posted—we need to get that information to our guests . . . it’s a big part of building and maintaining trust.”

QUESTIONS

1. How does WestJet’s final phase of the buyer decision process differ from that presented in this textbook?
2. Knowledge of the buyer decision process empowers companies to help secure business from customers and to better serve them during the purchase experience. What unique way does WestJet provide for its guests once they have decided on a WestJet vacation?



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A Baby Airline Is Born

It was, in many ways, like anticipating the arrival of a child. After two years of research, discussion, analysis, more discussion, and then commitment, “Encore,” WestJet’s new regional subsidiary, was due in mere weeks and the excitement could be felt throughout the company in the spring of 2012. “47 days!” shouted WestJet’s vice-president of communications and community relations, Richard Bartrem, to a colleague as the two WestJetters scurried past one another in front of the “History Wall,” where every significant WestJet milestone is enshrined. Something like, “June 24, 2013—WestJet Encore takes flight” will also have its place on the wall.



“Encore was a natural evolution for us,” recalls Chris Avery, vice-president of network planning, alliances, and corporate development. “We wanted to solidify our foundation here in Canada with regional coverage, as a complementing piece to our growing North American Network and international partnerships.” Based upon research and industry trends, Encore would serve two segments: those who wanted to fly to WestJet’s established Canadian network from currently unserved destinations, and those who wanted to fly to a hub which, through WestJet’s interlink and code-sharing partnerships, could connect them with the rest of the world.

WestJet Encore would not have received permission for take-off without first having the buy-in from WestJetters themselves. As president/CEO Gregg Saretsky commented during the early stages of analysis, “one of the cornerstones of our success is engaging with employees early on in key decisions.” WestJet employees, of course, were doubly invested, both as employees and shareholders. “Going to them and telling the story was key,” recalls Bob Cummings, executive vice-president of sales, marketing and guest experience. “Once they saw the strategic value, they were on board.”

When that key stakeholder group gave the green light, the product development was set to begin. Given the generally shorter haul nature of the anticipated flights, WestJet, for the first time in its 16-year existence, had to examine alternative aircrafts. Within months of meeting with WestJetters, a deal was inked with Montreal-based Bombardier to purchase 20 Q400 NextGen planes. Next came the extremely complex task of building a new network of destinations where the airline would fly.

Naming the new airline was a fun but important final step. Once again it was put to a WestJetter vote and christened “Encore.” The name spoke for all WestJetters, according to Cummings. “Encore reinforced that WestJetters were ready to repeat the success of WestJet.”

QUESTIONS

1. How did WestJet use internal marketing to gain support for Encore among its employees?
2. In what stage of new-product development were WestJet executives when they presented the idea of Encore to employees?
3. In what way did WestJet’s introduction of Encore represent a product line expansion?

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Happy Brands

Regardless of whether you're talking to WestJet president and CEO Gregg Saretsky, a WestJet sales super agent over the phone, or a flight attendant on board any one of WestJet's 420 daily flights, the WestJet brand is on display. But if it's Ed Baklor, vice-president of guest services, you're going to get perhaps the most impassioned brand advocate. As an executive with Disney for 14 years prior to joining WestJet, he knows a thing or two about managing a powerful brand. In fact, as he recalls, it was his first experience as a WestJet guest when he noticed the similarities to Disney.



"I had just been recruited to begin work with a high-end tour operator in Vancouver, and I got on a WestJet flight, and I was referred to as a guest, not a passenger, not a customer or a traveller—a guest. And after my Disney experience, where the brand was all about the guest experience, it was obvious WestJet was the same." If Baklor's guest experience with WestJet set the first bait, it would ironically be Saretsky's experience with Baklor's tour company that would be the final lure. "Come visit our campus in Calgary, we love showing off our culture," Baklor recalls of Saretsky's invitation. "After my visit, I went home that night thinking, they're all just so happy." Baklor agreed to join the team a mere weeks after that visit.

Happy employees beget happy customers, which in turn builds brand equity. Baklor believes, however, that you can neither buy nor train "happy." "We hire for attitude," he claims. "We train for safety, we train for processes, but we expect some key unscripted things to happen. Real smiles, enthusiasm, eye contact, empathy and yes, an apology if things don't go right."

In a service-based company, the experience is the product. This is never more obvious than in the travel and tourism industry. While all WestJetters together pursue the vision of being "one of the five most successful international airlines in the world providing our guests with a friendly, caring experience," nowhere in the operation does reaching that goal weigh more heavily than in Baklor's group. "I constantly remind my team that every guest has a unique story which has brought them to our check-in counter. Whether it's a vacation they've saved a lifetime for, or a family tragedy, or a job interview—there's going to be some emotion. Our brand promise respects and reacts to those emotions. If we don't deliver on that promise, they're not coming back."

