

RESPONDING WHILE THE RECORD BUTTON IS ALWAYS ON:

Flying High and Low with United Airlines

CORPORATE CULTURE AND STAKEHOLDER EMPOWERMENT



(Case Study Authors, 2017)

TABLE OF CONTENTS

Overview: Flight, Camera, Action	01
Company Background: United's Flight Patterns	02
History of United	
Turbulent Past	
Communicator of the Year	
Corporate Character: Keeping The Skies Friendly	03
Customer Commitment	
Core Purpose	
Shared Values	
Corporate Reputation	
Industry Factors: Checking All Airlines' Baggage	04
Overbooking Issues	
Internal Communications	
Timeline: Flight Map of United's Crisis	06
Responses: Turning on the Fasten Seat Belt Sign	07
United's Response	
Government Response	
Social Media Response	
News Media Response	
Airline Industry Response	
Chicago Aviation Security Response	
Business Performance: The Initial Descent	12
Fiscal Impact	
Reputational Impact	
Looking Ahead: Course Correction	13
Internal Changes	
Industry Changes	
Problems Still Up in the Air	
References	16
Appendix	22

OVERVIEW: FLIGHT, CAMERA, ACTION

Just before 5:40 p.m. on Sunday, April 9, 2017, three agents from Chicago Aviation Security ripped 69-year-old Dr. David Dao out of his seat, causing Dao's face to crash into an armrest and to sustain multiple injuries. Security agents then dragged his bloodied body down the aisle of United Express flight 3411, past an audience of 70 seated, smartphone-wielding passengers awaiting their journey to Louisville, Kentucky. Dao was one of four passengers who lost his seat against his will to accommodate four United Airlines employees who needed to be in Louisville that night. The other three would-be passengers gave up their seats peaceably, but Dao could not be consoled (Torossian, 2017; Czarnecki, 2017).

After being dragged off the plane, he ran back onto the plane insisting that he had to go home. Dao eventually collapsed in a seat on the plane and was removed on a stretcher. Following Dao's removal, other passengers deboarded the plane as workers cleaned blood off the armrest where Dao's face was smashed. Flight 3411 departed Chicago O'Hare Airport at 7:21 p.m., nearly five hours after its originally scheduled departure, but for United Airlines this was just the beginning of a rapidly unravelling crisis (McCann, 2017; Czarnecki, 2017).

Several passengers who filmed the incident on their smartphones quickly posted the videos to Facebook and Twitter. The footage soon drew responses from various sources including angry Twitter users, an array of news organizations, and the United Airlines Twitter account. Later that night, United posted its first official statement in the Louisville Courier-Journal apologizing for the overbook situation and asked readers to direct any additional details to authorities. Early that morning, the airline reiterated its previous messaging on Twitter, where it faced intense backlash. That Monday afternoon, CEO Oscar Munoz issued a statement apologizing for having to "re-accommodate customers." Several hours later, an employee leaked a staff memo written by Munoz to all United Airlines employees, in which he described Dao's behavior as "disruptive and belligerent."

Outrage began to build in the United States, and within a day, the incident was pushed to the forefront of international discussion (Torossian, 2017; Czarnecki, 2017; McCann, 2017). Tuesday morning, the stock market opening revealed that United's stock suffered an almost \$1 billion deficit in market value. Tuesday afternoon, Munoz released another statement, this time apologizing, taking full responsibility for the incident, and committing to make it right. He promised that by April 30, a formal investigation would be completed and policies would be adjusted to better serve customers (Czarnecki, 2017; Disparte, 2017).

This case covers several pillars of corporate communications including crisis communications, reputation management, internal communications and social media. United Airlines is a 2017 Fortune 100 organization, has been on the Fortune 500 list for 23 years, and was ranked third for airline brands worldwide in brand value in 2017 (Fortune, n.d.; Brand Finance, 2017). Because of the strong brand reputation, the intensity and publicity of the event and other compounding factors, this case is prime for analysis. Not only did United have to navigate communications to customers, employees and the general population, there were also implications with governmental and regulatory agencies.

Due to the high visibility of this incident, issues concerning corporate culture, stakeholder empowerment, and timely and accurate communications were brought to the forefront of public discourse. This is an important case because it is an example of an organization's worst case scenario with stakeholder empowerment through highly visible communications. Social media gives stakeholders a new level of empowerment that they have not had before, making organizational issues very public. This enables the public to hold organizations hostage when something doesn't go their way by gathering and posting videos and pictures to start a digital mob of angry social media users. Social media is increasingly becoming a tool for consumers to have their voice heard (Kirkpatrick, 2017; Diamond & Park, 2015). This underlines the importance of fostering strong consumer

advocacy on social media even before crises occur and of developing strong values that guide an organization to embody a positive, consumer-friendly corporate culture. This case is also important because having a positive corporate culture and strong internal communications gives a brand the ability to create lasting relationships with its stakeholders. This case is a perfect storm of corporate culture, stakeholder empowerment and timely and accurate communications going awry—creating downright unflyable weather.

COMPANY BACKGROUND: UNITED'S FLIGHT PATTERNS

History of United

United Airlines claims to be the oldest commercial airline in the United States. United's roots can be traced back to William Boeing, who started in the airplane business in the early 1900s. Since its early beginnings, the airline has evolved to consistently be ranked in the top five largest airlines in the world, with about 88,000 employees, serving 339 airports in 50 countries (United Airlines a., n.d.). United is now ranked third worldwide for brand value with a 2016 operating revenue of over \$36.5 billion and 143 million customers served, and claims to fly the world's most comprehensive route network (United Airlines b., 2017; Brand Finance, 2017; Statista, 2017).

Since United's early beginnings in the 1900s, the organization has grown dramatically while remaining at the forefront of airline innovation and execution. In 1997, United was one of five airline organizations to start the first global aviation alliance, "Star Alliance." Since then, the Star Alliance has grown significantly to serve more than 1,300 destinations (Star Alliance a., 2017). Today, it aims to combine resources between airlines to make the air travel experience "smoother and more comfortable," (Star Alliance b., 2017), but this is not always the case.

Turbulent Past

Much like the skies United flies, its past has also been turbulent. In 2008, Dave Carroll became a YouTube sensation after writing a song about United Airlines breaking his guitar (Snyder, 2009; Sons of Maxwell, 2009). In early 2016, the hashtag, "#leggingsgate" went viral because United Airlines refused to allow women dressed in leggings to board its flights (Lowrey, 2017). A 2016 analysis of 12 major U.S. airlines by the USDOT (United States Department of Transportation) showed that United ranked fourth for greatest number of passenger complaints with 2.27 complaints per 100 thousand enplanements. With each response, United has been criticized for being "aggressive," (Snyder, 2009), "sexist," "outdated," (The Guardian a., 2017), and "corporate" (The Guardian b., 2017).

Communications isn't the only area United has struggled with in the past. In 2015, a grand jury subpoenaed information about an exchange of favors between the then CEO, Jeff Smisek, and Port Authority chairman, David Samson (Wattles, Perez, & Prokupecz, 2015). The federal investigation alleged that Samson asked United to start a new flight between Newark and South Carolina, using his position and power to obtain this development. As a result, Smisek and his executive vice president of communications and government affairs and its senior vice president of corporate and government affairs stepped down on September 8, 2015. Munoz was immediately hired to fill the CEO position and, in turn, hired two executives to fill the other open positions (United Airlines c., 2015).

Munoz faced a rough first quarter as CEO, as he suffered a heart attack a little over a month after being hired. He was on medical leave for as little as five months, during which he underwent a heart transplant surgery (USA Today, 2017). Eleven days after returning to his position at United Airlines, the "#leggingsgate" incident occurred, starting a new string of challenges for Munoz and his United Airlines staff as they aimed to avoid future turbulence for the airline (Lubitz, 2017; PR Week, 2017).

Communicator of the Year

On March 16, 2017, Oscar Munoz was honored as the PR Week Communicator of the Year for his efforts in setting United on a “smoother course.” (PR Week, 2017). After taking the controls in 2015, Munoz lead United to a 27 percent increase in stock price in 2016 over the previous year (PR Week, 2017). However, Munoz’s accolades were short lived and 24 days later, United experienced “The Biggest PR Crisis of 2017” (Torossian, 2017).

CORPORATE CHARACTER: KEEPING THE SKIES FRIENDLY

The Arthur W. Page Society defines corporate character as, “the enterprise’s unique identity, its differentiating purpose, mission and values,” (Arthur W. Page Society, 2012). United Airlines has a unique set of statements that drive the organization’s corporate character.

Customer Commitment

In lieu of a mission statement, United has displayed its Customer Commitment on its website since May 2012 (United Airlines d., n.d.):

We are committed to providing a level of service to our customers that makes us a leader in the airline industry. We understand that to do this we need to have a product we are proud of and employees who like coming to work every day. Our goal is to make every flight a positive experience for our customers. Our United Customer Commitment explains our specific service commitments so that we can continue a high level of performance and improve wherever possible. The commitment explains our policies in a clear, consistent and understandable fashion. We have detailed training programs and system enhancements to support our employees in meeting these commitments, and we measure how well we meet them. Welcome on board United Airlines!

Core Purpose

In February 2017, Munoz released the airline’s very first statement dictating the values and guidelines that are to direct day-to-day operations for United Airlines employees. These values were based on interviews and “thousands of viewpoints from people across [United’s] system.” (Munoz, 2017).

