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## **Southwest Airlines proves what's good for customers is also good for the bottomline**

Part 3 of 3

By Stephen Blanchette

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**DALLAS. Fred Taylor Jr. is Senior Manager of Proactive Customer Service Communications at Southwest Airlines, a legendary Dallas-based U.S. airline that has recorded an unparalleled 38 years of profitability over its 40-year history. In part three of our three-part interview, Fred talks about the Southwest brand and how it comes to life through its people.**

**LQ:** Fred, in the first two parts of our interview you've talked about the important role Southwest's people have played in the airline's long-running marketplace success, and we also talked about the benefits you've attained through your proactive customer care programme. Today, I'd like to start by hearing your views on the Southwest Airlines brand. What does it mean to you personally?

**FT:** Coming from a customer service guy like me, most importantly the brand means great service. When people think of Southwest Airlines, they think of a company that provides a great customer experience. We work very hard to uphold that. It also means low fares – it's affordable. And it means safety, reliability and fun.

**LQ:** It's a 'killer combination' isn't it. I wonder about the 'low fares' aspect of the brand. At LeapQ we often to talk with our clients about the potential price premium that brands providing a great customer experience have the potential to command. How do you reconcile that concept in the context of your organisation?

**FT:** Low fares are a cornerstone of what we do. At this point in our 40 year history, we would be at risk at jeopardising our reputation if we tried to get away from them. If we

chose to stop being a low-fare provider, I think that would be a pretty big mistake on our part and I don't think anyone in this company is considering that.

**LQ:** The Southwest Airlines brand isn't for everyone and I suppose you have to be prepared to live with that don't you?

**FT:** Yes, you definitely do. We don't promise to be everything to everyone. We are very open about that and I think that helps set the stage for our customers when they choose us. They understand the fact that they are not going to get an assigned seat. They understand that we're not going to offer first-class service or lounge access. But on the flip side, we offer customer other advantages.

**LQ:** Can you give me an example of the Southwest brand come to life?

**FT:** A good example is how our people continuously look for ways to 'go above and beyond' for customers – whether it's when they forget their bag, or run out of a medicine, or are super hungry and just want a bite to eat – our employees always seem to figure out a way to rise above and go outside of what they normally do to provide a convenience for our customers when they least expect it. And I think it's those unexpected wows that make people want to come back to Southwest. We always look for opportunities to recognise the creativity of employees who create those kinds of stories.

**LQ:** How do you share those stories within the company? Is there a mechanism for doing that?

**FT:** Yeah, as soon as someone does a good deed for a customer, then the commendation process starts at all levels. We inform the leadership group for whom they are employed and to their regional director too. And then, depending on what the employee did, they'll either get a personal letter of recognition from our CEO or President – and they will most certainly receive recognition from their department leader. And if someone really goes out of their way for a customer, they get put into consideration for a "Winning Spirit" award or if they're really doing a great job for a quarter, they might get the "Employee of the Quarter" award.

The most important thing about all of this is looking for ways to recognise and set examples for other employees to follow, and to challenge each other to go and do these things if the opportunity presents itself.

**LQ:** A lot of organisations find it necessary to create financial incentives to encourage the right kind of behaviours. Is that something that you do at Southwest as well?

**FT:** You know, I don't think that a financial incentive is going to make someone do something that isn't built into their own DNA. It might encourage them a little but ultimately it's not the right way to motivate behaviour. In my opinion, financial incentives are good rewards for hard work but I don't think they're good motivators.

**LQ:** So what are the other ways you go about empowering employees and motivating the right kinds of behaviours?

**FT:** What I believe is important in terms of empowering employees – once we have hired the right people – is that it's their leadership's responsibility to empower them. And that comes down to trust. It's making sure the leaders have trust and faith in their employees to do the job they have been hired to do. The leader's responsibility is also to motivate them and to make sure their employees know they're empowered and they're trusted to go out and do their jobs and that there's real benefit to going above and beyond for the customers. And then supporting them by providing them with the coaching and feedback that they need to be successful. So that empowerment is ultimately the responsibility of the leaders of this company and of every department. Trust, motivation and support are the keys.

**LQ:** Is there a level of financial empowerment that employees are given that enables them to do what it takes to make sure customers are happy?

**FT:** There are some departments that need more guidance than others especially in the context to how much access they have to the actual facts. You don't want to inadvertently put an employee in an awkward situation because they don't have access the accurate information. That's when you end up giving away a refund when that refund wasn't necessary.

But to me, it's not a matter of giving the employee a \$150 and saying that is all they can give away. Rather, it's about trusting the employee and encouraging them to use their good judgment to make decisions. Here are some guiding principles to help you make an informed decision – now go and do that.

It's also important to let employees know that they're not going to be criticised or punished for making a decision that could have been made differently. But they will get some feedback on how they can make a better decision the next time.

I always tell my team the following: Unless you jeopardise the safety, security or integrity of your other team members, the rest is up to you. Outside of that, rules and guidelines are starting points. They're there to help you. There is red tape – we operate in a highly regulated industry and there are many things we have to comply with but that doesn't mean we can't be colourful in how we get it done.

**LQ:** What about the idea that 'the customer is always right'? How's that viewed inside Southwest?

**FT:** We don't put a lot of stock in that. We can understand why that might have been said a long time ago – I believe it came from a department store business. We don't buy into that because people can misbehave and be downright mean. And we don't support bad behaviour. We don't support customers who try to abuse our employees or employees who abuse other employees. If customers are misbehaving and get out of line, we are not going to apologise for that. The customer *isn't* always right but it doesn't mean that when we make a mistake or something bad happens that wasn't necessarily our fault that we can't say we're sorry for it. We're sorry when our customers have had a bad experience in general. Period. Even though we didn't cause it or even if the customer is having a personal bad day but what can we do to make it better. And if there's nothing that we can do because a customer is so aggravated then they either need to go some place else or try another carrier.

**LQ:** Thanks for a very informative and inspiring interview, Fred. Before we wrap, I've got one final question: what inspires you to keep doing what you do at Southwest?

**FT:** For me, first what is most motivating is definitely the opportunity of doing something good – for team members, for my department, for the company, or for our

customers. At Southwest, there's always lots of opportunity to do that. I always tell my team that if they can do one good thing for a customer each day that makes a difference in their lives, they'll have made a customer for life and they'll feel good about themselves – no matter how rough their day was.

And it's about being part of a 'movement' too. When you're part of a team, a department or a company that strives to make a difference – not just for our company or for our industry – it's much more motivating and empowering than just punching a clock or working on an assembly line. That's what really motivates me to want to do more.

**LQ:** Well, once again, thanks for your time and for being so open.

**FT:** It's been a pleasure.

*Does your company have what it takes to bring its brand to life as vibrantly and successfully as Southwest Airlines? At LeapQ, we've created a tool called **Brand Traction Assessor**<sup>TM</sup> to help our clients understand the enablers that need to be in place in their organisations to maximise brand value. Because it is evidence-based, it provides a realistic assessment of current practices based on a review of over 80 distinct enablers in 8 areas of brand management capability and benchmarks these against organisations recognised as having best-in-class practices. The benefit: you gain heightened clarity about existing gaps and what it will take to close them. For more information about it, please feel to **contact us**.*