



(Case Study Authors, 2017)

Responding While the Record Button is Always On: Flying High and Low with United Airlines Corporate Culture and Stakeholder Empowerment

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Company Background



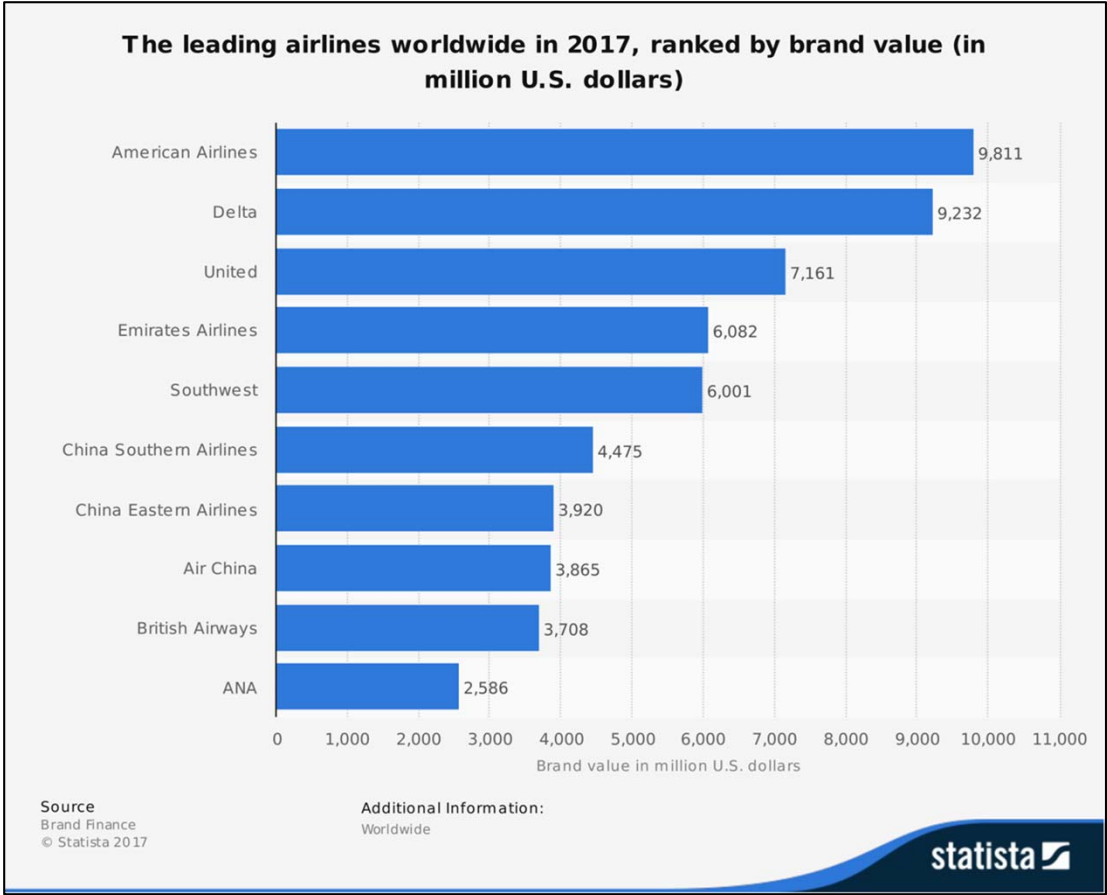
United Airlines CEO Oscar Munoz named PRWeek U.S. Communicator of the Year

March 09, 2017 by PRWeek staff , [8 comments](#)

Munoz will be honored at the annual PRWeek U.S. Awards ceremony in New York City next week on Thursday, March 16.



United Airlines CEO Oscar Munoz named PRWeek U.S. communicator of the year (PR Week, 2017). Munoz was named communicator of the year just 24 days before the incident on flight 3411.