First, **our Shared Purpose: "Connecting people. Uniting the world."**

Every day, we help unite the world by connecting people to the moments that matter most. This shared purpose drives us to be the best airline for our employees, customers and everyone we serve.

Figure 1. United’s Core Purpose. Where Munoz hopes United will end up (Munoz, 2017).

Shared Values

The next section of Munoz’s statement outlined the airline’s “Shared Values,” or the directions that would get the airline to its “destination” (Munoz, 2017).

We Fly Right: On the ground and in the air, we hold ourselves to the highest standards in safety and reliability. We earn trust by doing things the right way and delivering on our commitments every day.

We Fly Friendly: Warm and welcoming is who we are.

We Fly Together: As a united United, we respect every voice, communicate openly and honestly, make decisions with facts and empathy, and celebrate our journey together.

We Fly Above and Beyond: With an ambition to win, a commitment to excellence, and a passion for staying a step ahead, we are unmatched in our drive to be the best.

As you fly with us, I hope you see and feel these values being put into action with everything we do to serve you.

They represent a commitment to you and the commencement of a new era of excellence for this airline.

I hope that the next time you hear the name United Airlines, what comes to mind are all the ways we live up to these commitments.

Figure 2. United's Shared Values. How United will reach its Core Purpose (Munoz, 2017).



Figure 3. Reputation Scores by Tiers for Top U.S. Airline Brands (Angelovska, 2015).

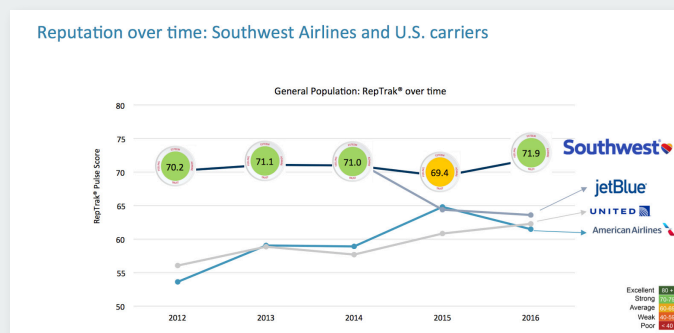


Figure 4. Longitudinal Reputation Scores for Top U.S. Airline Brands (Reputation Institute, n.d. b).

Corporate Reputation

The Reputation Institute defines reputation as an “emotional bond” ensuring a mutually beneficial and positive relationship between a company and its stakeholders (Reputation Institute a., n.d.). In a detailed reputation analysis the Reputation Institute gave the U.S. airline industry a rating of 64.1 out of 100 and ranked United in the lowest tier of the industry (Angelovska, 2015). Not only was United ranked low for its reputation, it has consistently been ranked low for its brand reputation in comparison to its competitors.

INDUSTRY FACTORS: CHECKING ALL AIRLINES' BAGGAGE

Overbooking Issues

Following the incident, much of the world took a closer look at bumping, which is when a passenger is denied a seat on a plane despite having a reservation confirmation. This happens as a result of overbooking flights. Approximately five percent of all passengers do not show up for flights, causing a problem for airlines, which sometimes operate on profit margins as low as one percent (Bendix, 2017). Due to low profit margins, flights that operate at less than full capacity are costing the airline. In order to maintain financial stability, airlines strategically overbook flights based on robust algorithms. Customers also benefit from overbooking through cheaper tickets and more flexibility in choosing when to travel (Thompson, 2017). United Airlines explained its reasoning and methods for overbooking flights in its official review of the incident.

Overbooking: Like most airlines, United overbooks flights, typically by less than 0-3 percent of the plane's seat capacity, to account for normal customer no-shows. United's forecast of no-shows is usually quite accurate and approximately four percent of its flights have more ticketed customers seeking to board the aircraft than available seats. The vast majority of denied boardings from overbooking are voluntary – customers agree to take another flight for compensation and incentives, reflecting the low overbooking levels.

Figure 5. United's Policy on Overbooking (United Airlines g., 2017).

The USDOT requires flights with over 30 passengers originating in the U.S. to seek volunteers prior to involuntarily bumping passengers (Smarter Travel, 2017). Federal law allows that airlines request passengers to give up their seat and if no passengers are voluntarily bumped then the airlines may select and remove passengers. Although federal law does not dictate how people are selected to be removed, it is usually based on the price of the ticket and when the ticket was purchased (Martin, 2017). Federal law also mandates how much and when airlines are required to compensate passengers who are involuntarily removed from a flight (Martin, 2017). Overbooking, referred to as an “art and science,” is not specific to the airline industry, it also happens in the hotel, rental car, restaurant and other hospitality related industries (Jennings, 2017). Figure 8 indicates that United was right in the middle in regards to the number of passengers bumped in comparison to other U.S. airlines.

PASSENGERS DENIED BOARDING ON US AIRLINES, 2016					
Airline	Total Enplaned Passengers	Voluntary Deboardings	Involuntary Deboardings	Involuntary DBs per 10,000 Passengers	
Hawaiian Airlines	10,824,495	326	49	.05	
Delta Air Lines	129,281,098	129,825	1,238	.10	
Virgin America	7,945,329	2,375	94	.12	
Alaska Airlines	23,390,900	6,806	931	.40	
United Airlines	86,836,527	62,895	3,765	.43	
Spirit Airlines	19,418,650	10,444	1,117	.58	
Frontier Airlines	14,666,332	2,096	851	.58	
American Airlines	130,894,653	54,259	8,312	.64	
JetBlue Airways	34,710,003	1,705	3,176	.92	
SkyWest Airlines	29,986,918	41,476	2,935	.98	
Southwest Airlines	150,655,354	88,628	14,979	.99	
ExpressJet Airlines	21,139,038	33,590	3,182	1.51	

Figure 6. Passengers Bumped on Major U.S. Airlines in 2016 (Thompson, 2017).

Internal Communications

United Airlines’ corporate communications department was lead by Jim Olson who holds the title senior vice president of corporate communications. United describes this department’s duties: “our Corporate Communications department manages relationships with the media and shares information about the company both externally and to our employees worldwide,” (United Airlines e., n.d.). Prior to June 2017, United’s communications department reported to the human relations department who then reported to Munoz.

Establishing an effective line of communication reaching all employees is especially challenging for airlines because, “an airline is many businesses under a single roof,” (Center for Aviation, 2013). Each airline has employees who handle a variety of tasks, many of which are customer-related. Airlines staff are also scattered physically. It is not uncommon for an airline to have employees in 60 countries or who are completely unreachable. Establishing a cohesive company culture is additionally challenging because many airlines have a long history of merging with smaller companies and have gone through many rounds of regulation (Center for Aviation, 2013).

These tasks are typically handled by CEOs, meaning that each airline has a similar yet unique way of navigating these challenges. For example, Southwest’s Senior Vice President, Linda Rutherford is also the Chief Communications Officer, giving her access to all arms of operations at Southwest. CEO Gary Kelly also heavily promotes the company values as a banner under which all Southwest Airlines employees should stand under, an idea he promotes in internal emails to all employees (Cohen, 2017). American Airlines also has an executive vice president who is in charge of people and communications. American’s CEO, Doug Parker, has been known to hold Q&A sessions with employees every two weeks in an effort to keep open and effective communication flowing throughout his company (Bradley, 2015).

TIMELINE: FLIGHT MAP OF UNITED'S CRISIS

April 9: Dao is recorded on several passengers' mobile phone cameras as Chicago Aviation security drag him off a fully booked flight against his will. Hours later, the photo is posted online and outrage spreads across the internet like wildfire.

April 10: Oscar Munoz, CEO of United Airlines, makes his first official statement apologizing for the incident on Twitter, but the apology does not calm the public for long as a staff memo is leaked to the press hours later. Chicago Aviation takes action by putting one of three officers who dragged Dao off the plane on leave (Abramson, 2017).

April 11: The aftermath of the incident spreads to the stock market and begins to cost the company financially (Shen, 2017). Munoz releases a second apology. Social media users, including other airlines, take advantage of the situation by poking fun at the incident online (i.e., "Board as doctors, leave as patients," by Twitter user Osama Nadeem) (osamanadeem, 2017).

April 12: Munoz is broadcast on Good Morning America issuing his third official apology to the public. China is outraged by rumors of racism and calls for a boycott. The other two Chicago Aviation Officers involved in the incident are put on leave (Abramson, 2017).

April 13: Famed attorney Tom Demetrio, ranked among the top 100 attorneys in the U.S.A., holds a press conference for Dao, his client. Demetrio criticizes United for its flawed culture and poor treatment of customers. Demetrio continues to describe Dao's injuries and explains that Dao will need reconstructive surgery. Dao's daughter, Crystal Dao Pepper, also speaks at the press conference, expressing how "shocked and terrified," she was by the occurrence.

United responds to the press conference with another apology on its newsroom website (United Airlines f., 2017). The Union representing United's pilots denies all responsibility and expresses outrage over the incident (Czarnecki, 2017).

April 14: United Airlines officially changes its overbooking policy to ensure that employees cannot replace seated passengers (Reuters, 2017).

April 19: China's calls for a United boycott spread among social media users worldwide (Czarnecki, 2017).

