

# United airline service

Business



In today's environment, organizations are viable only if they provide satisfaction to the customer, especially in the service industry. The need of identification, forecasts, analysis, conversion, and integration is a continuous process. This complexity gives rise to a new challenge to the production manager. Increasingly, the process of quality assurance and product design coupled with variety, present unique challenges when applied to services, particularly those termed extended service transactions.

An airline distinctively falls under this category. Therefore, the single “product” is made of physical commodities and services, which are embedded in a distinct consumption experiences. I decided to select the Airline Industry for this analysis, because of its complexity and sophistication. Ideally, the focus will be on the SWOT analysis of the United Airlines (UAL) in the provision of its services. Strengths The strengths give us an overlook of the characteristics that give a company its enhanced competitiveness.

In any market, a recognizable name can be incorporated into a company's mission and vision (Harris, 2006). The name gives UAL a personal touch, creating a focus on personal relationships that it strives to secure with its customers. The biggest advantage that United has over its competitors is that they are “first movers” in taking high security precautions in their aircraft. In November 15, 2001, United Airlines were the first airline to install advanced technological Taser weapon devices in their cockpits. This, in turn, imposed substantial pressure on the Federal Aviation Administration (FAA) for quick action on approvals. The Taser guns are installed in electronic-coded lock boxes and are available to the pilots to defend the cockpit.

The Executive Vice President and CEO of United Airlines illustrated that UAL and its pilots believe Tasers are a vital part in enhancing cockpit security. In essence, Tasers incapacitate the attacker without affecting the operations of the airplane. The second initiative involves security training for all flight attendants on United Airlines. United is also the first to propose and implement such a program in the Airline Industry. It trains flight attendants with skills and knowledge to protect themselves and properly assist customers in a possible attack situation. This was harnessed after the September 11th, when the insecurity level was high (Daft, 2008).

As such, it has enhanced customers' believe in the company operations towards their security. UAL enjoys a strong operational network in the economy. As the company undertakes its operations of more than 4, 000 flights per day, it enhances consumer's reliability and loyalty to the services provided by UAL. Its operation in more than 250 destinations subjects it to increased revenue outlay that is mainly collected from the " Mainline" passengers. This has enhanced the company to be the fourth largest service carrier in the United States. United Airlines appointed Mr.

Genn Tilton as the chair and CEO of the company by the unanimous vote in 2002. The unanimous vote leads us to believe that the company must have an immense trust on the CEO's business skills. The company needs someone, who can efficiently restore its financial status that it had before the attacks of September 11. Mr. Tilton announced the company's efforts to achieve customer satisfaction, safety, and industry leading financial performance.

Mr. Tilton has been the Chairman of the Air Transport Association since 2001, and his experience in the transport sector has not gone unnoticed. United Airlines hopes that Mr. Tilton's new position will allow him to incorporate strategic plans to primarily increase financial status while keeping security and customer service as the primary priority of the company. United Airlines' introduction of two new "Back to Business" fare options for business travelers enhanced consumer satisfaction. These two new options would adhere to business travelers, who are able to book their tickets in advance to their traveling.

Travelers are awarded 50 percent off the original business fare prices, if they order tickets in more than 21 days. Up to 25 percent off is given for a 10-day advance order (Safko, 2010). These tremendously low prices are responsive to the customers' needs and are helpful to help quicken the flow of all businesses. Weaknesses United Airlines direct involvement in the September 11 terrorist attacks is an unavoidable weakness that the corporation must face. The attacks called the entire airline industry to re-design their security measures taken to ensure safety to the customers. United was forced, like many other airlines to cut its workforce.

They cut 20 percent of their workforce, which amounted to 20,000 employees forced to lose their jobs. This was a difficult, yet necessary, decision by the management team of UAL. However, more than a decade down the line, the security system is quite effective, and such terrorist occurrence has been mitigated. The other weakness of UAL is the failure to reach some destinations in the continent. Most of the company's operations concentrate in the earlier defined destinations such as Asia.

Availability of large workforce has rendered the organization to be inefficient if it cannot ultimately increase the number of destinations despite increasing the number of its workers. In addition, UAL's vital weakness is conflicts with the International Association of Machinists Union (IAMU) generating possible strikes in the near future (Safko, 2010). United had trouble with the IAMU due to the possible United-US Airways merger. The merger never occurred due to the government regulations suggesting that the merger could lead to a monopoly in the market. Concerning its competitors, Southwest Airlines has been the strongest competitor for the past years.

The Airline has a strong, competitive advantage in relation to UAL due to the provision of services at lower costs, and a timely flight schedule.

**Opportunities** The value of market opportunity is a key factor, which will shape the strategic plans that UAL intends to implement. The airline industry, being at its lowest point, signifies that any strategic opportunity to gain revenues would be healthy for the corporation. The coming of the Spring Season is a perfect opportunity for UAL Corporation to plan special travel deals or packages. Many people usually plan ahead to travel to warm climates in the spring as well as planning family vacations.

UAL has an opportunity to continue the use of the Internet and their "new ventures" division in congruence with other special package deals to attract a majority of customers. Their "first mover" advantage in its security measures opens much opportunity to gain recognition as the most secure airline in the industry (Harris, 2006). **Threats** The largest threat that UAL faces is the possible strike by the International Association of Machinists Union. A strike such as this could have a devastating implication on the <https://assignbuster.com/united-airline-service/>

operation of the airline industry and the overall economy. The decline in revenues and the vast lay off employees could also cause a possible threat of strike by other UAL employees. The recovery of the financial stability is a key factor in putting these threats to an end.

Southwest Airlines and other small airlines are a possible threat to large airlines like United. Southwest dominated the West Coast Shuttle market over United. If United continues to get defeated by smaller corporations in certain markets, it could slowly lose control in a market in which they once dominated. The continued predictions of loss as the months pass by are a threat. December is predicted to have a significantly greater loss than they have experienced in November.

The final threat to United is possible technology faults. It is a powerful strength that United has implemented new security technologies into their aircraft, but there is always a possibility of faulty equipment and imperfections. Technologically advanced devices mean that United has to take extra precautions by performing continued tests on each device.

Summary Chart of UAL SWOT Analysis