QUESTIONS

1. List all the brand touchpoints a person booking and taking a flight on WestJet encounters.
2. How would you describe WestJet's brand personality?
3. What brand development strategy did WestJet use when it introduced Encore (see the WestJet Mini Case in Chapter 8)?

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Building Value in a Bundle

Sell the product. This is the essential objective of any for-profit organization. So why would WestJet be concerned because its load factor (percentage of seats sold) increased steadily from its inception in 1996 to the present? “High load factors are good things,” explains WestJet vice-president of revenue management Paul Harvalias. “But when your value proposition is partially based on low price, it becomes harder and harder to grow revenue the more you fill a plane.” A classic catch-22: WestJet could charge more per fare, but not without compromising its brand. In the meantime, it needs to generate more revenue to continue pursuing growth objectives.

“It’s great when all of your performance indicators are pointed in the right direction, but at some point, when you can’t fill any more seats because you’re full, the only way to grow revenue profitably is to get more revenue per available seat.” Harvalias and his team are thus charged with an intriguing business case: Make more money per seat without raising the price. “That’s my predicament everyday—sell sufficient numbers of seats to meet total revenue objectives while still being perceived as a value airline.”

Enter bundle pricing, a resourceful way of achieving WestJet’s conflicting goals. In early 2013 WestJet broke the tradition of a one-price strategy to move to a tiered pricing system. As discussed in Chapter 7, this decision was made concurrent with, or perhaps because of, its decision to target the business segment. “We really hadn’t developed a product for the business traveller, so this allowed us to add some utilities desired by that market at an incremental price increase per seat.” Three price bundles were offered: Econo, Flex, and Plus. These, as you might expect, provided varying degrees of value-added amenities. “Econo seating was for those that just want to get the plane to go from A to B,” explains Harvalias, whereas “Flex gave you select additional features, while Plus provided all of the extras—more legroom, no-fee cancellation, pre-boarding, some extra onboard amenities, extra luggage, etc.”

For someone who wonders why marketing students would care about “boring revenue management stuff,” Harvalias teaches an important lesson on how the price “*P*” can be as important as any other part of the marketing mix. Fare bundling has allowed WestJet to “generate higher revenue from business passengers as a means of subsidizing the lower priced seats which appeal to the larger of our segments.” Presto, the brand image of WestJet, stays intact, but revenues grow thanks to the magic of the bundle.

QUESTIONS

1. Does WestJet risk compromising its brand by offering tiered pricing for seats?
2. WestJet calls this practice “bundle pricing,” but when analyzing the definition of this term, does what WestJet is doing still qualify, or is it more consistent with segmented pricing?
3. Which WestJet segment (leisure or business) is more price sensitive?



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The Digital Storefront

Up until the advent of e-commerce, the intermediary of the commercial travel sector was the brick-and-mortar travel agency. Today, of course, that space is reliant on e-tailers led by Expedia, Travelocity, and more recently unique blind auction sites such as Hotwire. “These services are partners for WestJet,” states Manoj Jasra, WestJet’s digital director, “but my mandate is to gain as much channel share as possible, which means making the guest online experience as positive as possible.”

In 2013, WestJet invested \$40 million into a system upgrade to assist Jasra and his team. “We replaced our Internet booking engine with a system that allowed us greater merchandising capabilities . . . things like cross-selling flights with cars, having a shopping cart, and a better booking management system for customers who may want or need to change their flights.” These and other features allowed WestJet to compete with substitutes like Expedia and rivals like Air Canada.

That said, an online guest experience is predicated first upon guests visiting a site. Jasra explains the two key components toward driving that traffic. “Analytics measures everything about the number and nature of visits to our website: where they came from, how long they stayed, where did they drop off, and so on. Optimization attempts to maximize traffic to our website by knowing where people search and what they search with.”

If technology built the perfect beast known as the Internet, then it is also responsible for the tools used to slay the dragon. “We know that 25% of our customers begin their search on Google, so it is easy to ensure that we show up number one in Google searches using the word ‘WestJet.’ It becomes more challenging, although not impossible, to earn a high ranking on searches like ‘cheap flights to Vegas.’”

The user’s online expectation continues to change, however, and every company relying on online shopping has found themselves painted into a corner where everything that was once done on a 21-inch screen must now be doable on a smartphone device. Admitting that WestJet was late in launching an app, Jasra says overcoming that issue is made more challenging by today’s customer expectations. “If you’re late to the party, you better come up with something really strong. What is that set of functionality features which will really resonate with our guests? My vision is one which encompasses the different parts of a guest’s journey. So what if you can book a flight—our app needs to do more.”

QUESTIONS

1. What does Manoj Jasra mean by “channel share?”
2. Why is it important to increase channel share?
3. Are intermediaries like Expedia a necessary evil for airlines, hotels, and car rental companies? Explain your answer.