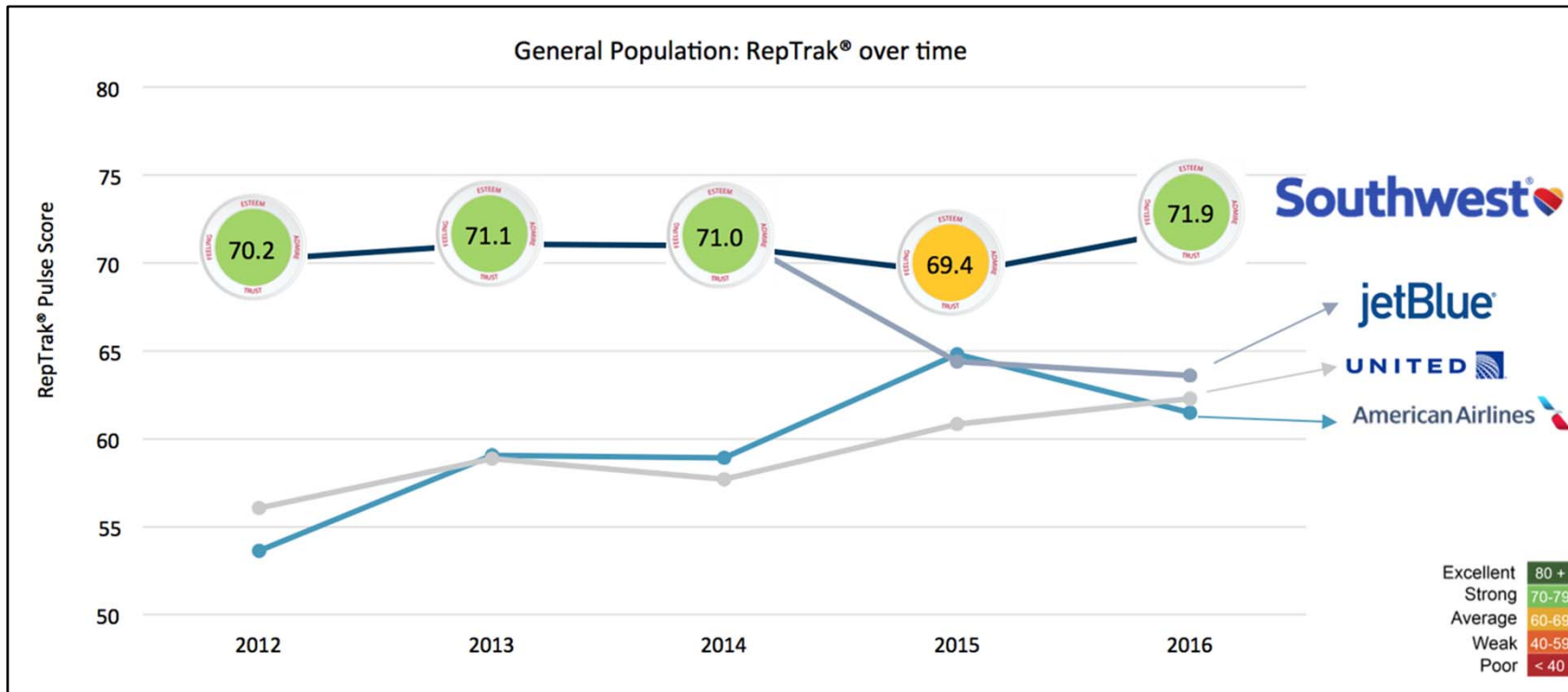


Brand Value of Leading Airlines Worldwide (Brand Finance, 2017). This figure illustrates that United has one of the top valued brands despite having low reputation scores.

Corporate Character




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



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

Industry Factors

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

SOURCE: Transportation.gov

BUSINESS INSIDER

Business Insider/Skye Gould

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

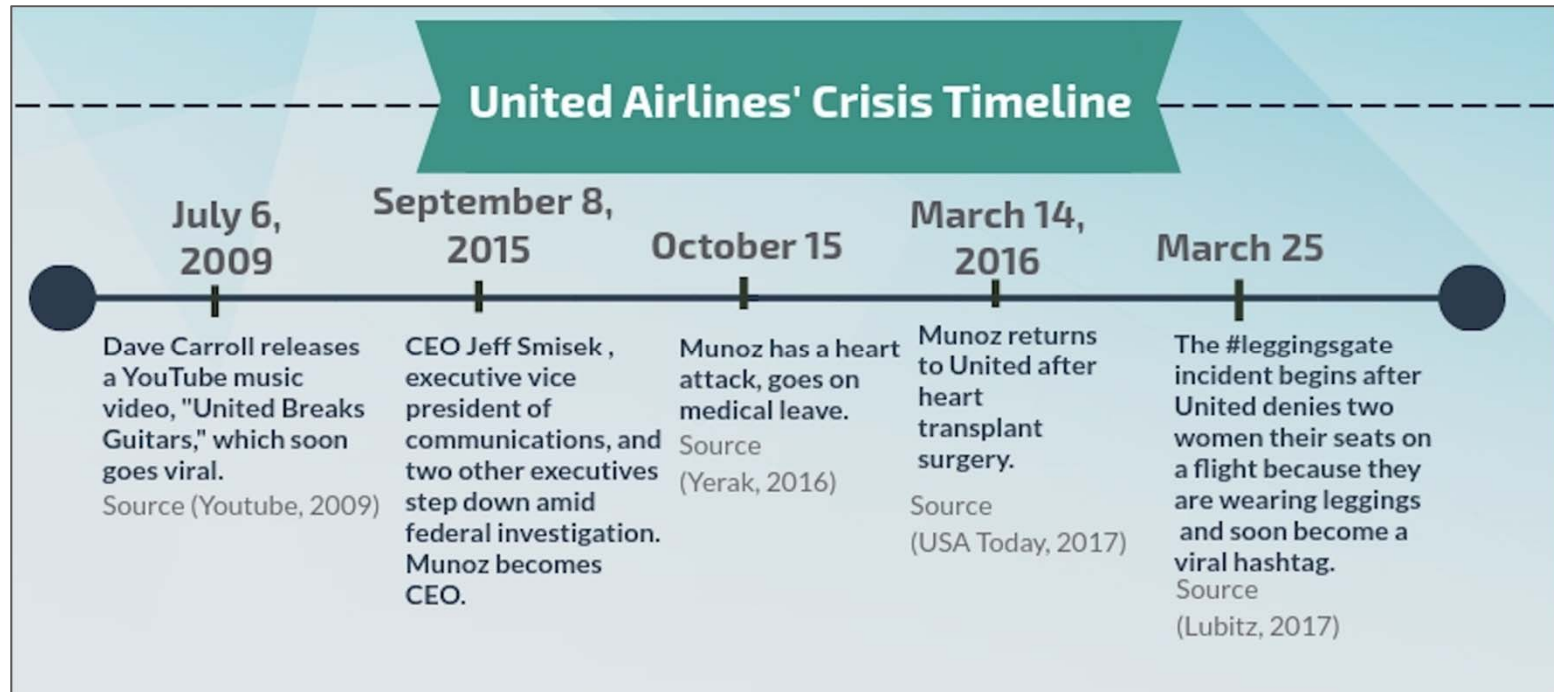
United Overbooking Policy

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.