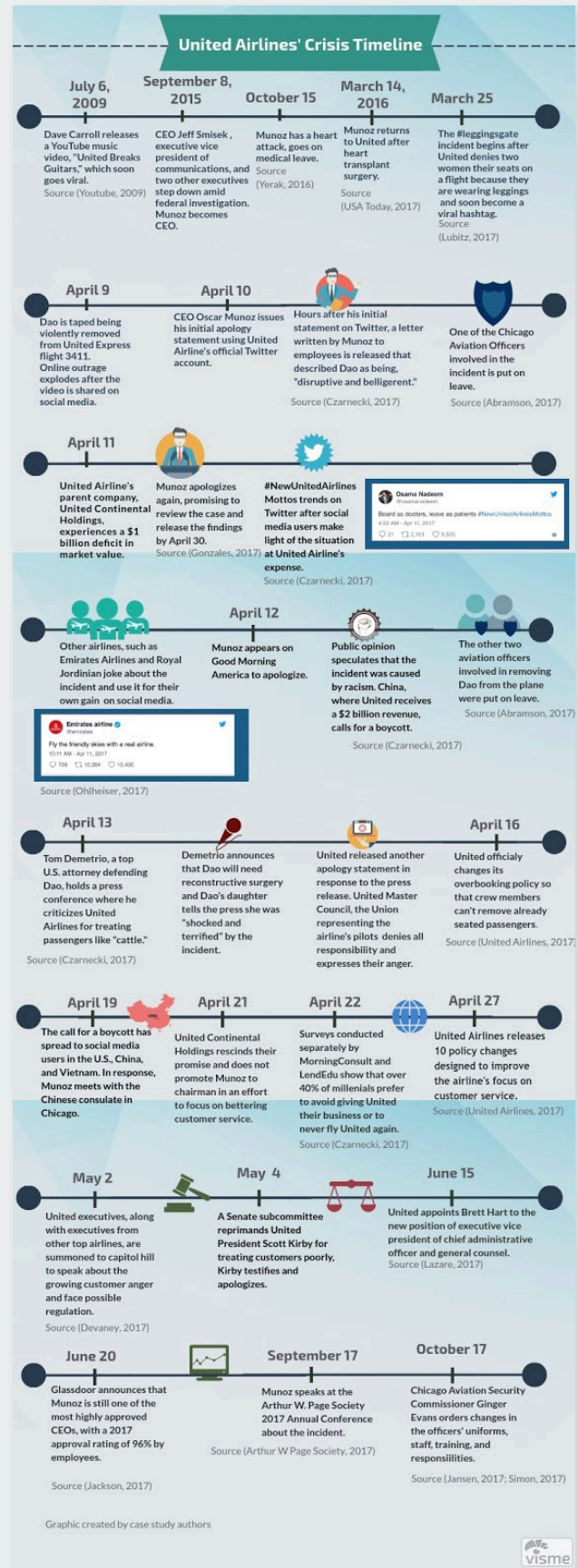


Figure 7. Timeline of United Airlines Crisis (Case Study Authors, 2017).

April 21: United Continental holdings rescinds its promise to promote Munoz to chairman, hoping to focus on bettering its commitment to customer service (Czarnecki, 2017).

April 22: Two separate organizations, MorningConsult and LendEu, release survey findings relating to United’s popularity. Results show that more than 40 percent of millennials prefer to either avoid giving United their business or to avoid ever using the airline again (Czarnecki, 2017).

April 27: United delivers on its promise to release policy changes. The airline announces three new goals centered around customer service and company culture that inspire ten policy changes (United Airlines g., 2017).

May 2: Munoz and United Airlines’ president, Scott Kirby appear on capitol hill before the U.S. House Transportation and Infrastructure Committee to discuss the growing outrage and to answer questions about Dao’s involuntary removal. Also in attendance were executives from American Airlines and Southwest Airlines, and a consumers’ union consultant from Alaska Airlines (Shepardson & Wise, 2017).

May 4: Kirby meets with a Senate subcommittee to apologize for Dao’s removal. Skeptical senators on both sides of the political isle grill Kirby about United’s policies, its customer treatment, and the incident’s negative impact (Devaney, 2017).

June 15: United Airlines changes its corporate communications model (Murphy Jr., 2017; Lazare, 2017).

June 20: Glassdoor announces that Munoz maintained his above-average approval rating by his employees throughout the entire debacle (Jackson, 2017).

September 17: Munoz speaks about the incident at the Arthur W. Page Society’s annual conference (Arthur W. Page Society, 2017).

RESPONSES: TURNING ON THE FASTEN SEAT BELT SIGN

United’s Response

United Airlines’ official Twitter account was among the first responses to the incident. The account responded directly to Tyler Bridges and his wife, Aura who were the original Twitter and Facebook users to post video of the incident as well as another user named John K who also posted about Dao (Ohlheiser, 2017). Both Twitter users tagged news media sources in their messages. United responded to the messages asking passengers who witnessed the incident to direct message additional details.



Figure 8. United Replies to Tyler Bridges, Passenger Who Witnessed the Incident (Tyler_Bridges, 2017).

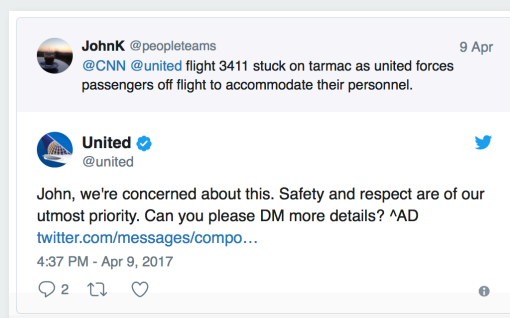


Figure 9. United Replies to John K, One of the first Twitter users to complain about the incident (peopleteams, 2017).

The next day, Munoz released his first official statement on Twitter, apologizing for the incident. This apology is short-lived. Hours later, a staff memo written by Munoz is leaked to the press. Munoz’s memo, meant just for United Airlines employees, states that Dao was “disruptive and belligerent,” which drives the already negative public opinion to a boiling point (Czarnecki, 2017).

On April 11, Munoz sent out his second official apology, this time taking full responsibility for the issue and promising to investigate the problem and deliver the findings of this review to the public by April 30. The following day, Munoz is broadcast on Good Morning America, where he apologizes a third time.



Figure 10. Munoz First Public Response to the Incident (United a., 2017).

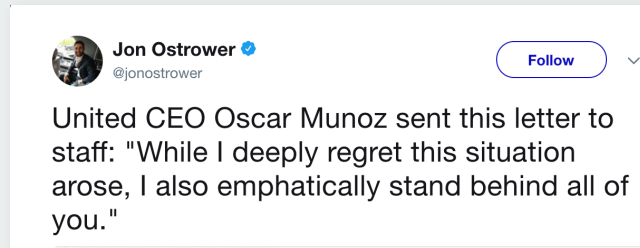


Figure 11. Munoz Response to Employees Regarding the Incident (jonostrower, 2017). Accompanying this Tweet was Munoz leaked statement to the staff.



Figure 12. Munoz Second Public Response to the Incident (United b., 2017). Munoz fully accepts both business and communications missteps.

Following a press conference held by Dao and his famed attorney, Tom Demetrio, United releases a responding statement on its website. This is the last immediate written response to the issue until the airlines begins to enact policy changes on April 16.



Figure 13. United's Statement on Tom Demetrio's Press Conference (United Airlines f., 2017).

Social Media Response

Social media users flocked to Twitter on April 10 in response to Dao's forcible removal. Over 75 percent of the related online conversation since April 10 was on Twitter, with most of the conversation holding a negative sentiment.

During the week immediately following Dao's removal, the most popular emotions expressed among Twitter users were disgust and anger. Additionally, the negativity of online content increased by 15 percent between April 1 and April 13. Rumors spread that suggest Dao was selected and subsequently dragged off of United Express flight 3411 for racial reasons. China, a new market for United that affords the airlines \$2 billion in revenue, is outraged by rumors of racism and calls for a boycott, making the hashtag #BoycottUnitedAirlines go viral worldwide. Public opinion became clear as the top ten trending hashtags relating to United on Twitter that first week were:

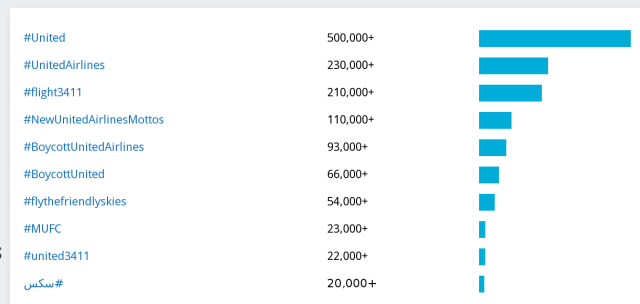


Figure 14. Social Media Hashtag Analysis on United (Case Study Authors, 2017).

In a sample of over 5,000 tweets from the days before the incident and the days following incident, the following words were most heavily associated with United Airlines:



Figure 15. Social Media Word Analysis on United Prior to Incident (Case Study Authors, 2017).



Figure 16. Social Media Word Analysis on United Following the Incident (Case Study Authors, 2017).

News Media Response

As the incident unfolded on social media, it was quickly picked up by news media outlets. See Figure 20 for the 10 most influential news outlets following and reporting on the incident and setting the conversation about United Airlines.

With this influence, news media expressed an array of facts and opinions on the case. Some media outlets were quick to report that Dao’s removal was justified while others disagreed, taking Dao’s side. Some news sources even misidentified Dao by reporting that he had been in the news for “trading drugs for sex” (Pearce, 2017; Palma, 2017; Concha, 2017). With a combined influence on social media and the culture of today’s “clicks-obsessed culture” these “sloppy” reports rapidly spread across the international stage. Although these reports were ultimately debunked, the “fake news” sparked a widespread initial concern, drawing additional attention to the issue and exacerbating public opinion toward Dao and United (Pearce, 2017; Concha, 2017). The coverage of the incident went on to become the “biggest travel story of 2017” (Goldstein, 2017).