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Telling Stories

At first viewing, the mock-u-mercial depicting two children riding the “travel toboggan” (a plastic bin) down the WestJet check-in baggage conveyor belt en route to the “Kargo Kids” compartment in the lower fuselage of a WestJet aircraft is almost believable. Richard Bartrem, WestJet’s vice-president of communications, skilfully sells the story, reading a script suitable for a *Saturday Night Live* skit: “On board each flight, we have a Kargo Kids counsellor . . . with plenty of toys and a state-of-the-art food trough . . . your kids will be able to eat, play and scream all they want.”



The annual WestJet April Fool’s gag has grown to become a much anticipated production from year to year, and its 2013 theme, “Furry Family” (promoting the airline’s new pet policy), generated over half a million YouTube views within days of its launch. That year, WestJet decided to leverage the viral reach of the gag to offer viewers special April Fool’s fares (real ones), a promotion that Bartrem reveals produced double-digit percent increases in sales compared to similar time frames the previous year.

Bob Cummings, WestJet executive vice-president of sales, marketing, and guest experience, cites one of his company’s five secrets, “Celebration and Kudos” (Secret #4 if you’re keeping track), as a driving force behind WestJet’s success. “Despite now having over 9000 employees, the underdog label still fits, and part of that is having fun and not taking ourselves too seriously.” The annual April Fool’s spoof is something Bartrem transformed from a tongue-in-cheek news release, which sometimes got picked up depending on how slow the news day was, to its current status as “an institutionalized and strategically planned event.”

Of course, Bartrem’s role stretches infinitely beyond planning, producing, and disseminating the annual joke. “I take my responsibility as WestJet’s story-teller very seriously,” he says. “When I think that there are WestJetters across the country at any given moment, scrubbing planes, resolving issues, and of course creating a great guest experience, I know it’s on me to tell their story and communicate that passion and that level of care.”

Though it has become an anxiously anticipated event externally, the April Fool’s video is among a handful of projects that WestJet’s creative services department will produce every year as internal communications strategies. “Sometimes there will be a business message in terms of what we want them to understand,” says Bartrem, “but mostly they’re intended to have fun and celebrate what we do.”

QUESTIONS

1. What are the promotional tools being integrated into WestJet’s April Fool’s campaign?
2. What role does communications play in creating and sustaining brand equity for WestJet?
3. View WestJet’s archives of April Fool’s day spoofs at www.youtube.com/user/WestJet and comment on the evolution of the mock-u-mercials over time.

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The Profit of Loyalty

Once upon a time there were frequent-flyer programs, designed by airlines to build loyalty. The problem was they didn't really build loyalty as much as they did confusion and resentment. The fractional rewards subscribers received in exchange for their patronage was such that these promotions soon became widely criticized as an ineffective means of short-term inducement of sales—the main objective of sales promotions. Recently, more successful loyalty programs have occurred through partnerships between airlines and financial services companies, namely banks and credit cards.



“We actually launched a guest rewards program and a credit card program separately in 2010,” recalls Brenda Wallace-Ionescu, WestJet’s senior manager of program marketing, who guided the implementation of the WestJet Rewards program. “We saw the guest rewards program as a way of really adding value to very frequent guests, and the MasterCard as a means of building mass awareness.” The sales promotion strategy eventually brought the two programs together along with RBC. “We discovered along the way that they are both really one and the same. In fact, in 2012 we re-branded the two programs together under WestJet Rewards, acknowledging the need for them both to be marketed as one in order to build a very powerful value proposition.” And powerful it was, as the WestJet Rewards program saw a year-over-year growth of 265 percent between 2012 and 2013.

“What is crucial to the success of our program is that our guests understand our currency. In keeping with WestJet’s brand, it is simple to use and transparent.” The WestJet Rewards program, like others linked with a credit card, rewards travellers on a dollar-for-dollar exchange. Unlike other loyalty programs, the dollar-spent, dollar-used model is not capped at a seasonal fare. “In those programs if the value of the fare goes up, it changes the value of your points,” explains Wallace-Ionescu. “With WestJet Rewards, if you want to book a flight to Vegas, you simply go to WestJet.com and use all or part of what’s in your WestJet Rewards account to pay for your flight. Book it. Done.”

The sky would appear to be the limit as far as growth opportunities are concerned for WestJet Rewards. “When you think of our code-sharing agreements with a growing number of international airlines, and our ancillary partners in car and hotels, there really is nothing but growth ahead.”

QUESTIONS

1. In addition to the WestJet Rewards MasterCard, RBC also carries the Visa Avion card, another air travel loyalty program. Research to identify what the key differences are between the two.
2. What does Wallace-Ionescu claim to be the two key benefits of the WestJet rewards program?
3. How does the WestJet Rewards program qualify as a sales promotion based on the definition in this textbook?

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