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

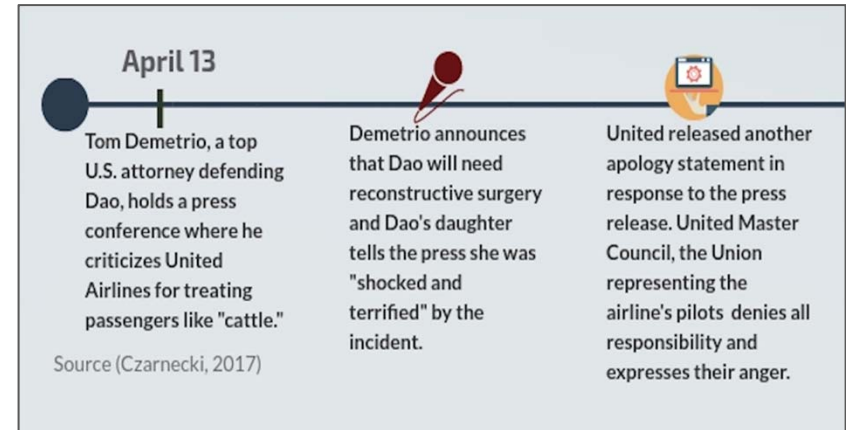
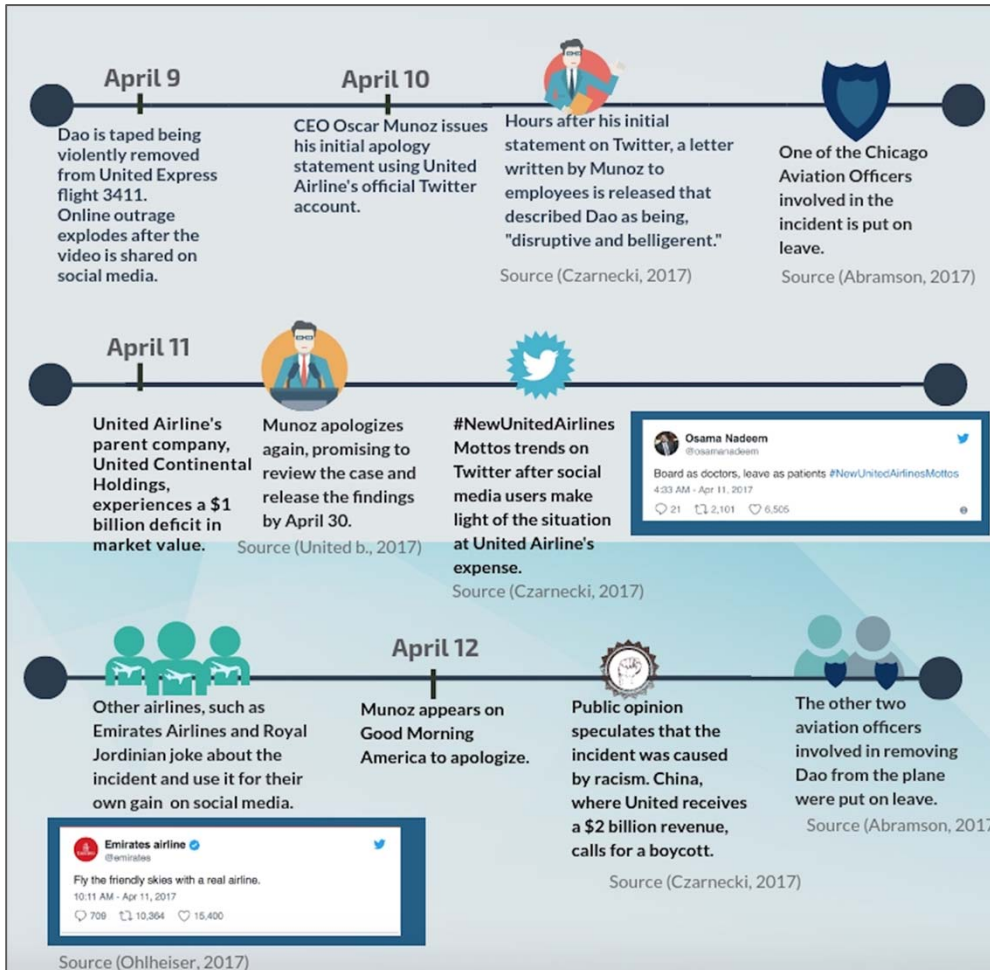
Timeline