As part of this case, the case study authors conducted a multi-pronged social media data analysis of the conversation surrounding United Airlines prior to the incident, during the incident, and following the incident. Portions of this primary data analysis are contained throughout the case.

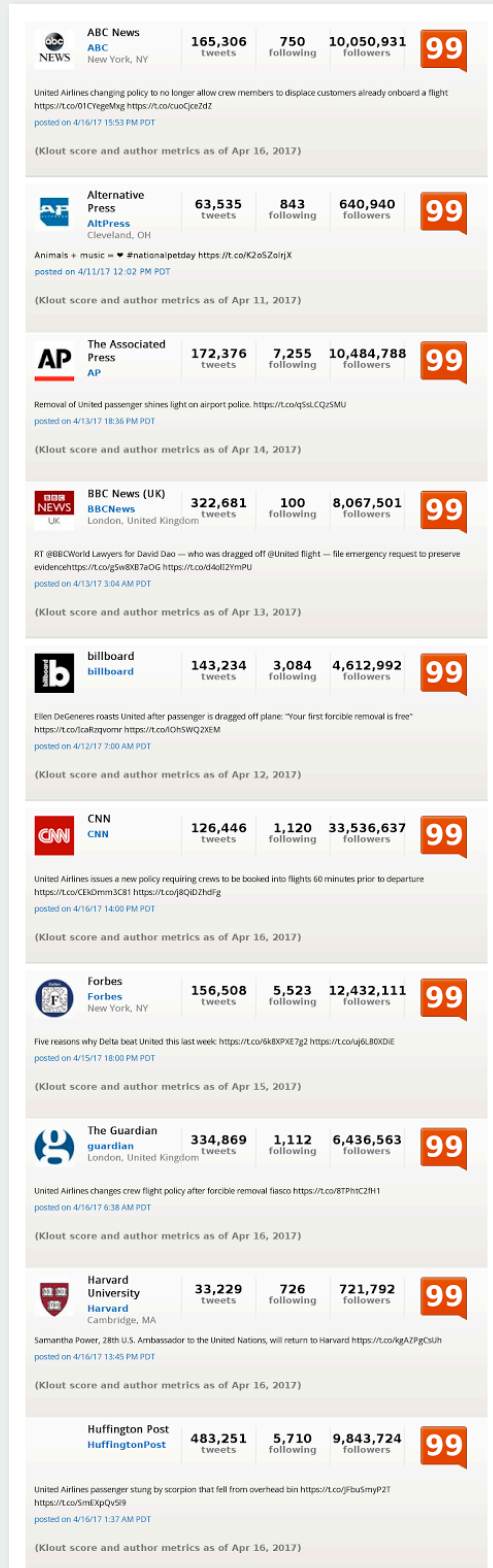


Figure 17. Representation of the most influential Twitter users following the United Incident (Case Study Authors, 2017).

The New York Times - 4/10/2017

United Airlines Passenger Is Dragged From an Overbooked Flight

Time Magazine - 4/10/2017

Officer Who Forcibly Removed Passenger From United Airlines Flight Placed on Leave

Courior Journal - 4/11/2017

David Dao, passenger removed from United flight, now in spotlight

USA Today - 4/11/2017

United Airlines says controversial flight was not overbooked; CEO apologizes again

The Washington Post - 4/11/2017

‘Re-accommodate’? United ridiculed for corporate speak response to passenger dragging.

Chicago Tribune - 4/11/2017

Video shows United Airlines’ passenger dragged off plane

Adweek - 4/11/2017

United Airlines, WJLA, Louisville’s Courier-Journal and Inappropriate Angles

CNN - 4/12/2017

Backlash erupts after United passenger gets yanked off overbooked flight

Business Insider - 4/12/2017

UNITED CEO: ‘This can never, will never happen again on a United Airlines flight’

The Hill - 4/12/2017

Why did the media try to smear United’s beating victim?

Bloomberg - 4/13/2017

United Broke Its Contract With Frequent Flyers

Los Angeles Times - 4/13/2017

United apologizes — again — after attorney describes dragged passenger’s injuries

Money Watch - 4/13/2017

United Airlines passenger suffered broken nose, concussion

Fortune - 4/14/2017

United Airlines Pilots Break Their Silence After Passenger Removal Video

npr - 4/14/2017

United Airlines Changes Its Policy On Displacing Customers

Table 1. Analysis of News Media Headlines and Report Date (Case Study Authors, 2017).

Airline Industry Response

News media was not the only party shaping public opinion on this matter. Competing airlines were also quick to join public conversation at United’s expense. When social media users began “trolling,” or purposefully antagonizing, United by posting memes and hashtags poking fun at how the airline handled Dao’s involuntary deplaning, other airlines decided to join the public in creating humorous spoofs and counter offers to United’s brand. Among the antagonizing competitors was Emirates Airlines who tweeted, “Fly the friendly skies with a real airline,” (Ohlheiser, 2017).

Twitter users also speculated that Southwest released the slogan, “We beat the competition. Not you,” which was posted to Twitter as a response to the United incident. However, the official Southwest spokesperson released an email denying the phrase had anything to do with United. Regardless, these comments gained rapid online popularity, exaggerating the effects of this incident (Shropshire & Channick, 2017; Rice, 2017). Although many comments from competitors became an online joke, other airlines took the situation seriously. Two other major airlines changed their policies after seeing what Dao’s situation did to United’s brand.



Figure 18. Sample Online spoof based on airline industry response (johnpmcneil02, 2017).

Government Response

In the wake of the incident, Oscar Munoz and executives from other airlines were summoned to a hearing with the House Transportation and Infrastructure Committee (Business Insider, 2017). During the four-hour meeting, Munoz and others were publicly rebuked from both sides of the aisle and threatened with a lawsuit and regulation (The Atlantic, 2017, May 2). Later that week, members of the Senate Subcommittee on Aviation Operations, Safety, and Security rebuked United again. During the hearing, United president, Scott Kirby stated, “we truly are going to fix the airline and put passengers at the center of everything we do” (The Hill, 2017, May 4). In September 2017 it was publicly revealed that the USDOT concluded United did not violate Dao’s civil rights and that there was not enough evidence to support that United violated any bumping laws (Associated Press, 2017).



Figure 19. Munoz and Kirby Testify Before Congress (Associated Press, 2017).

Chicago Aviation Security Response

The incident caused a full investigation of Chicago Aviation Security. The day following the incident, April 10, Chicago Aviation put one of the three officers who dragged Dao off the plane on leave. The following day, the other two officers involved on the incident were also put on leave (Abramson, 2017). Chicago Aviation

Security Commissioner, Ginger Evans, announced that she would also rebrand Chicago Aviation Security. By July, complaints about the word “police” being visible on officers’ uniforms were addressed and the word was removed from all aviation security uniforms. The investigations and changes continued through October 2017 (Cherone, 2017).

BUSINESS PERFORMANCE: THE INITIAL DESCENT

Fiscal Impact

Dao’s involuntary removal had an almost immediate impact on United’s finances. The following Tuesday in premarket trading, United’s shares were down by six percent, indicating a \$1.4 billion loss in market value. By early market trading the same day, the shares were only down by four percent (Shen, 2017). United’s parent company, United Continental Holdings, also experienced a \$1 billion deficit in market value that day (Czarnecki, 2017). The next day, United reported a \$250 million loss in revenue (Disparte, 2017).



Figure 20. Change in United’s Stock Price on April 10 and April 11 (Desjardins, 2017).

The airline’s second quarterly earnings report for 2017 also showed that the company experienced an almost six percent decrease in regional passengers compared to 2016’s second quarter. However, the financial impact of the incident seems to have been more of a short-term deficit than a lasting decrease in value, as both stock and earnings have slowly recovered in the ensuing months (Maidenberg, 2017; Shen, 2017) .

Following the second quarter incident, United reported a third quarter consolidated passenger load of 29.2 million passengers. This passenger count was 24 percent lower than the same quarter in 2016 and 22 percent lower than the same quarter in 2015. This indicator shows the fiscal and reputational impact of of the incident. (United Airlines h., 2016; United Airlines i., 2017). When questioned by U.S. Senator, Roger Wicker, United Airlines president, Scott Kirby commented that the airline did experience an initial drop in the number of bookings after the incident, but that the airline had since recovered. (Devaney, 2017)

Reputational Impact

In addition to a decrease in the number of third quarter passengers, evidence of United’s reputation crisis could be found online. Although United is no stranger to online criticism, the impact of this particular debacle on United’s brand was significant. United Airlines was mentioned in over 2 million online posts on April 10 alone. These posts showed a 22 percent increase in negativity from the day before and only six percent of all posts were positive.

