

Delta airlines plays catch-up

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1. What business risks would Delta is taking if it decided not to catch up with industry leaders in using IT to gain a competitive advantage? Delta would fall behind the industry and its customer expectations. If Delta's business processes were significantly inefficient and ineffective compared with its competitors, it would lose business. Airline customers are typically operating under time constraints and pressures to catch flights and connections, and they do not want to be inconvenienced by inefficient and ineffective business processes.

2. What competitive advantages can an airline gain by using DSS and EIS? An airline can use both DSSs and EISs to uncover areas where the company can create competitive advantages and perhaps first-mover advantages such as self-check in and printing boarding passes from home. First-mover advantages can be enormous and place an organization in the position to significantly impact its market share. A fast follower can also increase its market share by tagging onto the first-movers ideas. It also has the advantage of avoiding some of the mistakes or pitfalls that the first-mover might have made. Of course, a fast follower will only obtain a temporary advantage, as many competitors will begin to implement the innovative IT system.

3. What other industries could potentially benefit from the use of yield management systems? Almost all industries could benefit from the use of a yield management system. Like inhealthcare industry fordoctorvisits and even the telecommunications industry for shared modem services.

4. How can American and United use customer information to gain a competitive? Both airlines used their innovative IT systems to gain valuable business intelligence into their customer information. They conceived and rolled out hugely successful frequent flyer programs, which increased the likelihood that frequent business travelers, their most profitable customers, would fly with them instead of with a competitor. Frequent flyer programs require sophisticated computer system to properly account for and manage the flight activity of millions of customers. Ultimately, frequent flyer programs became an entry barrier for the industry because all airline companies felt they could not compete for the best customers without having their own frequent flyer systems.

5. What types of metrics would Delta executives want to see in a digital dashboard? Delta could use throughput and speed efficiency metrics to baseline and benchmark its gate and boarding applications. It could also use usability and customer satisfaction effectiveness metrics to determine the satisfaction in its gate and boarding applications. The dashboard could also contain information on market pulse, customer service, and cost drivers. It should also allow for sensitivity analysis, what-if analysis, and goal-seeking analysis.

6. How could Delta use supply chain management to improve its operations? Airline security is one of the hottest topics today. Delta could use supply chain management to monitor luggage, scan bags, and detect bombs and other hazardous material. It could also create a more efficient and effective supply chain allowing the company to pass these savings onto the customer, while making the company more profitable.