Timeline: Before the Crisis



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

Timeline: The Crisis



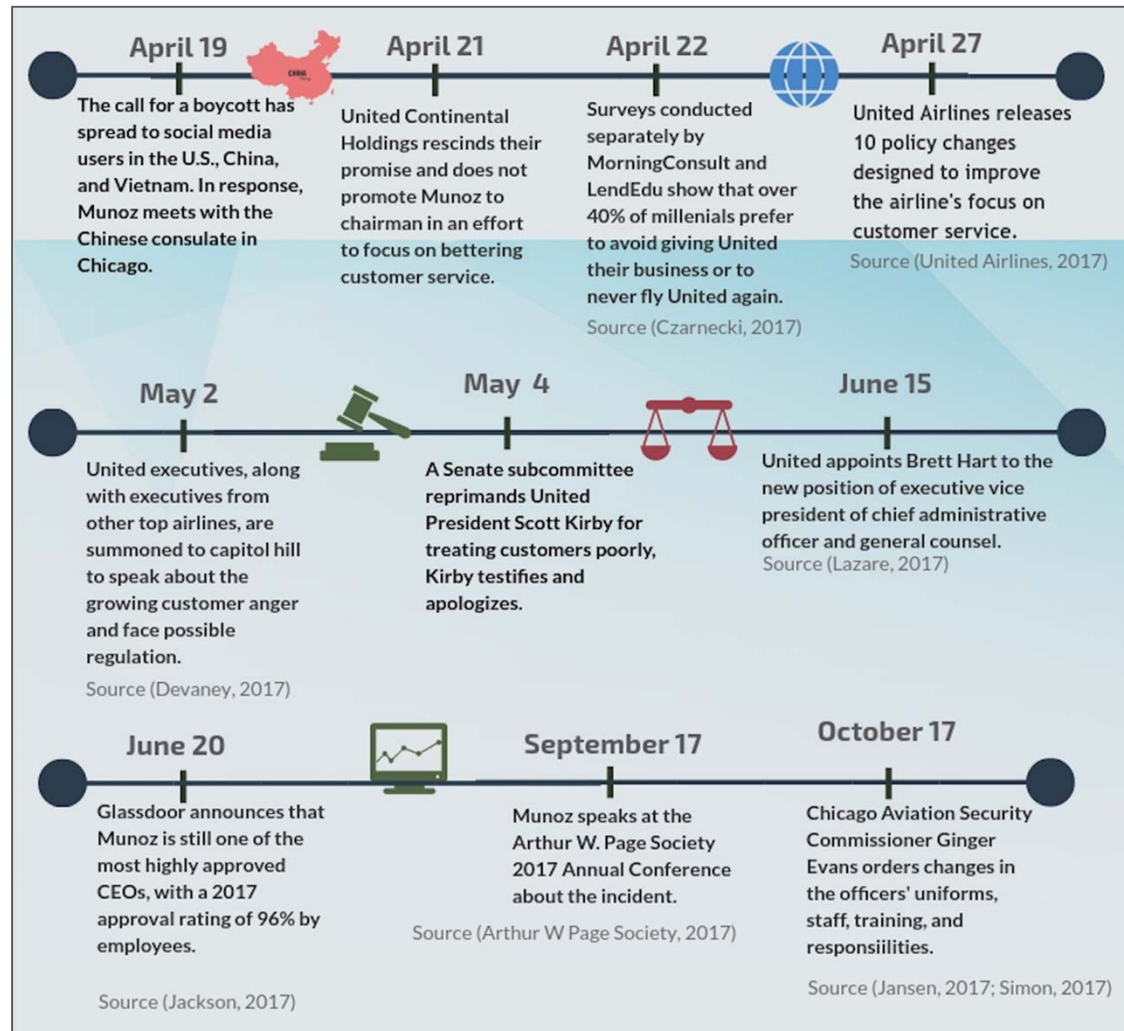
Timeline of United Airlines Crisis (Case Study Authors, 2017).

Timeline: After the Crisis

April 14

United officially changes its overbooking policy so that crew members can't remove already seated passengers.