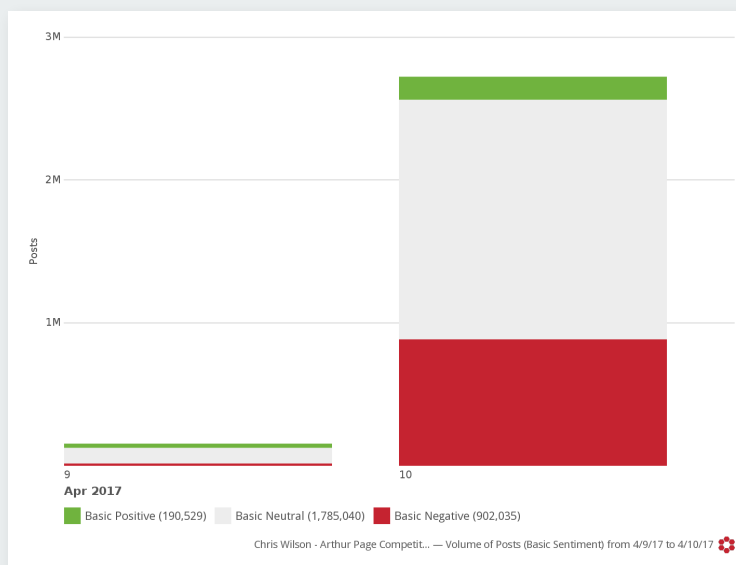


Figure 21. Social Media Sentiment Analysis of United on April 9-10 (Case Study Authors, 2017).

Immediately following the incident, Clutch, a Washington DC-based research firm, found that 26 percent fewer consumers were willing to fly with United immediately after witnessing the incident (Seter, 2017). According to Deborah Weinstein of Strategic Objectives, the United crisis “was a matter of public safety, which made the situation a lot more serious. Clearly, its brand reputation and sales suffered as a result.”

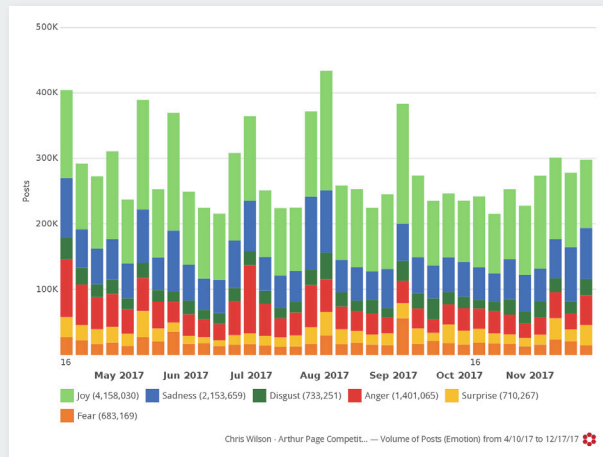


Figure 22. Consumer's Willingness to Fly With United (Seter, 2017).

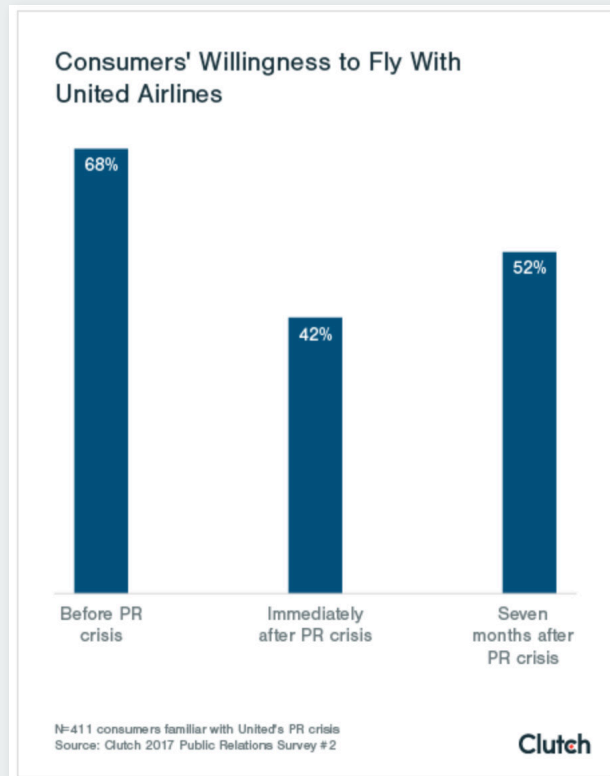


Figure 23. Social Media Sentiment Analysis on United (Case Study Authors, 2017).

Three days after the incident, the Brand Index showed that 28 percent of people recognized United’s brand as negative (Marzilli, 2017). After April 10, United began to slowly recover from the negativity, which continued in the following months. From April 10 to December 17, 2017, joy is reported as the most common emotion associated with United showing that the amount of anger, disgust, and negativity social media users relate with United Airlines has decreased (Case Study Authors, 2017). Seven months after the incident, Clutch reported that 52 percent of consumers had moved on from the crisis, however, 30 percent of consumers distrust United and won’t fly with them (Seter, 2017). Clutch reported that United’s reputation was not fully redeemed because the PR response was slow and the apology was perceived as insincere.

LOOKING AHEAD: COURSE CORRECTION

Internal Changes

With the threat of additional governmental intervention and further reputational impact, in late April United announced that it would raise the compensation cap for passengers. Meaning that on overbooked flights, United would now pay passengers up to \$10,000 to voluntarily give up their seats in an overbooked flight situation, moving the cap from the \$1,350 that is used by most airlines. United also stated that it would require flight crews to be booked into a flight at least 60 minutes prior to departure (Lazo, 2017).

Involuntary Denied Boarding (IDB) Selection Process

United's involuntary denied boarding (IDB) process is automated and customers are not subject to discretionary choice by agents. This is our process:

- First, agents will deny boarding if a passenger does not have a seat assignment prior to boarding the aircraft.
- Customers are then sorted by fare class (estimated fare paid) and type of itinerary.
- Customers with the lowest paid fare are placed at the top of the list for involuntary denial of boarding.
- If a group of customers paid the same fare, then the group is sorted by time of check-in.
- Customers with frequent flyer status will not be involuntarily denied boarding, unless all of the remaining passengers have frequent flyer status, in which case the lowest status will move to the top of the IDB list.
- Customers with special needs (unaccompanied minors, passengers with disabilities) are excluded and are not involuntarily denied boarding.

Figure 24. United's Review and Action Report (United Airlines g., 2017).

Additionally, no passengers who have been seated on a flight would be asked to give up their seat except for safety or security reasons. United further promised to introduce a new automated program that would allow passengers to indicate their willingness to give up their seat during the check-in process and to implement a special team to take on the overbooking problem (Salam, 2017). The full list of changes to the selection process for individuals who will be involuntarily denied boarding was released in United's Review and Action Report on April 27. The review report gives a full summary of United's failures in relation to the incident, a statement of the organization's pre-existing policies, a list of goals for changing the airline's internal focus to accommodate customer needs, and ten points on how it would accomplish those goals moving forward. See Figure 28 for new United policies.

In addition to policy changes, United's internal communications structure changed. On June 15, United announced a new position that would establish a direct line of communication between the airline's corporate communications department and United's CEO. The position is called the Executive Vice President of Chief Administrative Officer and General Counsel. Previous to this change, Senior Vice President of Corporate Communication, Jim Olson, was criticized for being too silent throughout the communications crisis. Additionally this position previously reported to United's Human Resources Department instead of reporting directly to United's CEO (Murphy Jr., 2017; Lazare, 2017). The new position was filled by Brett Hart who acted as CEO for United at the end of 2015 and the beginning of 2016 while Munoz was on medical leave (Lazare, 2017). Throughout the company's widely publicized issues, United employees kept Munoz in high esteem, as reported by Glassdoor's annual CEO satisfaction survey. The report showed a 91 percent approval rating for Munoz, well above the 67 percent average. Munoz was

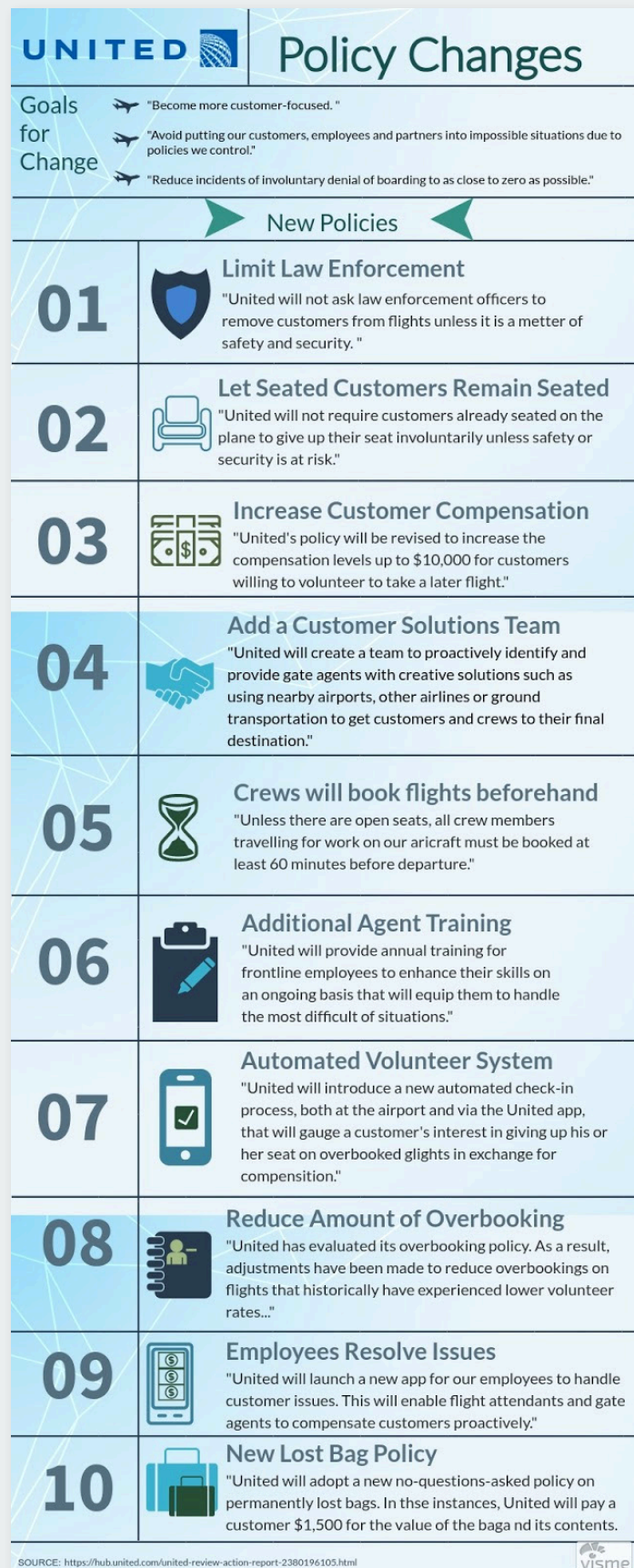


Figure 25. United Policy Changes Post Incident (United Airline, e., 2017; Case Study Authors, 2017).

also asked to speak on September 17, at the Arthur W. Page Society's annual conference. He addressed his involvement and shortcomings related to the incident, the importance of shared values, and the importance of employee communication. Munoz said, "communication is not part of the game, it is the game," (Arthur W. Page Society, 2017).

