

## ***Marketing News***

### **“Fred Taylor leads Southwest’s to new heights of customer satisfaction”**

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Talk about a tough gig. According to a 2007 University of Michigan study, the airline industry ranks lower than the IRS in customer satisfaction. That’s something Fred Taylor, senior manager of the “proactive customer service communications department” for Dallas-based Southwest Airlines Co., has to overcome every day. He’s a big cog in Southwest’s customer service machine, helping the company outrank all traditional airlines in the 2007 J.D. Power and Associates customer service rankings.

Taylor started with Southwest in 1997 as a customer service agent in Louisville, Ky. He worked his way up, becoming a supervisor and later the customer service manager in Baltimore.

In 2000, he was tasked with running the brand-new “proactive customer service communications department,” and there he’s found that good marketing can be simpler than it seems.

Q: Your title is that of “senior manager of proactive customer service communications.” What the heck is that?

A: [Laughs] It’s pretty pretentious, isn’t it? It’s a reflection of our focus and energy to reach out to our customers, both internally and externally, to make sure they have consistent information about the status of our operations, especially if things aren’t going according to plan.

Q: How so?

A: We publish our scheduled service, but when we’re unable to operate in a timely manner, there’s a reason for it, be it mechanical disruption, something going on in an airport that’s causing our flights to be late, or it could be something uncontrollable, like a weather event or a fire. Anything can interrupt service. My job—I’m on a team of four—is to evaluate the disruptions and decide if we need to provide our front-line employees with information about what’s happening, so we’re all on the same page. And then we decide if we need to reach out directly to our customers and provide them with information and, if we feel we need to, apologize [for the disruption] and [give them] a reason to give us another try, even if the disruption was beyond our control. We just don’t want any of our customers to have a bad experience with Southwest Airlines.

Q: When did the proactive customer service communications program get started?

A: Formally, the program got started at the end of 2000. I was invited to take it over, if you will, on behalf of company President Colleen Barrett, and since then, we've been growing and fine-tuning the program.

Q: What was the inspiration for it?

A: Colleen really thought we were missing an opportunity to get in touch with our customers. Why should we, particularly during significant service disruptions, expect our customers to write to us for an explanation when we're in a perfect position to reach out to them? It's just the right thing to do, and customers shouldn't have to beg for answers.

Q: So how do you reach out to your customers?

A: In several different ways. The most important way, in our opinion, is to give the front-line employees an immediate answer for our customers [when something happens]. That's the first step. But that's not always possible. Either the size of the situation or, in the case that, say, there's something wrong with an airplane ... our employees may not have the time to figure out what happened to tell our customers. Our job, then, would be to figure out if we need to reach out in writing to our customers and provide them with a "home-spun" explanation of what occurred. We want to take that corporate edge off so a letter comes across as very conversational, personal and not filled with jargon. We know what you experienced, and we want to give you an incentive to try us again.

Q: Is this usually done with a letter? Through e-mail? Which channels are you using?

A: Through letters. Our goal, when we started, was to get our letter in the hands of the customer within 76 business hours. But with improvements on our end, we're able to get that letter out the door, many times, within 24 hours. If you're on a trip, what we'd like is for that note to be in your mailbox when you get home.

Q: What types of companies, do you think, can create this kind of "proactive" customer service department?

A: As far as I'm concerned, any company could do it, as long as it has the interest, desire and will to want to take the time to do it. This isn't something Southwest has coined or has had [trademarked]; we're just trying to do the right thing. We spend a lot of time and money inviting customers to fly on us through our marketing, and then we spend time and money taking care of our customers when they do fly on us, both in the airport and on the plane. If something should

go wrong, then my team takes the time to follow up with the customer and make sure they feel better about what happened.

Q: I'm sure other parts of Southwest are—at least in theory—dedicated to providing good customer service, but what's the relationship like between your section and the rest of Southwest's customer service department?

A: What we do is just inherent to what all other departments do. Our customers are both internal and external. Internally, they're our frontline employees talking to our customers, whether they're reservation agents, flight attendants, pilots and public relations [representatives]. Externally, they're our customers. Each day, at 9 a.m., one of my team members participates in MOM, the Morning Overview Meeting. The purpose of the MOM is to evaluate the previous day's operations, and all operating departments participate. Their goal, as operating departments, is to figure out what went wrong, if something did, and [determine] what they can do to prevent it or do it better the next time. Our goal is to analyze how our customers were affected, and then communicate with them. So ... if our maintenance department knows there was a mechanical problem with an airplane and they know we're going to contact our customers, then they'll provide us with the information, and we won't even have to ask for it. They're serving us proactively, in that regard, and it works, since our bottom line is that we want to stay informed.

Q: You said earlier you have four members on your team. What are some of the costs when it comes to setting up this kind of department?

A: Honestly, the biggest ones are time, effort and energy. I've said this in the Southwest Airlines Blog ([BlogSouthwest.com](http://BlogSouthwest.com)): We're on call, and we're ready to respond at a moment's notice. This is an operation that moves and flows every day of the year, and we have to be ready. If you're like me, and you're back home in Kentucky playing with your horses, [and] the phone rings, you have to be able to leave to address the situation. That's a big commitment to ask of yourself, to ask of your family and of your team members. I get the feeling that in other industries, not everyone is willing to put forth that effort. And then you have to have the commitment of the company to do the same thing every time you feel it's necessary. You can't nickel-and-dime one situation and then provide grand gestures of goodwill for another. It doesn't work that way. It has to be consistent across the board because otherwise you'll water down your product.

Q: How do you measure the department's effectiveness?

A: We get lots and lots of feedback from our customers, and the great thing about what they send is you can tell they poured their hearts out into it. They don't just say, "Thanks for doing this"; they say, "Thanks for doing this, this is what it meant to me and this is what I was able to do because of it." They really get into the personal aspect of their

story, and it's great because it shows they're embracing our company. We respond to every letter our company receives and we try to provide something back to the customer. Companies really need to embrace customer feedback.

Q: What's the biggest lesson you've learned about customer service and its role in marketing since you've been in your position?

A: The better your service, the more effective your marketing campaigns will be. Being able to deliver what you [promise], or as I say, "walking the talk," is extremely effective in your message. We want to show we really care about our customers and that we're not just out there giving lip service. It's one thing to say it, but if you don't deliver it, you're really going to jeopardize your credibility with the customer. And to a company like Southwest, that's huge.