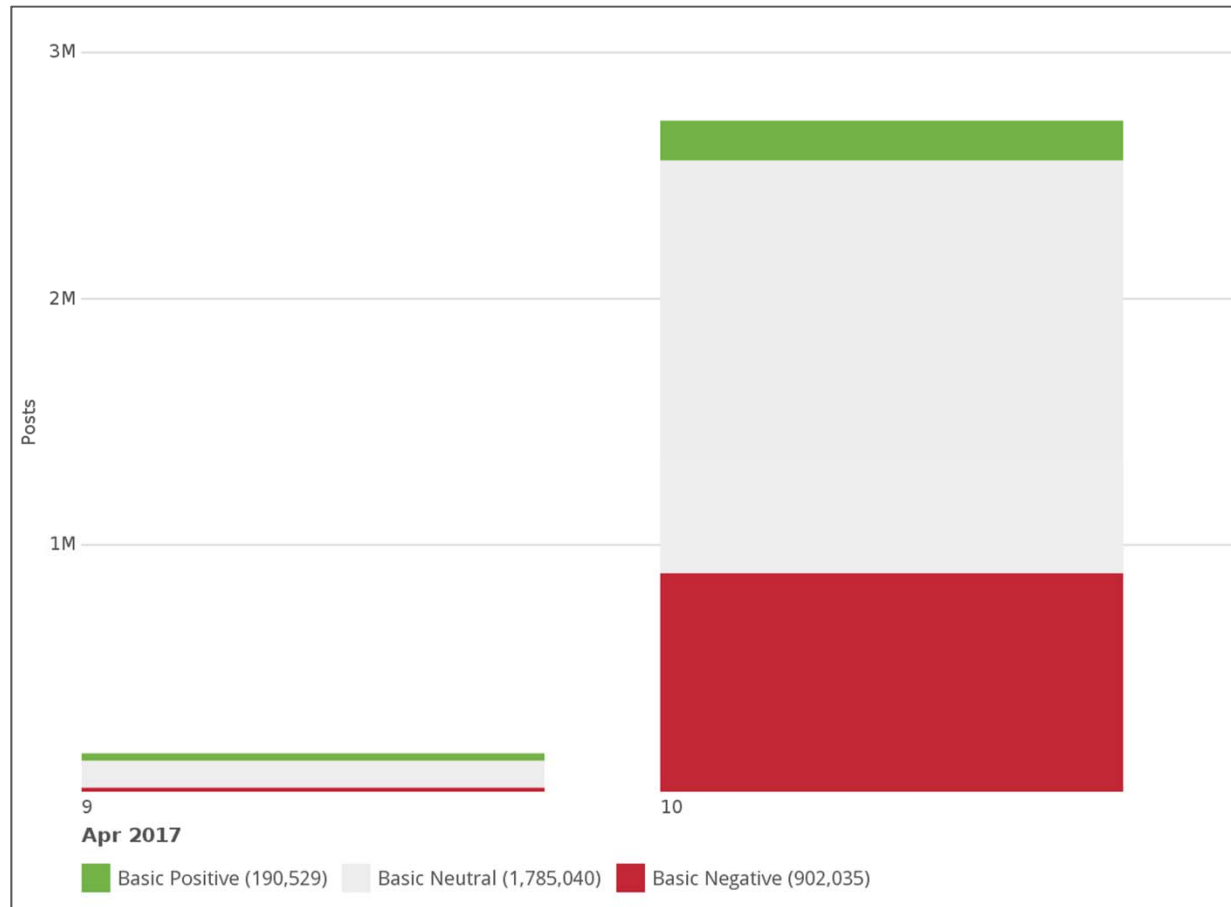
Source (Reuters staff, 2017)



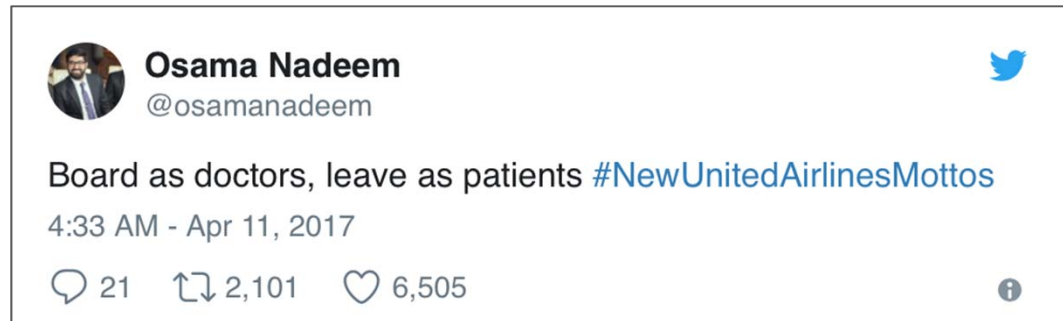
Timeline of United Airlines Crisis (Case Study Authors, 2017).

Responses

Social Media Sentiment Analysis








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








Sample tweet poking fun at the incident (osamanadeem, 2017).



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

	ABC News ABC New York, NY	165,306 tweets	750 following	10,050,931 followers	99
<p>United Airlines changing policy to no longer allow crew members to displace customers already onboard a flight https://t.co/01CYeMgMg https://t.co/cuoCjeZdZ posted on 4/16/17 15:53 PM PDT</p> <p>(Klout score and author metrics as of Apr 16, 2017)</p>					
	Alternative Press AltPress Cleveland, OH	63,535 tweets	843 following	640,940 followers	99
<p>Animals + music = ♡ #nationalpetyday https://t.co/K2o5ZolrjX posted on 4/11/17 12:02 PM PDT</p> <p>(Klout score and author metrics as of Apr 11, 2017)</p>					
	The Associated Press AP	172,376 tweets	7,255 following	10,484,788 followers	99
<p>Removal of United passenger shines light on airport police. https://t.co/q5slCQz5MU posted on 4/13/17 18:36 PM PDT</p> <p>(Klout score and author metrics as of Apr 14, 2017)</p>					
	BBC News (UK) BBCNews London, United Kingdom	322,681 tweets	100 following	8,067,501 followers	99
<p>RT @BBCWorld Lawyers for David Dao — who was dragged off @United flight — file emergency request to preserve evidence https://t.co/g5w8XB7aOG https://t.co/d4oI2YmPU posted on 4/13/17 3:04 AM PDT</p> <p>(Klout score and author metrics as of Apr 13, 2017)</p>					
	billboard billboard	143,234 tweets	3,084 following	4,612,992 followers	99
<p>Ellen DeGeneres roasts United after passenger is dragged off plane: "Your first forcible removal is free" https://t.co/IcaRzqvomr https://t.co/OHSWQZKEM posted on 4/12/17 7:00 AM PDT</p> <p>(Klout score and author metrics as of Apr 12, 2017)</p>					

