

# Jetblue company history

[Business](#), [Company](#)



## Company History

JetBlue, the John F. Kennedy airport New York-based low-cost carrier, was founded by David Neeleman and began operations in February 2000 (Wynbrandt 121). Described as a cross between Southwest Airlines and Virgin Atlantic, JetBlue provides travelers with an inexpensive, high-quality flying experience. It has been one of the few success stories of the post-9/11 environment. Three years after the business commenced, JetBlue was achieving annual revenues approaching the \$1 billion level (Thomson 42). Neeleman has presided carefully over the construction of a strong corporate brand, hoping to reach a point where it becomes a household name.

JetBlue is not Neeleman's first aviation business. Twenty four years back, he helped establish Morris Air, a low-priced airline like JetBlue that employed the airline field's foremost e-ticketing system (Timmons, Spinelli and Zacharakis 205). After selling Morris Air and a brief stint at Southwest Airlines, he founded Open Skies, which Neeleman later sold to Hewlett-Packard, Inc. It was also during 1999 that the idea of JetBlue was established. The upstart carrier now flies across twenty cities across the United States, and boasts of owning fifty seven Airbus A320 aircraft that are new and in top condition. News has it that JetBlue is in the process of adding more (Wynbrandt 123). The performance of JetBlue financially leaves nothing to be desired. As a relatively new player in the airline business, it has completed a very successful and profitable beginning. This has been no mean feat considering the sea of red ink which is currently engulfing the U. S. airline industry.

## Mission, Objectives and Corporate Values

<https://assignbuster.com/jetblue-company-history/>

JetBlue was established with a mission to “ bring humanity back to air travel” by providing high-quality, low-fare service initially to New York City. Under Neeleman’s direction, JetBlue has profoundly changed the airline industry - and no doubt will continue to do so. JetBlue strongly feels that values gives the impetus for the rest of the business’ activities and are the foundation for the growth of any commercial venture. Management does not attempt to control employees with rules and regulations, but simply to show how its decisions fit with corporate values. In the heart of the company values lie: safety, caring, integrity, fun and passion (Timmons, Spinelli and Zacharakis 205). By focusing on these values, Neeleman has formed a series of phenomenally successful businesses in one of the globe’s most cutthroat industries, introduced innovations that have been tailored worldwide for the industries that used it, and achieved some measures in JetBlue’s mission to “ bring humanity back to air travel”.

### SocialResponsibility

JetBlue vows a commitment to diversity as part of their social responsibility. This responsibility enables them to not only give back to the community, but also allows them to better anticipate, understand and meet the needs of customers. In light of the terrorist attacks which had the world panicking, JetBlue took to its role of assuring society that it is safe to fly. The company makes sure that it utilizes systems intended to tip off the flight crew of probable hijack and other such incidents (Laermer and Prichinello 77). Notices posted on the door of cockpits tell flyers that they may be under videotaped, appeasing worries of privacy infringement.

In order to fulfill their social responsibility, JetBlue believes that they must first fulfill its responsibilities to its employees, so that the latter, in turn, can give back to the community. This JetBlue philosophy endorses goodwill for all stakeholders. It puts forward ground-up ways to complementing the needs, requirements and welfare of stakeholders. This concentration on the needs, requirements and welfare of stakeholders certainly played a huge aspect in JetBlue's productivity and general performance throughout the most demanding and difficult period the airline business has ever witnessed. JetBlue, who is providing the very quality social, environmental and economic returns from their investments, has a highly collaborative workforce culture.

#### Company Policies

JetBlue nurtures a cohesive corporate culture in which all employees are crew members and are showered with stock options. It has organizational features quite different from Southwest Airlines, most notably in its approach to unionization because JetBlue prefers to operate without unions since Neeleman was said to believe that a union-less work environment fosters team spirit. Although JetBlue's intent was to offer pay and benefits packages that meet the industry standard, the firm designed the flight attendant position to encourage people to stay short-term rather than long-term in the job, offering no pay increases associated with seniority. The reason behind this is that the firm does not believe the flight attendant position fit for long-term occupation, just up to five years in duration is enough.

JetBlue also has a policy of maintaining strong relationships despite the above decision to not keep flight attendants for long. After the 9/11 terrorist

<https://assignbuster.com/jetblue-company-history/>

assaults, JetBlue belonged to the very small number of United States airlines that did not lay off employees, despite the dramatic decline in passenger demand that followed. JetBlue has conservative financial policies, enabling it to avoid layoffs and maintain relationships through good times and bad. At the operational level, JetBlue recognizes the need for a boundary spanner to play a central role in coordinating each flight departure, helping to foster communication and relationships across functional boundaries. Its cost control policy which includes not providing meals during flight, also include using point-to-point flights (as opposed to hub-and-spoke), employing reservation staffers that work from home (Christensen, Anthony and Roth 140), booking reservations online, keeping a new fleet of aircraft, flying to smaller airports, using non-union workforce and offering profit sharing and higher wages to keep employees from joining unions.

