

The Challenge to Focus on Customer Needs

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Abstract

A customer of Xtrip* (name disguised) booked a ticket online, but was told that the ticket was invalid when boarding in a foreign airport. The solution provided by the customer service representative did not work, and the customer was nearly arrested by local police as a suspected fraud. By the time the customer returned, he demanded that Xtrip issue a written apology to restore his reputation. What should the company do?

*Brands and names are disguised to protect individuals and corporate brands.

Key words: invalid ticket; customer service representative

The Story

The problem arose on the day I returned from Haneda Airport on January 7th. I bought a ticket from Tokyo to Beijing on the Xtrip (name disguised) website. The website displayed the "ticket" with an electronic ticket number. When I arrived at Haneda airport check-in, I was told that the ticket was invalid. I was very confused, because I had never encountered this situation before. I logged onto the Xtrip website to check my electronic ticket, but did not find any problems. Service staff told me that the beginning letters of the ticket were "AB", indicating that the ticket is not from Japan Airlines, but British Airways. Moreover, the ticket was based on redeeming points and had been cancelled.

I could not speak Japanese and was unable to communicate with the local airline. Next, I immediately called a domestic colleague and asked him to contact Xtrip customer service. The customer service representative said that they would reissue a ticket. If Xtrip could provide a normal ticket, then I would be able to return home immediately (the next day was my father's 70th birthday). The fact was they did not. I got another ticket using redeemed points under the name of Ishigaki and was requested to pretend to be one of his relatives to take advantage of his points. However, airlines have specific provisions, and points for the ticket can only be used

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by parents, children, and other immediate family members. The representative let my colleague tell me the name of the person who held the points. In this case, the airline seemed to realize that something was wrong and began to repeatedly ask me questions, such as: Sir, do you confirm that this is the ticket you purchased? I was suspected of misappropriating someone else's airline points and was required to stay with police for questioning. In fact, I think I have been blacklisted by Japan Airlines. In desperation, I had to purchase another ticket through a different way. After that, Xtrip said in a statement that the incident was caused by illegal operations of one of its suppliers; it has stopped cooperation with that ticket desk, made the appropriate punishment, and would give me compensation.

Solutions

Select (circle) one of the following alternative solutions:

- A. The incident was caused by illegal operations of the supplier, not Xtrip. Xtrip only needs to punish the supplier and does not need to provide an apology to the passenger.
- B. The passenger should be happy with getting the full refund and three times the ticket price compensation, but should not require a written apology.
- C. The passenger should get a full refund, and Xtrip should issue an oral apology and compensate the return ticket.
- D. Xtrip should give the passenger a full refund, three times the ticket price compensation, and a VIP card.
- E. Xtrip should find out the source of the invalid ticket, punish the related personnel seriously, make an announcement to the public, recognize its poor regulation, solemnly apologize to the passenger (verbal and written apologies), give the passenger a full refund, and compensate the passenger's return ticket.

Assessments

Surface Assessment

On the surface, choice D gives the passenger greater compensation. The solution of a full refund, three times the original ticket price compensation, and a VIP card can make up for the passenger's trouble monetarily. This approach may persuade the passenger to become a long-term customer for the enterprise. However, these may not be the most important goals for the passenger. Xtrip should listen to the intended message and real needs of the passenger and understand his expectations/needs for service recovery.

Deep Assessment

The story implies that the passenger often uses the Xtrip website to book tickets and is an old customer of the company. Clues also illustrate the importance of a timely return (father's birthday). Unknown to the customer service representative,

the passenger frequently books tickets on the Xtrip website to travel abroad for commercial business and already is a Diamond VIP. Standing in the passenger's shoes, reputation is very important for him. The passenger was unfortunately considered to be a suspect, questioned at the airport, underwent psychological stress, and had the additional concern of potentially missing his father's birthday, because of the fake ticket. Furthermore, he believed his credibility was damaged. Based on the passenger's requests, rehabilitating his reputation is the primary demand.

Solution Point Awards for Multiple Choice Selection

Select (circle) one of the following alternative solutions.