	CNN CNN	126,446 tweets	1,120 following	33,536,637 followers	99
<p>United Airlines issues a new policy requiring crews to be booked into flights 60 minutes prior to departure https://t.co/CEkDmm3C81 https://t.co/j8QIDzhdfg posted on 4/16/17 14:00 PM PDT</p> <p>(Klout score and author metrics as of Apr 16, 2017)</p>					
	Forbes Forbes New York, NY	156,508 tweets	5,523 following	12,432,111 followers	99
<p>Five reasons why Delta beat United this last week: https://t.co/Gk8XPXE7g2 https://t.co/uj6L80XDIE posted on 4/15/17 18:00 PM PDT</p> <p>(Klout score and author metrics as of Apr 15, 2017)</p>					
	The Guardian guardian London, United Kingdom	334,869 tweets	1,112 following	6,436,563 followers	99
<p>United Airlines changes crew flight policy after forcible removal fiasco https://t.co/8TPhtC2H1 posted on 4/16/17 6:38 AM PDT</p> <p>(Klout score and author metrics as of Apr 16, 2017)</p>					
	Harvard University Harvard Cambridge, MA	33,229 tweets	726 following	721,792 followers	99
<p>Samantha Power, 28th U.S. Ambassador to the United Nations, will return to Harvard https://t.co/kgAZPgCsUh posted on 4/16/17 13:45 PM PDT</p> <p>(Klout score and author metrics as of Apr 16, 2017)</p>					
	Huffington Post HuffingtonPost	483,251 tweets	5,710 following	9,843,724 followers	99
<p>United Airlines passenger stung by scorpion that fell from overhead bin https://t.co/JFb5myP2T https://t.co/SmEXpQv59 posted on 4/16/17 1:37 AM PDT</p> <p>(Klout score and author metrics as of Apr 16, 2017)</p>					

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



United ✓
@united

Follow



United CEO Oscar Munoz: I'm sorry. We will fix this. [uafly.co/XuR1Bs](https://ua.com/ua-fly/XuR1Bs)

12:10 PM - 11 Apr 2017 from Houston, TX

Munoz Second Public Response to the Incident (United b., 2017).