Industry Changes

Following the incident, other organizations made policy changes as well. Delta raised its offerings for compensation for bumping to almost \$10,000. American Airlines issued a promise stating that none of its passengers would be removed in order to give a seat to another passenger (Lazo, 2017). Southwest decided to cut overbooking entirely (Shepardson & Wise, 2017). These changes dropped the U.S. industry bumping rate from 0.62 per 10,000 passengers in 2016 to 0.44 in 2017, the lowest level since 1995.

Chicago Aviation also responded to the incident by launching an investigation, changing its uniforms, and making some changes to its staff. In July, Commissioner Ginger Evans mandated that aviation officers remove the word "police" from all uniforms, badges, and security vehicles, that aviation officers hand off responsibilities having to do with disturbances at both of Chicago's major airports to the Chicago Police Department, and that the aviation officers' training would be altered (Jenkins, 2017). As the investigation continued, all three officers involved and a Chicago aviation sergeant suffered consequences. The officer who dragged Dao off of the flight and his sergeant were fired in October while the other two officers were suspended (Jansen, 2017; Simon, 2017).

Problems Still Up in the Air

Dubbed the "the biggest PR crisis of 2017," this precedent-setting case is a combination of corporate culture influences, powerful stakeholder empowerment and slow and insincere corporate responses (Torossian, 2017). In comparison to other brands, such as Pepsi and Uber that experienced crises in 2017, the United crisis has taken much longer to recover from. This is evident as even seven months after Dao was forcibly removed from flight 3411, 30 percent of consumers still feel it is unsafe to fly with United (Seter, 2017). This case showcases larger business issues affecting all organizations in an environment where stakeholders have the power to initiate a crisis with one press of a record button. Organizations can resolve these business issues if they develop strong reputational trust with stakeholders by managing issues before they happen and build a corporate culture that allows for sincere business practices and communications.

REFERENCES

- Abramson, A. (2017, April 12). 2 More Officers Placed on Leave After Forcibly Removing United Airlines Passenger. *Time*. Retrieved from <http://time.com/4737379/united-airlines-chicago-officers-on-leave-david-dao/>
- Angelovska, A. (2015). Jet Blue & Southwest: Two reputational leaders. *Reputation Institute*. Retrieved from: <https://www.reputationinstitute.com/resources/registered/pdf-resources/jetblue-southwest-two-reputational-leaders.aspx>
- Arthur W. Page Society. (2012). Building belief: A new model for activating corporate character and authentic advocacy. Retrieved from <http://awpagesociety.com/attachments/508b442e53cd975472b3fa3f405c7c35f03cf6e5/store/ebe516e49e99af360d1e3ecdaa7271c33477365bc62a016bf16fd96af540/Building-Belief-New-Model-for-Corp-Comms.pdf>
- Arthur W. Page Society (2017, September 18-19). 2017 Page Society annual conference. *Arthur W. Page Society*. Retrieved from <https://www.awpagesociety.com/events/34th-page-society-annual-conference>
- Associated Press (2017, September 7). U.S. won't punish United for dragging passenger off plane. *Associated Press*. Retrieved from <https://www.nbcnews.com/news/asian-america/u-s-won-t-punish-united-airlines-over-passenger-dragging-n799556>
- Bendix, A. (2017, May 2) United Airlines testifies before an angry Congress. *The Atlantic*. Retrieved from <https://www.theatlantic.com/news/archive/2017/05/united-airlines-testifies-before-congress/525192/>
- Bradley, D. (2015, May 27). American Airlines CEO discusses comms strategy behind US Airways merger. *PR Week*. Retrieved from: <https://www.prweek.com/article/1348732/american-airlines-ceo-discusses-comms-strategy-behind-us-airways-merger>
- Brand Finance (2017). The leading airlines worldwide in 2017, ranked by brand value (in million U.S. dollars). *Statista*. Retrieved from <https://www.statista.com/statistics/275944/brand-value-of-airlines/>
- Center for Aviation (2013, November 18). Airline CEOs: The increasingly important quest to find the ideal characteristics. *Center for Aviation*. Retrieved from <https://centreforaviation.com/insights/analysis/airline-ceos-the-increasingly-important-quest-to-find-the-ideal-characteristics-139360>
- Cherone, H. (2017, July 12). Security officers at O'Hare, Midway will no longer be police, city decides. *DNA Info*. Retrieved from <https://www.dnainfo.com/chicago/20170712/ohare/security-officers-at-ohare-midway-will-no-longer-be-police-city-decides>
- Cohen, S. (2017, December 6). Gary Kelly defies gravity at Southwest Airlines: Meet a CEO with a stellar personal brand. *Huffington Post*. Retrieved from https://www.huffingtonpost.com/stacey-cohen/gary-kelly-defies-gravity_b_13942660.html
- Concha, J. (2017, April 12). Why did the media try to smear United's beating victim? *The Hill*. Retrieved from <http://thehill.com/blogs/pundits-blog/media/328410-why-did-the-media-try-to-smear-uniteds->

beating-victim

- Czarnecki, S. (2017, June 6). Timeline of a crisis: United Airlines. *PR Week*. Retrieved from <https://www.prweek.com/article/1435619/timeline-crisis-united-airlines>
- Desjardins, J. (2017, April 11). United Airlines: Visualizing the numbers behind the crisis. *Visual Capitalist*. Retrieved from: <http://www.visualcapitalist.com/united-airlines-visualizing-numbers-crisis/>
- Devaney, T. (2017, May 4). United Airlines grilled at Senate hearing. *The Hill*. Retrieved from <http://thehill.com/regulation/transportation/331943-united-airlines-grilled-at-senate-hearing>
- Diamond, M. L. & Park, A. (2015, January 10). Viral power: Negative social media bad for business. *USA Today*. Retrieved from <https://www.usatoday.com/story/money/business/2015/01/10/viral-power-negative-social-media-bad-for-business/21570851/>
- Disparte, D. (2017, April 12). United Airlines and reputation risk. *The Huffington Post*. https://www.huffingtonpost.com/entry/united-airlines-and-reputation-risk_us_58eda924e4b0ea028d568e26
- Fortune (n.d.). 83 United Continental Holdings. *Fortune*. Retrieved from <http://fortune.com/fortune500/united-continental-holdings/>
- Goldstein, M. (2017, December 20). Biggest travel story of 2017: The bumping and beating of Dr. David Dao. *Forbes*. Retrieved from <https://www.forbes.com/sites/michaelgoldstein/2017/12/20/biggest-travel-story-of-2017-the-bumping-and-beating-of-doctor-david-dao/#5c8bedcbf61f>
- The Guardian a. (2017, March 26). United Airlines defends gate decision to bar girls wearing leggings from flight. *The Guardian*. Retrieved from <https://www.theguardian.com/world/2017/mar/26/united-airlines-girls-leggings-shannon-watts>
- The Guardian b. (2017, April 16). United Airlines shows why it's time to deplane corporate-speak. *The Guardian*. Retrieved from <https://www.theguardian.com/business/2017/apr/16/united-airlines-deplane-gaffe-tesco-corporate-speak>
- Jackson, A. E. (2017, June 20). Navigating the turbulence: How United CEO Oscar Munoz leads. *Glassdoor*. Retrieved from <https://www.glassdoor.com/blog/united-ceo-oscar-munoz/>
- Jansen, B. (2017, October 18). Two officers fired after United Airlines dragging incident; another quits. *USA Today*. Retrieved from <https://www.usatoday.com/story/news/2017/10/18/chicago-fires-two-security-officers-involved-united-dragging-incident-another-quits/775047001/>
- Jenkins, A. (2017, July 12). Chicago Aviation Security to remove 'police' from uniforms following United passenger-dragging. *Fortune*. Retrieved from <http://fortune.com/2017/07/12/chicago-aviation-security-to-remove-police-from-uniforms-following-united-passenger-dragging/>
- Jennings, L. (2017, August 11). The art and science of overbooking: Leave no empty tables behind. *Restaurant Hospitality*. Retrieved from <http://www.restaurant-hospitality.com/operations/art-and-science-overbooking>