- A. The incident was caused by illegal operations of the supplier, not Xtrip. Xtrip only needs to punish the supplier and does not need to provide an apology to the passenger. 0 points; as management guru Peter Drucker said, "The purpose of a business is to create a customer." This solution indicates that the only interest is the concern of the business, while it ignores the feelings and needs of the passenger.
- B. The passenger should be happy with getting the full refund and three times the ticket price compensation, but should not require a written apology. 1 point; it is a greater cost than necessary for the firm. Moreover, by saying that he "should be happy with getting the full refund and three times the ticket price compensation," it demonstrates that the company does not care about the passenger's true needs. A written apology means a lot to him. It indicates the company admits its mistakes and is willing to help him to restore his reputation.
- C. The passenger should get a full refund, and Xtrip should issue an oral apology and compensate the return ticket. 2 points; the economic compensation is very reasonable (1 point) and 1 point is because an apology is offered. However, the apology is verbal, and no written document is presented. The passenger may still not be satisfied, because he is unable to prove his innocence to Japan Airlines.
- D. Xtrip should give the passenger a full refund, three times the ticket price compensation, and a VIP card. 2 points; this solution gives the passenger greater economic compensation, but includes no apology. According to the passenger's needs, the apology is more important.
- E. Xtrip should find out the source of the invalid ticket, punish the related personnel seriously, make an announcement to the public, recognize its poor regulation, solemnly apologize to the passenger (verbal and written apologies), give the passenger a full refund, and compensate the passenger's return ticket. 5 points; this is a "surprise" and "delightful" solution. It is worth all 10 points if the company can explain to the relevant personnel of Haneda Airport what happened, eliminate his bad record, and restore his reputation. The act of admitting mistakes will establish a good corporate image of correcting mistakes and taking responsibility. A solemn apology can give the passenger

psychological compensation and meet his needs, and economic compensation can make up for the monetary losses of the passenger. Note that the passenger may perceive the solution to be triple-in-value to his request, but this solution is a relatively low cost retention inducement versus three times compensation of the original ticket cost.

Your point score for this case study: _____

Editorial Commentary

As an online travel service provider, the main duty and responsibility of Xtrip are making it more convenient for people to travel. In the story, the passenger is a Diamond VIP of Xtrip, and he often books tickets on the Xtrip website to travel abroad for commercial business purposes. The passenger did not expect the fake ticket (the first service failure). If Xtrip could have provided a validated airline ticket in a timely manner, then the passenger might have forgiven the company quickly. However, the customer service representative did not seize the chance of service recovery, and the ticket supplied by the second time was also invalid (the second service failure). The customer service representative even required the passenger to lie and cheat the airline. As a result, the passenger could not board the flight on time and was suspected by the staff of something not his fault. This was hard to accept for a passenger who values his reputation. The subsequent exposure behavior could be understood (i.e., the event was exposed on the Internet). For Xtrip, fake tickets could evaporate the credibility established by years of hard work.

The event is not an accident, but reflects the channel problem that exists in the whole OTA (online travel agent) market. At the end of 2013, Xtrip launched its network open platform for ticket sales and adopted the business model of a self-employed and open platform. Many ticket dealers gathered on the platform of Xtrip and sold the products of travel agencies and airlines. With the expansion of the platform and increased dealers, Xtrip's regulations towards suppliers began to appear vulnerable. Intense online competition is the reason dealers (suppliers) are desperately reselling tickets, which violate the rules. If the dealer purchases tickets in accordance with the normal procurement channel, then each ticket often incurs a loss of 100 Yuan. In the past, Xtrip adopted random artificial selective examination to check the tickets supplied by dealers. It now appears that this method is not feasible. After the scandal, Xtrip claimed that the tickets, which were not entered into GDS (global distribution system) would be 100 percent manually checked to ensure that the suppliers could not sell violation tickets on the Xtrip sales platform.

There is no doubt that this was a bad trip experience. The passenger was too angry and exposed it on the Internet. It also gives more OTA enterprises a wake-up call at the time of rapid development. Enterprises cannot forget their own capacity building and customer-centered consciousness of responsibility. Moreover, there was also a problem in the process of dealing with complaints from the passenger in this story. The customer service representative asking the passenger to pretend to be Mr. Ishigaki's relatives caused the subsequent loss of both reputation and trust. A

customer-oriented firm means not only supervising its suppliers, but also strengthening the training of its own customer service representatives.