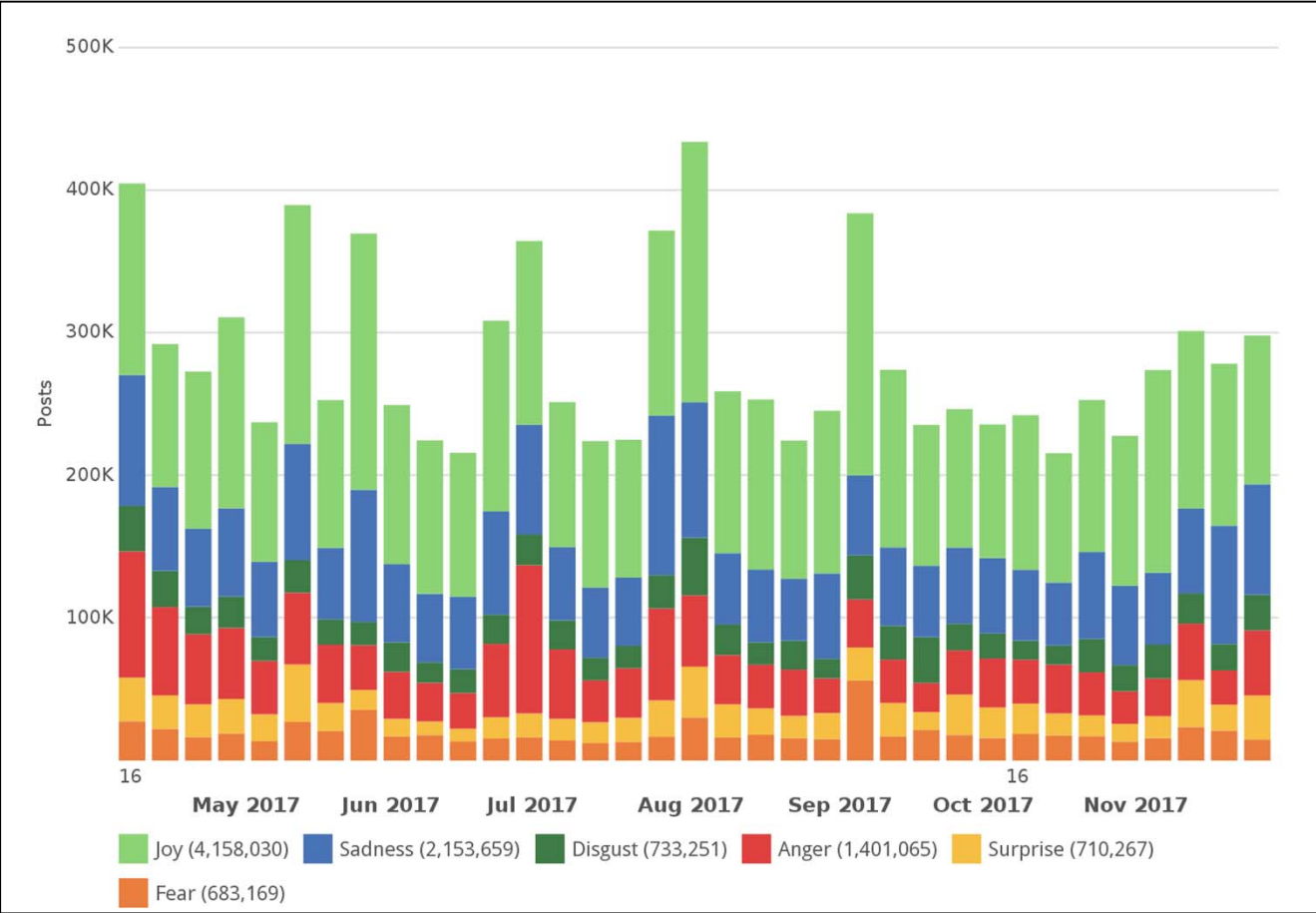


Munoz and Kirby Testify Before Congress (Associated Press, 2017).

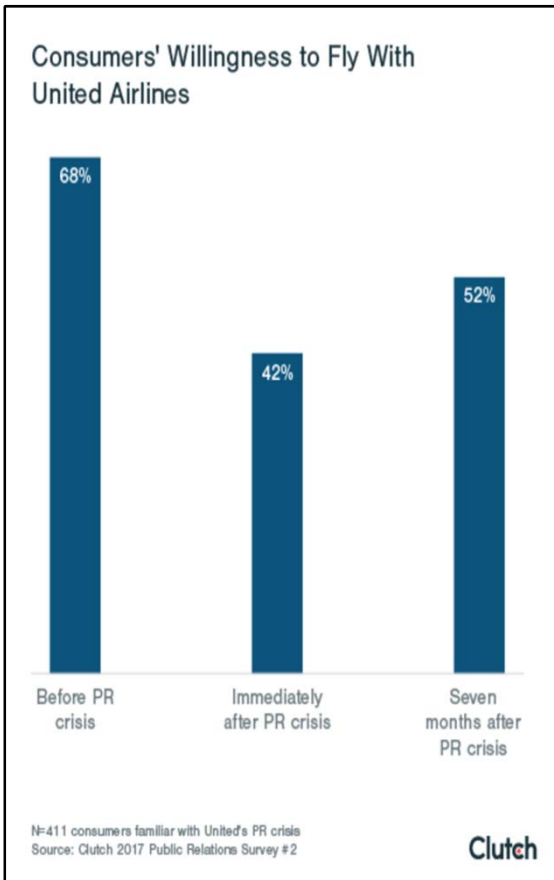
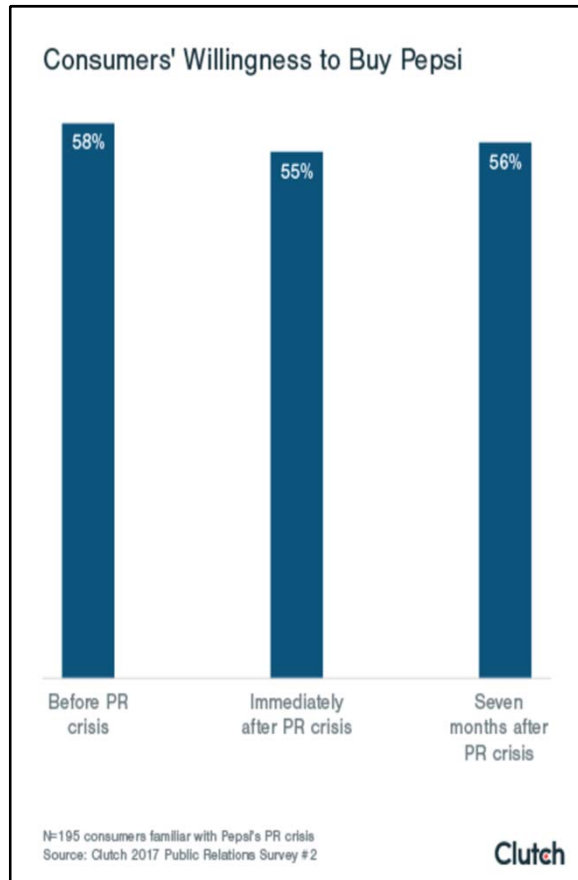
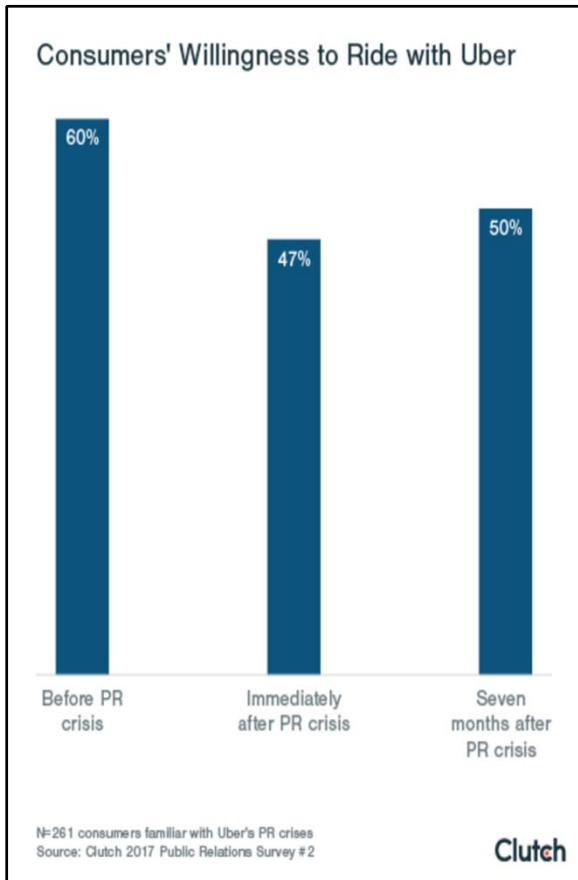
Business Performance