#### Main Focus and Competitive Strategies

JetBlue's main focus is obviously on satisfying the customer every time they choose to fly with JetBlue. After the terrorist attacks of 2001, reassurance of safety became an increasingly significant customer requirement, and JetBlue tried to act to show that its main focus is on safety and meeting its customers' needs and wants. In order to maintain loyal customers and keep getting new ones to keep coming back every time, JetBlue works hard to be known as the economy airline that tenders lavish facilities usually characterized of first class flying. They want to achieve their mission to provide customers with the best quality flying experience that is matched with highly reasonable ticket prices, and this is what exactly they have been doing.

This not only serves to achieve their mission, it also provides them with the competitive advantage direly needed in such an industry with fierce competition. All aircrafts are new, providing travelers with a clean and quiet ride. Although JetBlue has early bookings at comparable fares to competitors, JetBlue almost always beats the competition for flights booked one or two days before travel dates. All passenger seats are allocated, all travels are without tickets and all prices are one-way. Booking is straightforward and simple, with no games and no bizarre fare structures.

Each aircraft has only one class, and is organized with one hundred sixty two exceptionally comfy all-leather seating that proffers ample legroom. Each seat has a screen at the back for television viewing, and the service comes free of charge (Thomson 41). This is one of the features of JetBlue Airlines most lauded by loyal passengers. Although JetBlue does not serve meals, they allow passengers to carry their own food on board, and many actually do bring food with them. The savings from meal allowance helps largely in paying for all the other features inside every JetBlue aircraft, which also benefits flyers since they are able to eat what they want and how they want it, a complain that other passengers have noted of other airlines which serve stale, unhealthy or tasteless food.

Automation also assists in slashing operating costs, all the while increasing efficiency, which is like hitting two birds in one stone. From the start, no airline has put modern-day technology to work more effectively than JetBlue. When it comes to technology to make their traveler's flight as hassle-free as possible, JetBlue was foremost in making the airport hassle free with its carrying out of a wireless curbside check-in scheme when its those times of

the year when travel is at its peak. The system which was novel in the United States, permits selected JetBlue personnel to check-in flyers, issue boarding passes and check baggage practically anywhere within or the outer terminal. The company knows that queues just append to the strain of flying during those times of the year when travel is at its peak, and this unique system offers a solution to that traveler concern by not only leaving out disturbance and saving time for JetBlue flyers, especially for the late passengers to check in and get inside the plane without delay, it also helps the company by keeping operations running smoothly and on time.

The JetBlue brand appeals to a trans-generational group of customers. Its universal brand message and product appeal to people who are hip and style-conscious and who think of JetBlue along those lines. Yet 65-year-olds like the company and appreciate the friendly service. A common thread among majority of JetBlue loyal passengers is that they write and call the company with ideas for how to paint the jets and improve the product. Neeleman himself takes time out at least once a week to fly in one of his aircrafts just to socialize with passengers and hear out what they have to say about JetBlue's services and how it can be improved. A high proportion of JetBlue customers become loyal patrons because of the strong emotional content of the brand (Wynbrandt 183). They appreciate the humor that JetBlue tries to interject into the increasingly stressful activity of travel. They relate well to Neeleman, who has given the brand a very human touch.

#### WORKS CITED

<https://assignbuster.com/jetblue-company-history/>

Christensen, Clayton, Scott Anthony and Erik Roth. Seeing What's Next. Boston, Massachusetts: HarvardBusiness School Publishing Corporation, 2004.

Laermer, Richard and Michael Prichinello. Full Frontal PR: Getting People Talking About You, Your Business or Your Product. Princeton, New Jersey: Bloomberg Press., 2003.

Thomson, Davis. Blueprint to a Billion. Hoboken, New Jersey: John Wiley & Sons, Inc., 2006.

Timmons, Jeffry, Stephen Spinelli and Andrew Zacharakis. How To Raise Capital. New York: McGraw-Hill Professional Publishing, 2005.

Wynbrandt, James. Flying High: How JetBlue founder and CEO David Neeleman Beats the Competition - Even in the World's Most Turbulent Industry. Hoboken, New Jersey: John Wiley & Sons, Inc., 2004.