- jonostrower. (2017, April 10). United CEO Oscar Munoz sent this letter to staff: “While I deeply regret this situation arose, I also emphatically stand behind all of you.” [Tweet].
- johnpmcneil02 (2017, April 11). Fly Southwest... they only beat the competition, not their customers. [Tweet].
- Kirkpatrick, D. (2017, August 24). Study: Millennials hold brands more accountable on social media. *Marketing Dive*. Retrieved from <https://www.marketingdive.com/news/study-millennials-hold-brands-more-accountable-on-social-media/503376/>
- Lazare, L. (2017, June 15). United Airlines making big change in PR department. *Chicago Business Journal*. Retrieved from <https://www.bizjournals.com/chicago/news/2017/06/15/united-airlines-making-big-change-in-pr-department.html>
- Lazo, L. (2017, April 17). After United dragging incident, 3 major airlines change policies affecting bumped passengers. *The Washington Post*. Retrieved from https://www.washingtonpost.com/news/dr-gridlock/wp/2017/04/17/after-united-dragging-incident3-major-airlines-change-policies-affecting-bumped-passengers/?utm_term=.fa176b841dfd
- Lowrey, T. (2017, March 27). Step aside, Uber — United Airlines’ ‘leggings-gate’ just made you look good. *Huffington Post*. Retrieved from https://www.huffingtonpost.com/entry/step-aside-uberunited-airlines-leggings-gate-just_us_58d89c03e4b0f633072b394b
- Lubitz, R. (2017, March 27). Girls wearing leggings were told they couldn’t fly United Airlines because they were dressed inappropriately. *Business Insider & Mic*. Retrieved from <http://www.businessinsider.com/united-airlines-women-leggings-controversy-2017-3>
- Maidenberg, M. (2017, July 18). United Airlines profit rises despite boycott threats over passenger treatment. *The New York Times*. Retrieved from <https://www.nytimes.com/2017/07/18/business/united-airlines-profit-earnings.html>
- Martin, H. (2017, April 14). Why airlines sell too many seats and why it might make sense. *Los Angeles Times*. Retrieved from <http://www.latimes.com/business/la-fi-airlines-overbooked-20170413-htmlstory.html>
- Marzilli, T. (2017, April 13). United Airlines hits lowest consumer perception in 10 years. *YouGov*. Retrieved from: <https://today.yougov.com/news/2017/04/13/united-airlines-hits-lowest-consumer-perception-10/>
- McCann, E. (2017, April 14). United’s apologies: A timeline. *New York Times*. Retrieved from: <https://www.nytimes.com/2017/04/14/business/united-airlines-passenger-doctor.html>
- McCarthy, N. (2017, August 11). Airlines are bumping fewer passengers. *Statista*. Retrieved from <https://www.statista.com/chart/10657/airlines-are-bumping-fewer-passengers/>
- Munoz, O. (2017, February 08). Connecting people. Uniting the world. *United Hub*. Retrieved from: <https://hub.united.com/connecting-people-uniting-world-2247890534.html>
- Murphy Jr., B. (2017, April 14). United Airlines is hiring new PR people. The ads are utterly fascinating.

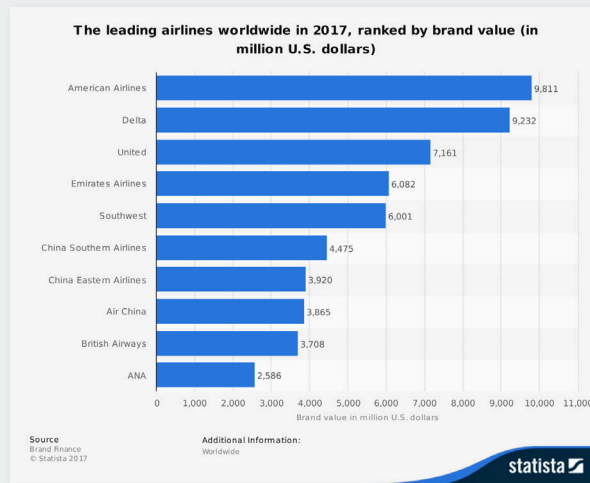
- Inc.* Retrieved from <https://www.inc.com/bill-murphy-jr/united-airlines-is-now-looking-for-new-pr-people-and-their-job-ads-are-utterly-f.html>
- osamanadeem. (2017, April 11). Board as doctors, leave as patients #NewUnitedAirlinesMottos. [Tweet].
- Palma, B. (2017, April 9). Did the news media report the criminal history of the wrong David Dao? Snopes. Retrieved from <https://www.snopes.com/2017/04/12/wrong-david-dao/>
- PR Week (2017, March 9). United Airlines CEO Oscar Munoz named *PRWeek* U.S. communicator of the year. *PR Week*. Retrieved from <https://www.prweek.com/article/1426909/united-airlines-ceo-oscar-munoz-named-prweek-us-communicator-year>
- Pearce, M. (2017, April 12). No, the media did not identify the wrong David Dao as United's passenger. *Los Angeles Times*. Retrieved from <http://www.latimes.com/nation/la-na-united-david-dao-20170412-story.html>
- peopleteams. (2017, April 9). @CNN @united flight 3411 stuck on tarmac as united forces passengers off flight to accommodate their personnel. [Tweet].
- Ohlheiser, A. (2017, April 11). The full timeline of how social media turned United into the biggest story in the country. *The Washington Post*. Retrieved from https://www.washingtonpost.com/news/the-intersect/wp/2017/04/11/the-full-timeline-of-how-social-media-turned-united-into-the-biggest-story-in-the-country/?utm_term=.c1bddadda6f5
- Rice, S. (2017, April 22). Southwest Airlines slogan mocking United Airlines by 'beating competition not you' is a fake. *Business 2 Community*. Retrieved from <https://www.business2community.com/us-news/southwest-airlines-slogan-mocking-united-airlines-beating-competition-not-fake-01819853>
- Reputation Institute a. (n.d.). About RepTrak the gold standard for reputation measurement. *Reputation Institute*. <https://www.reputationinstitute.com/reputation-measurement-services/reprtrak-framework>
- Reputation Institute b. (n.d.). Southwest Airlines vs. Delta reputation risk and crisis. *Reputation Institute*. Retrieved from <https://www.reputationinstitute.com/tracker-insights-a-tale-of-two-airlines.aspx>
- Reuters (2017, April 14). United changes crew booking policy after passenger dragged off plane. *Reuters*. Retrieved from: <https://www.reuters.com/article/us-ual-crew/united-changes-crew-booking-policy-after-passenger-dragged-off-plane-idUSKBN17H00M>
- Salam, M. (2017, October 17). Security officers fired for United Airlines dragging episode. *The New York Times*. Retrieved from <https://www.nytimes.com/2017/10/17/us/united-airlines-david-dao.html>
- Seter, J. (2017, November 9). How PR crises impact brand reputation. *Clutch*. Retrieved from <https://clutch.co/pr-firms/resources/how-pr-crises-impact-brand-reputation>
- Shen, L. (2017, April 11). United Airlines stock drops \$1.4 billion after passenger-removal controversy. *Fortune*. Retrieved from <http://fortune.com/2017/04/11/united-airlines-stock-drop/>
- Shepardson, D. & Wise, A. (2017, May 2). United Airlines CEO will get grilled by Congress Tuesday over David Dao's violent removal. *Business Insider* & *Reuters*. Retrieved from <http://www.businessinsider.com>

