

# Jetblue case essay sample

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This case illustrates the success that JetBlue Airline has achieved since founded in 1999, though it had trouble in 2007 during Valentine's day and a few more, it managed to overcome the issue and become one of the most known companies for excellent customer service. The author mentions that JetBlue truly cares about the customer because JetBlue doesn't sell just airplane tickets and its customers neither seek for airplanes tickets when buying at JetBlue. They buy the whole experience in which each detail included in the service made the customer feel special with things such as "legroom seats", plenty of food and drinks and a zone for entertainment which seeks to satisfy the client while they wait for their flight even though if its delayed among other tangible elements that the company offers. All the actions of JetBlue are encouraged to reflect their slogan " Happy Jetting".

Furthermore, another topic highlight in the case is the culture that the company professes, the way they treat each other, " the human side of the equation". An example of this is the opportunity to workers to do their job from home. Employees are so satisfied with the company that they care for it, which reflects in how they do their job and their attitude towards clients. As the CEO communicated, " everything can be copied, except the culture". All this combination results in higher employee commitment and desire to make the customers feel happy and gently serve them. In addition, love is one important thing that JetBlue implements, they say that when you love your customer, they love you back, and it can be demonstrated with the desire of the customer to keep in touch with the company even if they are not flying on time.

This airline is the strongest brand in the USA. This is a proof that a low-cost airline can give an excellent service and steady profits. Finally, JetBlue seeks to inspire humanity through innovations and have long term relationships with its customers which makes sense when considering JetBlue's Twitter account to keep in touch with their customers as well as knowing them more to provide them a better service every time.

## METHODOLOGY

### BACKGROUND:

JetBlue airways, was founded in February 1999 by David Neeleman. Its first name was " NewAir", the idea of this company started with some employees of the Southwest Airlines and what they were trying to do was to offer low-cost flights while the customer received all the luxuries that were usually more expensive such as TV on every seat and satellite radio. A fact that is necessary to highlight their success since the beginning is that on September of the same year, they found out that they were already 75 take-offs and landings at John F. Kennedy International Airport (JFK) which is one of the most important and crowded airport. In February 11, 2000, the company launched operations with its inaugural flight between JFK and Fort Lauderdale, FL. Since that date, JetBlue started adding new routes in the United States to enrich their service.

By December of the same year, JetBlue reached one million customers and reported \$100 millions in flow revenue. By January 1st 2003, JetBlue flied 10 million customers and reports \$54. 9 million net income for 2002. In 2006 the company announced its loss of money, corresponding to the last

trimester in 2005, the amount of money, was 42. 2 million of dollars. In 2007 the company announced the expansion of the flights and the new destinations such as Aruba, Bermuda, Cancun, Nassau, Aguadilla, Ponce, San Juan, Santiago y Santo Domingo (Dominican Republic). An important event that occurred at the beginning of this year, specifically on February 12 on Valentine´s day. On June 2010 JetBlue began selling snack boxes on flights over 3 hours 45 minutes for six dollars.

In 2012 JetBlue ranked ' Highest in Customer Satisfaction among Low Cost Carriers in North America' by J. D. Power and Associates, a customer satisfaction recognition received for the eighth year in a row. In addition, through all these years one of the competitive advantages that JetBlue has had against its competitors in terms of technology is that because it´s a very "young" company whose equipment and technology is far better than the others and has allowed JetBlue to give such low prices compared to its competitors. In addition, part of JetBlue´s success is because they, among other things, know that a strong organizational culture is far better than any technology and it´s something that competition cannot imitate or copy.

Having a strong organizational culture is what makes employees to serve customers gently as well as the way they communicate and talk about the company they care to the customers, because when employees love their work, they would like customers to love it too. JetBlue has achieved this by making its employees happy with small details such as allowing employees of the call center to work at the comfort of their home.

