

Jetblue capabilities analysis essay



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Capabilities Analysis of JetBlue Airlines JFK Hub The JFK Airport hub in New York City is a tangible physical resource of JetBlue. This hub provides significant size and location capabilities. The airport is a large population center, with 19 million people within the 60-mile radius. The hub is also at the heart of some underserved markets, including upstate New York and the New England region. This resource also has political support from the state government.

This support allowed JetBlue to be exempt from the High Density Rule at JFK, a major barrier to airline operations at the airport. Going beyond the Harvard case, JetBlue has recently built an entirely new terminal at JFK, which provides customers with a differentiating experience. The JFK hub provides significant value to the company with all of these capabilities. However, the hub is by no means rare, or costly to imitate by competitors. Airline Fleet JetBlue's airline fleet is another tangible physical resource of the firm. Unique to JetBlue, their fleet is owned solely by the firm, as opposed to the industry norm of leasing.

Airbus is the main provider of these aircraft, which provides significant capability over Boeing. These advantages include better fuel efficiency, more cabin space, and better cabin technology. The JetBlue fleet of aircraft provides value to the firm. This resource is particularly rare, as JetBlue owns the fleet, and chose Airbus as the manufacturer.

For competitors in the industry, it is not costly to imitate this Airbus resource.

I. T. /Operations The information technology and operations structure of JetBlue is an intangible technology resource. JetBlue is proud of their nearly “

paper-less" operations. A concept they perfected, e-ticketing, provides the customer with a unique and convenient airport experience.

All pilots of JetBlue are provided with laptops to handle flight plans, checklists, and manuals. Along the same lines, fleet efficiency is high due to computerized maintenance logs and tracking. Technology advancements by JetBlue allow the airline to operate with an impressive "30 minute turnaround" per flight. This resource is both valuable and rare to the airline industry in its current form. Because of the high employee costs for unionized competitors, it is also costly to imitate. Human Resource Utilization This resource allows JetBlue to leverage its employee assets in superior ways to please the customer.

The five company values mentioned translate well with the average customer. Custom employee benefit packages, along with high pay relative to the industry, allow JetBlue to retain a top management and operations employee force. These capabilities provide value to the firm, are rare within the airline industry, and very costly to imitate by JetBlue's competitors.

Conclusion These resources provide a short-term competitive advantage with above average returns for JetBlue. However, it is not too costly to imitate some of the mentioned resources.

Competitors of JetBlue will catch up technologically, and the advantage may erode. Prof. Jay Barney would say JetBlue's long-term position based on these resources is "competitive parity."