com/r-us-lawmakers-to-grill-united-airlines-on-passenger-removal-2017-5

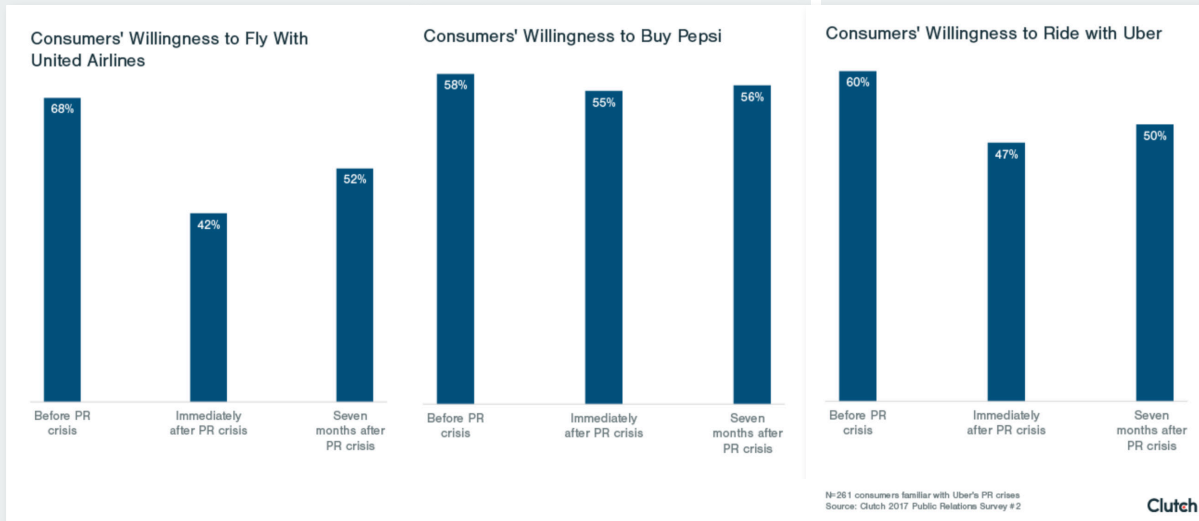
- Shropshire, C. & Channick, R. (2017, April 12). Some United competitors taking jobs at airline, but ridicule is not without risk. *Chicago Tribune*. Retrieved from <http://www.chicagotribune.com/business/ct-united-competitors-dragged-passenger-reaction-0413-biz-20170412-story.html>
- Simon, D. (2017, October 17). Officers fired over removal of United passenger. *CNN*. Retrieved from <http://www.cnn.com/2017/10/17/us/united-airlines-flight-officers-disciplined/index.html>
- Smarter Travel (2017, June 19). Overbooked flight? How (not) to get bumped. *Smarter Travel*. Retrieved from <https://www.smartertravel.com/2017/06/19/overbooked-flight-not-get-bumped/>
- Sons of Maxwell (2009, July 6). United breaks guitars. *YouTube*. Retrieved from <https://www.youtube.com/watch?v=5YGc4zOqozo>
- Star Alliance a. (n.d.). Fly to 1,300 destinations worldwide with the Star Alliance network. *Star Alliance*. Retrieved from <https://flights.staralliance.com/en/>
- Star Alliance b. (n.d.) 30 seconds about us. *Star Alliance*. Retrieved from <http://www.staralliance.com/en/about>
- Statista (2017). United Airlines dossier. *Statista*. Retrieved from <https://www.statista.com/study/45900/united-airlines/>
- Snyder, B. (2009, August 24). United aggressively responds to “United breaks guitars part 2.” *CBS News*. Retrieved from <https://www.cbsnews.com/news/united-aggressively-responds-to-united-breaks-guitars-part-2/>
- Thompson, C. (2017, April 15). Here’s why overbooking flights is actually a good thing. *Business Insider*. Retrieved from <http://www.businessinsider.com/overbooking-flights-is-good-for-consumers-2017-4>
- Torossian, R. (2017, May 23). The biggest PR crises of 2017. *Forbes*. Retrieved from <https://www.forbes.com/sites/forbesagencycouncil/2017/05/23/the-biggest-pr-crises-of-2017/#4326ad3c50a8>
- Tyler_Bridges. (2017, April 9). @united@FoxNews@CNN not a good way to treat a Doctor trying to get to work because they overbooked pic.twitter.com/sj9oHk94lk. [Tweet].
- United a. (2017, April 10). United CEO response to United Express Flight 3411. [Tweet].
- United b. (2017, April 10). Munoz second public response to the incident. [Tweet].
- United Airlines a. (n.d.). Corporate fact sheet. *United Airlines*. Retrieved from <http://newsroom.united.com/corporate-fact-sheet>
- United Airlines b. (2017, April 27). United Airlines announces changes to improve customer experience. *United Airlines*. Retrieved from: <http://newsroom.united.com/2017-04-27-United-Airlines-Announces-Changes-to-Improve-Customer-Experience>

- United Airlines c. (2015, September 8). United Airlines names Oscar Munoz chief executive officer. *United Airlines*. Retrieved from <http://newsroom.united.com/news-releases?item=124585>
- United Airlines d. (n.d.). Our United customer commitment. *United Airlines*. Retrieved from <https://www.united.com/web/en-US/content/customerfirst.aspx>
- United Airlines e. (n.d.). Corporate Support Center. *United Airlines*. Retrieved from <https://www.united.com/web/en-US/content/company/career/corporate.aspx>
- United Airlines f. (2017, April 13). Statement on Press Conference. *United Airlines*. Retrieved from <http://newsroom.united.com/news-releases?item=124756>
- United Airlines g. (2017, April 27). United express flight 3411 review and action report. *United Airlines*. Retrieved from <https://hub.united.com/united-review-action-report-2380196105.html>
- United Airlines h. (2016, October 17). Earnings releases. *United Airlines*. Retrieved from <http://newsroom.united.com/2016-10-17-United-Airlines-Reports-Third-Quarter-2016-Performance>
- United Airlines i. (2017, October 18). Earnings releases. *United Airlines*. Retrieved from <http://ir.united.com/financial-performance/earnings-releases/2017>
- USA Today (2016, March 6). United CEO Munoz to return full-time March 14. *USA Today*. Retrieved from <https://www.usatoday.com/story/money/2016/03/06/united-ceo-munoz-return-full-time-march-14-after-heart-attack-and-transplant/81410696/>
- Wattles, Perez, & Prokupecz. (2015). United Airlines CEO steps down after port authority probe. *CNN Money*. Retrieved from: <http://money.cnn.com/2015/09/08/news/companies/united-airlines-ceo/index.html>

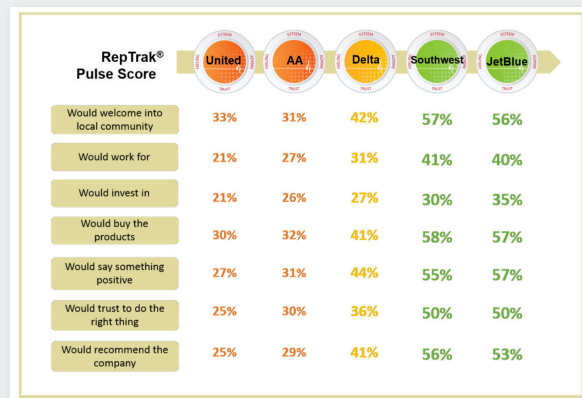
APPENDIX



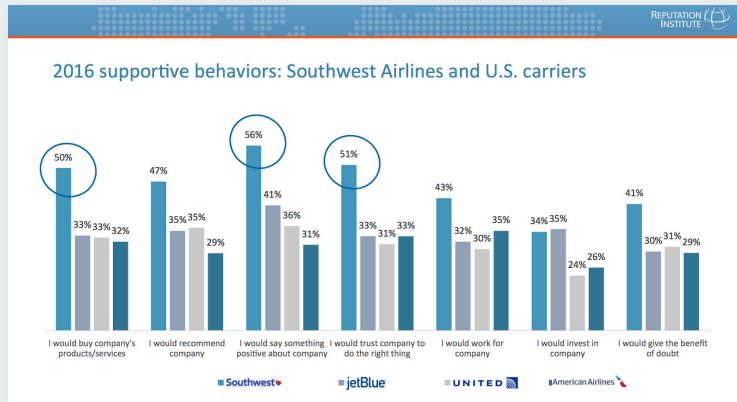
Appendix Figure 1. Brand Value of Leading Airlines Worldwide (Brand Finance, 2017). This figure illustrates that United has one of the top valued brands despite having low reputation scores.



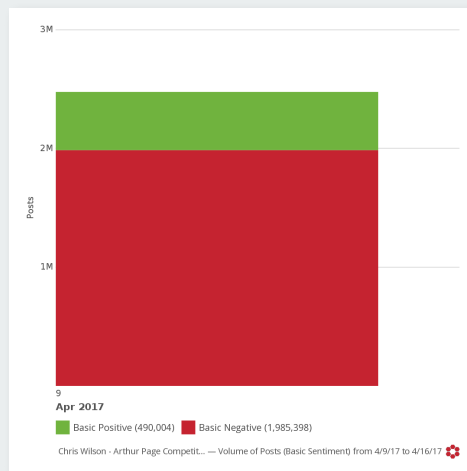
Appendix Figure 2. Consumer's Willingness to Fly With United Airlines, Buy Pepsi and to Ride with Uber (Seter, 2017). United, Pepsi and Uber were three of the major crises of 2017 and this figure illustrates that United Airlines has had the slowest recovery. Seter, 2017, attributes this to the timeliness and insincerity of United's response.



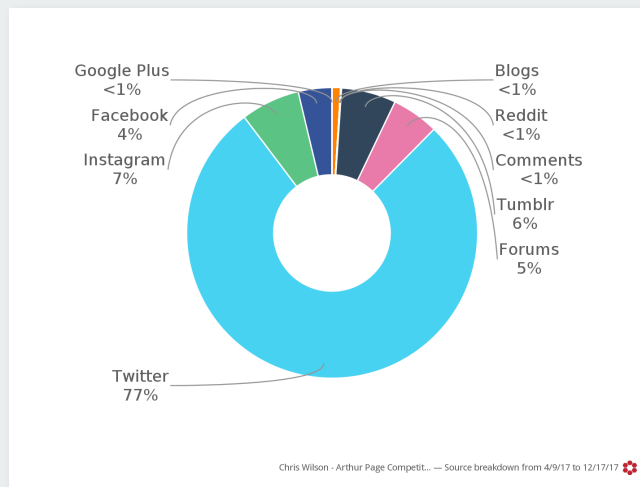
Appendix Figure 3. Reputation by Criteria for Top U.S. Airline Brands (Angelovska, 2015). This figure compares airlines' reputation rankings in seven categories.



Appendix Figure 4. Consumer Supportive Behavior for Top U.S. Airline Brands (Reputation Institute, n.d. b). This figure compares rankings between Southwest, JetBlue, United, and American Airlines in seven areas concerning customer opinions.



Appendix Figure 5. Social Media Sentiment Analysis on United (Case Study Authors, 2017). This shows the levels of negative (red) and positive (green) sentiment on Twitter on April 10, the day following United's incident.



Appendix Figure 6. Social Media Channel Analysis on United (Case Study Authors, 2017). This figure illustrates which channels had the majority of the conversation about the United incident.



Appendix Figure 7. Munoz Response to Employees Regarding the Incident (jonostrawer, 2017). This is the full version of the tweet pictured in Figure 11.



Appendix Figure 8. Munoz Second Public Response to the Incident (United b., 2017). This is the full version of the tweet pictured in Figure 12.