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



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



Consumer's Willingness to Ride with Uber, Buy Pepsi, and Fly With United Airlines, (Seter, 2017). These figures illustrate effectiveness of crisis recovery.

Course Correction

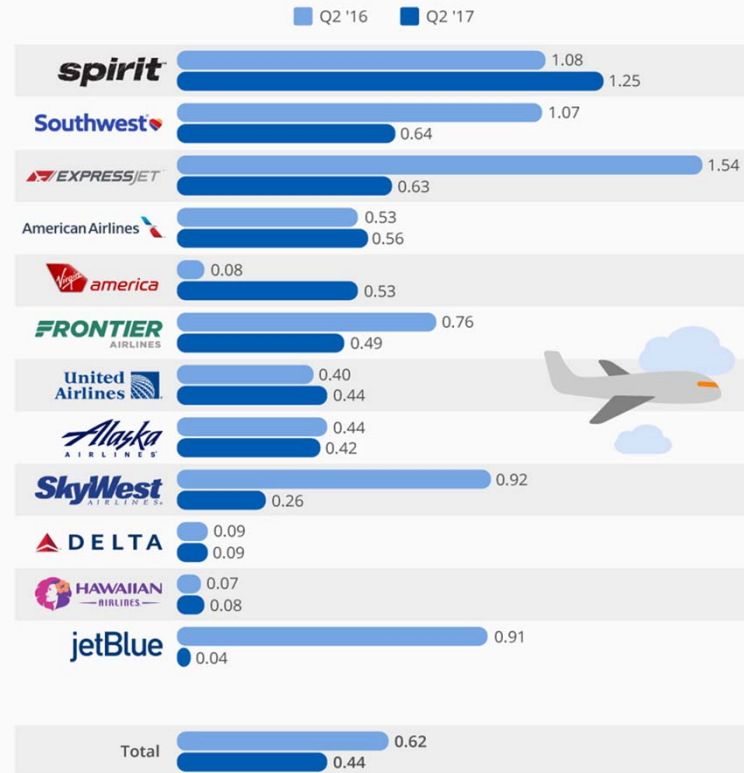
 Policy Changes	
Goals for Change	<ul style="list-style-type: none"> ✈️ "Become more customer-focused." ✈️ "Avoid putting our customers, employees and partners into impossible situations due to policies we control." ✈️ "Reduce incidents of involuntary denial of boarding to as close to zero as possible."
 New Policies 	
01	 Limit Law Enforcement "United will not ask law enforcement officers to remove customers from flights unless it is a matter of safety and security."
02	 Let Seated Customers Remain Seated "United will not require customers already seated on the plane to give up their seat involuntarily unless safety or security is at risk."
03	 Increase Customer Compensation "United's policy will be revised to increase the compensation levels up to \$10,000 for customers willing to volunteer to take a later flight."
04	 Add a Customer Solutions Team "United will create a team to proactively identify and provide gate agents with creative solutions such as using nearby airports, other airlines or ground transportation to get customers and crews to their final destination."
05	 Crews will book flights beforehand "Unless there are open seats, all crew members travelling for work on our aircraft must be booked at least 60 minutes before departure."

06	 Additional Agent Training "United will provide annual training for frontline employees to enhance their skills on an ongoing basis that will equip them to handle the most difficult of situations."
07	 Automated Volunteer System "United will introduce a new automated check-in process, both at the airport and via the United app, that will gauge a customer's interest in giving up his or her seat on overbooked flights in exchange for compensation."
08	 Reduce Amount of Overbooking "United has evaluated its overbooking policy. As a result, adjustments have been made to reduce overbookings on flights that historically have experienced lower volunteer rates..."
09	 Employees Resolve Issues "United will launch a new app for our employees to handle customer issues. This will enable flight attendants and gate agents to compensate customers proactively."
10	 New Lost Bag Policy "United will adopt a new no-questions-asked policy on permanently lost bags. In these instances, United will pay a customer \$1,500 for the value of the bag and its contents."
<small>SOURCE: https://hub.united.com/united-review-action-report-2380196105.html</small> 	

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

Airlines Are Bumping Fewer Passengers

Involuntary denied boardings per 10,000 passengers (U.S. domestic carriers)



@StatistaCharts Source: U.S. Department Of Transportation

statista

Airline Bumping Rate Post United Incident (McCarthy, 2017).