Furthermore, since the beginning they have brought small innovations, such as the food and the seats, which the customers love. Customers must feel loved and well treated by having many options not just during a flight and before but when they are outside to keep in touch. This is the reason why a Twitter account is necessary for a company as JetBlue, Not only because customers like to keep in touch but also because JetBlue cares about its customers. It's Twitter account has 1. 1 million followers more than any company except for two other companies well known for their customer service. UPDATING:

During recent years, JetBlue have been making changes in their services. The changes had not only created favoritism to their customers as they are concentrated on revolutionizing the aviation industry with the implementation of a new way to fly " JetBlue mint". It's a new innovative top quality product JetBlue offers that takes you through " mo-mintos" that make the trip an unforgettable and unique experience. This service offers not only the best seats, but also provides privacy and gives the customer priority from the moment they are at the airport by helping them through the check in process and all the way into the VIP room as fast as possible. It also offers delicious snacks during the flight provided by the New Yorker Saxon + Parole Restaurant.

Another important update made by JetBlue was the upgrade of the cashless cabin devices and the new technology in the software so customers could start their buying habits in the flight by purchasing products with better prices. On the other hand, JetBlue offers their customers an American

express credit card “ True Blue” that provides discounts or bonuses in travel rewards. The company is also working in updating the Dependability Guidelines Program to provide a more accurate accountability so it becomes easier for the team leaders to be efficient. This focuses especially during holidays. It is important to emphasize the fact that JetBlue is a company that is consistently “ delighting the customers through happy jetting” which implicates the constant changes and improvement in their service by finding out what the client wants.

#### PEOPLE INVOLVED:

-Customers: people are truly happy with the service; they are amazed with all the amenities and the benefits they can enjoy for low prices. Because it is true that people always looks for low costs but also for a good and a memorable flight. They are looking for an airline that can spoil them by winning their loyalty. -Workers: an example of this is Mary Driffill who works in the call center at home reservation agent. She was glad because she can spend time with her family without stop earning money. She is a supervisor at JetBlue Airways now. David Neeleman:

Born in Sao Paulo, Brazil, and raised in the United States. He is the co-founder with June Morris of Morris Air, a low fare charter airline. Morris Air was acquired by SouthWest Airlines where he worked for a short period of time on their executive planning committee. JetBlue was incorporated in Delaware, USA, on August 1998 and officially founded in February 1999 under the name of “ NewAir” by Neeleman. David Barger:

He is one of the co-founders of JetBlue, CEO in 2007 and Chairman from 2009 to January 1, 2014. Barger, known in the world of aviation from an early age, as his father was a pilot for United Airlines. Before JetBlue, Barger worked in New York as a Director of Air Station then, joined Continental Airlines in 1992, becoming Vice President of Newark hub. After taking the company in 2007, Barger has achieved as North America Airline Satisfaction Study from JD Power, which keeps JetBlue in the first place for the 8th consecutive year among the low cost airlines, surpassing SouthWest. This shows that Barger has followed a policy of maintaining high customer satisfaction ratings and all indications are that this will remain so in 2014. JetBlue announced that Barger ceased to be President since January 1, 2014. Robin Hayes is the new president since then. Robin Hayes:

Robin Hayes studied at the University of Bath in the United Kingdom where he graduated as Electrical and Electronic Engineering and he also received a BSc and Master in Engineering from the same university. Nowadays, Hayes is the President of JetBlue since January 1 2014. He previously served as Chief Commercial Officer and Executive Vice President from 2008 until December 2013. Before he started working at JetBlue, he worked during 19 years at British Airways where he served as Area General Manager for Europe, Latin America and the Caribbean and before he went to JetBlue he was Executive Vice President for The Americas.

#### ORGANIZATIONS INVOLVED:

Twitter:

Twitter guide JetBlue to connect with customers in new ways and allows a

more casual conversation with immediate interaction. JetBlue made the first Twitter account on May 2007. They created this account with the purpose of building a relationship with the frequent flyers. The Strategy went very well but they want it to get better. They wanted to reach through Twitter those who were not jet customers. On the summer of 2009, JetBlue started a second Twitter account " JetBlue Cheeps" in which the company was giving information about sales and special deals. They also offered an " All you can JetPass" that offer incredible discounts. They also implement an account for customer service. This page made the company resolve problems immediately. Through this service, the customers felt that the company was paying attention to them. By the implementation of Twitter in their marketing skills, they were one of the first companies to follow customers following them.

