

UNITED 888¹

By

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Kevin Chan arrived at Beijing Capital International Airport terminal 3 at 9:30 am on April 20th, well ahead of the usual two hours expected for international flights. He was going to take United Airline Flight 888 scheduled to depart Beijing for San Francisco at 12:20 pm. He was pleased with the spaciousness of the brand new building as contrasted with the congestion of the old terminal. On this trip he could see and feel the feverish pace at which the Chinese government and the people were working in preparation for the summer 2008 Olympic Games. He looked forward to walking around the new terminal and checking out the duty-free shopping before departure.

When Kevin arrived at the United Airlines counter area he was able to join a relatively short line dedicated to Premier³ customers. There were the usual multiple counters serving First Class, Business Class and other Elite Membership customers. He was very glad that he was able to avoid the long waiting line of the other Economy Class passengers. He had achieved Premier Class status because of his frequent business travels.

All the passengers in the Premier line were Americans returning home and many of them struck up conversations. One large group in line was made up of the US Women's Synchronized Swim Team with their chaperones of parents and coaches. About five minutes into the wait, one of the passengers informed everyone that he just received an e-mail notice that the flight would be delayed for four hours. They looked around but there were no noticeable announcements on display anywhere. Kevin thought he should subscribe to this notification service in the future so that he would not have to hang out at the airport if a flight were delayed. He was not that concerned about the delay because the flight would be arriving at SFO on a Sunday afternoon instead of morning. He would send an email to inform his ride later on.

¹ This case study was prepared as a basis for discussion rather than to illustrate either effective or ineffective handling of a business scenario and/or leadership/role behavior. United[®] is a registered trade mark of United Airlines.

This case study was *not* prepared under the auspices of United Airlines.

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³ For services available to UA Mileage Plus[®] Elite Members, see [4].

The passengers waiting in line seemed to relax a bit then since the urgency of check-in was lessened but they still wanted to get out of the waiting line as soon as possible. Some other passengers in line noticed that there were several self-serve terminals not too far away and wondered whether they could check in there. Usually the passengers were able to check in online 24 hours ahead of departure but that option was not available because it was an international flight. Kevin had checked online trying to check in early in the morning and there was no notice of the delay. They asked a UA employee close by but he was unable to tell them whether they could use the machines or not. The group sent one person to reconnoiter the self-help machines. He came back to inform them that the machines could be used for passengers whose final destination was San Francisco and not for those who had connecting flights (something to do with clearing customs at SFO). With that information more than half the line (including Kevin) diverted to the self-service machines. They lamented that no clear instructions was prominently available to the passengers to take advantage of the self-serve machines.

When the self-serve-anxious passengers arrived at the check-in machines some of them had problems with the passport scanning devices. There were on-screen instructions but they did not specify that the passport had to be pushed into the scanning slot until a green light came on. This held them back somewhat. Kevin was baffled even more because he had one of those new US passports with embedded RFID and he assumed wrongly that the new machines would be able to read it. He felt silly that he tried to wave the passport in front of the machine and nothing happened. He finally had to ask a UA counter person to find out how to scan his passport. The passengers who finished checking in at the machines had to join another line to check in their luggage. Kevin and many of the passengers were glad that UA did not yet charge extra fees for more than one check-in luggage on international flights.

The US staff person at the counter who served Kevin was very efficient and ensured that Kevin knew about the new departure time. She did not explain the reasons of the delay. She also directed Kevin to another counter (and line) to receive a meal voucher. Kevin was impressed with her efficiency and courteousness; he wrote down her name on his boarding pass and reminded himself to send in an Employee Superior Service Recognition Form [3]. After Kevin received his boarding pass he went over to the designated counter to receive a meals coupon and a package containing an apology letter as well as a postal-paid return card for receiving a “friendship kit” [1]. The meal voucher indicated that it was worth 80 CNY⁴ at three designated restaurants close to the departure gate. It was only 10:30 am and having lost his compatriots from the waiting line, Kevin took his time to walk around the shops in the terminal before leaving for the departure gate area. He did not buy anything because the shops were more expensive than those at the prime shopping areas in Beijing.

Kevin took the sleek and quiet shuttle train to the departure area at the other end of terminal 3 and went through passport control and carry-on luggage inspection area. At the station he took out his sandwich bag containing a small bottle of hand sanitizer. He was prepared for this because of his frequent travel in the US. To his surprise the bottle of gel

⁴ CNY = China Yuan Renminbi \approx 0.143102 USD; 80 CNY \approx 11.44 USD.

was confiscated because the regulations in China had recently changed in preparation for the Olympics. Kevin was not happy because the bottle in a zippy bag was acceptable on his flight from the US and not acceptable on the return trip. He wondered whether he would have been informed of the change in regulations if he had subscribed to the email notification service of United Airlines.

After the inspection station Kevin went off to find a restaurant to have lunch. He found all three restaurants named on the voucher. He asked to see the menus at each and most lunch items on the menu were priced at over 80 CNY. He resigned to the fact that he had to put in some cash and settled on one to have lunch.

After lunch he was not in the mood for shopping and went searching for the hospitality lounge. Kevin had a paid membership in the UA Red Carpet Club and was informed in the brochure that Star Alliance partners of UA would honor the membership in their Business Class Lounge. When Kevin arrived at the Air China Business Class Lounge he was asked to show either a Business Class boarding pass or a “Gold Card”. The Air China staff was not familiar with the UA Red Carpet Club and Kevin was only admitted after the intervention by a manager. Kevin settled in the lounge for a long wait for the flight. He was able to send an email to his ride in San Francisco about the delay.

At about an hour before the scheduled departure time Kevin went to the gate and met with some of the passengers he met earlier in the waiting line. They were camped out in the waiting area and some did not receive meal coupons. The discussion soon dwelled on how UA handled this matter. Someone observed that UA 888 was code-shared with Air China Flight 8888 scheduled to depart at the same time. Soon many of the UA passengers were convinced that UA cancelled the 12 pm flight because of low sales and combined it with another flight to save costs. One passenger said that the US staff at the check-in counter told her that the delay was due to a mechanical problem. Kevin showed them the apology letter from UA that indicated that they knew of the delay the day before (April 19th) and they had plenty of time to plan for it such as setting up a separate counter was set-up to distribute these letters and well-prepared meal coupons, etc. One passenger said that UA need to perform this type of yield management in time of high fuel-costs and severe competition. He also did some mental calculations and came up that the merging of the two flights saved UA a lot of money even though they had to reimburse passengers for meals and certificates. Someone interjected that what about the costs of passenger time and convenience – wasn't that what passengers expected when they purchased the air travel service? He was very indignant that he would demand more compensation from UA for the delay and would never fly UA again.

After another delay at the gate [see appendix A] the passengers were boarded and the plane pushed off at 5:00 pm. During the flight the Bursar of the plane announced that she would collect the certificate forms and would distribute additional ones for those who did not receive them at the airport. She was not sure how much the certificates would be worth. Opinions from the passengers included a “friendship kit” of a pair of chopsticks, a drink coupon, \$100 to \$500 travel coupons, etc.

Kevin contemplated whether to write a complaint letter to UA headquarters about the delay. He thought he should read up on the UA commitment and practice [2, 10], as well as experience of other passengers [9, 11] first.

The flight, assisted by a favorable tail wind, arrived at SFO at 1:30 pm local time on Sunday April 20th.

P.S. Kevin received a letter [5] and a \$150 discount travel certificate [6] from United Airlines on April 29th.

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