#### J. D Power and Associates

It is a global marketing Information Company that provides customers satisfaction research, performance and improvement programs, market research by listening to consumers and analyzing their opinions in the most important sectors of the market. To rate the companies quality and satisfaction measurements they are based on the information recollected directly from the millions of consumers and customers. This Company has been giving JetBlue the highest satisfaction score for the entire airline industry since 2007 above other airlines like Alaska Airlines, Southwest and Westjet. The last year (2013) JetBlue was rated in a scale from 1-1, 000 with a 787 confirming their good service and customer's satisfaction with the company.



## Southwest

For years, Southwest and JetBlue had offer to customers the same type of services with cheap fares and good customer service. They had avoid much head-to-head competition in major markets. These days, they are competing and trying to distinguish themselves as they grow.

## Whole Foods Market

It's a company that trades with food by searching for the finest natural and organic food available. This company also cares in sowing their own products to get a better quality. This company has been working since 1980's and now days it is the leader in the market of natural and organic foods in the United States and the United Kingdom. JetBlue's provider WFM (Whole Foods Market) gave them the finest food for their snacks and groceries.

## MAIN PROBLEM:

Nowadays, the one problem JetBlue is facing is the fact that they are doing so great but they need either maintain its current performance and success. So, JetBlue requires keeping doing a great job but the question is how? That is the real issue, how are they going to keep customers satisfied? Which strategies should they implement in order to keep moving on? The company has grown a lot which means there are more employees as well as customers but if their culture is such a key element for a good customer service how are they working to keep having a strong organizational culture? So many questions have to be resolved through various strategies and they all derive from the main problem: which is maintaining the company in its actual course. Another issue that is not completely developed in the case is

related to the low costs and real profits. The problem fundamentally a question: is it possible to maintain low cost tariffs with high service?

The only way that a company can offer a high quality product, which implies a major cost most of the times, at a low cost price for customers is by reducing its profit margin compared to other companies. In a business like this, this low cost tariff would require the need of major sales in order to cover its fixed costs. The risk JetBlue is taking is that if their competitors decide to lower their prices, JetBlue due to its margin would not be able to compete in price and in this hypothetical situation, the outcome for JetBlue would be loss.

Though this is an important question it is a hypothetical scenario and we believe that JetBlue's main problem is maintaining its current results.

#### STRATEGY SOLUTION:

When thinking about how to maintain the company and strategies to solve the questions, it is important to identify the key elements that make JetBlue such a great company: the success in customer service, innovation, technology and its culture. It is necessary to clarify that each of the three elements mentioned before are directly related one to another. Not needing to discuss their relation, but how they are key to solve the problem, we will first address each of the subjects and make the proper questions in order to propose a strategy solution. Among the tangible elements that JetBlue offers to its clients is the technology that are included in the airplanes as well as the TV available for every seat on the airplane with various live channels music and even movies. Additionally, the legroom leather seats which makes

traveling more comfortable. Now it is important that JetBlue constantly inspect the TV screens, the seats and make the necessary adjustments for higher customer satisfaction.

Even more, the TV should include more options such as including games for kids and adult entertainment during long flights and in case there are headphones, make sure that this headphones are either comfortable with a good sound. Additionally, on airplanes generally JetBlue needs to have more airplanes to increase its capacity. Food is another thing that JetBlue customers love. It would be great if they not only have free food but to include a more elaborated food for an additional cost. The advantage is that there would be more variety of food for customers and they may ask as much as they like since they would pay for it. Additionally, because JetBlue has international flights, the crew must have the necessary tools in order to guarantee customer satisfaction and high quality service. For instance, crewmembers must speak more than one language.

On the other hand, innovating in the industry is what has made JetBlue what it is, so it is important that JetBlue keeps innovating so they don't get stuck in time because something they invented 10 years ago worked. Innovation is what JetBlue needs to maintain its actual position. Finally, because the company has gained a good reputation for its customer service, and growing the organization requires hiring more people, it is very important that JetBlue maintain its strong organizational culture. They can achieve this by planning activities that bring employees together and give them more knowledge in order to become more effective and efficient when facing to a client.

Evidently, depending where the employee is working, they would need different studies. For instance, flight crew receiving lessons to learn another language capable to have a conversation. QUESTIONS

1. Give examples of needs, wants, and demands that JetBlue customers demonstrate, differentiating these three concepts. What are the implications of each JetBlue's practices? What JetBlue's customers need is love or belonging, a clearly example is that when the company spare love to their customers they can feel that somebody is caring for them and that they are special to someone, also, they feel like they are part of the JetBlue family. Furthermore, the idea of talking to a JetBlue member as it was his or her neighbor make the customer feel like they have a friend and all the ceremonial processes of booking a ticket or asking for information is more comfortable to the customer In addition, the esteem a very high customer's need because is that way, thee can feel the respect of others and to others.

On the other hand, the desire (want) of the customer to belong to this Airline and not another, is because of what JetBlue has to offer to them, as an example we can consider the Idea of the extra room in each seat of the airplane that permits the customer be more comfortable during the flight. The idea of the free snack bar is just amazing, to go on a flight and help their selves with food and beverages anytime they want, in addition, the gift passengers have of taking the first baggage for free is something that they really appreciate and make them want to flight with them and not with other airlines. Moreover, the demands of the customers are very clear, a great and satisfactory service with low prices and creating great experiences in them.

Not just for a trip but also for other flights their going to have. The implications of needs, wants and demands for JetBlue are the constant improvement of the quality of the service and the willing to be better every day. They have to work as a team with the marketing department to seek for the needs, wants and demands customers will have now and in the future.

2. Describe in detail all the facets of JetBlue's product. What is been exchanged in a JetBlue transaction? Since the experience on Valentine's Day (2007) Jet Blue assumed a big challenge by innovating on customer service and flight experience, taking the company from being the jokes of Fridays TV-talk shows and putting it as one of the airlines that bring more satisfaction to the customers and passengers. Making changes and introducing new services where part of the plan and also instilling the employees the company core values like integrity, safety, fun and passion in order to be consequent with the plan. They have free Wi-Fi and free sending and receiving of e-mails and instant messages in the air. In addition, they have Direct TV channels in their waiting rooms as well the LCD's inserted on the back of the seats of the planes and Sirius XM Radio channels. They added more space in the legroom by configuring the seats leaving more space than other airlines additionally offering the best snacks selection to make a better flight experience.

3. Which of the five marketing management concepts best applies to JetBlue? From the five marketing management concepts the best that applies to JetBlue is marketing concept because this company cares about its customers and they focus on what people need and want which makes the

company successful. JetBlue wants to keep in touch with its customers all the time, that's why they have several Twitter accounts with different purposes, one for general information, which is the main Twitter account, mentioned in the case. Now they have added other accounts such as @JetBlueCheeps in which they publish last minute flights for a limited period of time and availability. Not all of JetBlue's Twitter accounts are as popular as its main account but in this account they have 387. 939 which is a considerable amount of people.

4. What value does JetBlue create for its customers? JetBlue is a company whose success is an obsession in the way they treat the customers. They want to make sure that every person that travels with them live up to the company slogan " Happy Jetting". The Happy Jetting is a change that focus on the customer satisfaction by offering them comfortable seats, free beverages and snacks, LCD entertainment system and free sending and receiving of e-mails and instant messages in the air; a total different idea based on the low-fare, high-service airline. The company has emphasized their service by making it the best. Providing the customers not only a flight but also a delighting moment formed with the idea of bringing humanity back to travel.

5. Is JetBlue likely to continue being successful in building customer relationships? Why or why not? According to the last years, it appears that the policy of JetBlue to keep their customers satisfied with the service will not change and instead, try to improve. They have gained the " best low cost airline" consecutively in the last 8 years. While JetBlue President just

changed, this is not a change in quality of service, as the new President, Mr. Hayes has worked five years with JetBlue and he is aware that the main success of the company is the good service and the relationship with customers. In addition, there is a commitment of the company to maintain a high level of satisfaction with the service provided to customers, a commitment that is all in the business, not just the President. It is in this way that the success he has had in terms JetBlue engage with their customers will continue in the coming years.

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