

The strengths and weaknesses of delta airlines tourism essay

[Environment](#), [Air](#)



Since the establishment of Delta Airlines in 1928, it has played a pivotal role in what the aviation industry is today. Delta airlines can be considered without a doubt one airline that has stayed in business through ups and downs throughout its near 90 years and continues to thrive in the commercial airline industry. Even though Delta Airlines has faced many obstacles throughout its history, Delta Airlines has had many success and triumphs. It is one of the major airlines that have accomplished many things that other airlines has not. One of the major points to Delta Airlines success is its ability “ to serve more than 170 million passengers a year” as stated on Delta Airlines website.

Strengths Of Delta Airlines

Delta Airlines is constructed around many of its strengths such as currently “ being the largest airline in the world today” as stated on the index of Delta airlines Website, but many of its strengths revolve around it being able to fly to 567 worldwide destinations in over 100 different countries. One of the strong points of Delta Airlines being the world’s largest carrier today is having 10 major hubs in all the major cities in the United States. Some cities include New York, Cincinnati, Salt Lake City, Minneapolis, Detroit, as well as major cities in different countries such as Amsterdam, and Tokyo. This is one of the major “ stepping stones” for a U. S. based airline company as it is able to expand to different continents around the globe.

Another strength of Delta Airlines lies in its current fleet of aircrafts that currently consist of 449 airplanes majority of which are Boeing 757-200 series. Other aircrafts at Delta Airlines consist of Boeing 737, 767, 777, MD88

and MD90. Another advantage of using Delta Airlines is that throughout the company's history, to date there has only been "one fatal accident back in 1996" as statistics show on the planecrashinfo.com website. Compared to other airlines history of fatal accidents Delta Airlines rates number 1 due to the fact there has been only one fatal accident and it has over 16 million flights a year.

Being number 1 in passenger customer service alone is just another part that helps to make Delta Airlines what it is today. Passenger service, a clean history of flying, and flying to over 6 different continents around the globe leads to Delta Airlines having one of the highest gross revenue in the airline industry. "The company recorded revenues of \$19,154 million during the financial year ended December 2007, an increase of 9.3% over 2006" as stated on the [companies and markets / delta airlines](http://companiesandmarkets.com/delta-airlines) website. Delta Airlines is one of the only main carriers that expected a drop in profits for the year 2008 yet it was able to still have a higher revenue than other carriers in 2008.

Delta Airlines has also come up with many innovative business moves that has helped it to become one of the most dominating in the airline industry today. Delta Airlines came up with their own private airline within the company on April 15th 2003. Song Airlines was a low cost airline for the lower and middle class people and its main creation was to compete directly with Jetblue Airways. Not only has Song Airlines been a smart move for Delta Airlines but one of the most historic move in the airline industry has been the merger of Delta Airlines and Northwest Airlines. The merger came about as a

way to prevent the growth of airline competition in the industry and also to battle cost of fuel prices. In 2008 after both airlines merged together, "Delta Airlines would have an increased fleet of 800 aircrafts, and 75,000 more employees" as stated by the LATIMES. Com website. Last but not least is Delta Airlines being a part of the Skyteam Alliance. Delta Airlines has an anti-trust immunity and what that mean is it can sharing marketing, pricing and its network with other airline companies within the Skyteam Alliance.

Delta Airlines has a variety of competitive advantages at its arsenal compared to its competitors. Another distinct advantage for Delta Airlines is the scheduling, pricing, and departure as well as arrival times. For example on "CheapoAir. com" website, a round trip to Toronto, Canada would cost \$331.88 with Lan Airlines, \$307 with American airlines, and Delta Airlines would cost \$228.28. Like all carriers, Delta Airlines offers many different flights to many different countries throughout the world, but what gives Delta Airlines another distinct advantage over competition is majority of the time when Delta Airlines is forming its schedule it will either try to depart 15 minutes earlier, or arrive at its destination 15 minutes earlier over its competitors.

There are many significant advantages within Delta Airlines today and some that are a strong point within Delta itself are many long-term advantages over its competition. Delta Airlines has started to offer wi-fi service for in-flight passengers as well as on-board shopping as well as "Delta on Demand" and other features in the economy class flight, for first class passengers it offers the same as economy class but more comfy pillows, and

blankets, free cocktails, and on the more pricey business-elite class it offers flat bed seats as provided on the Delta Airlines website. Another long-term advantage of Delta Airlines is its worldwide route system which Delta is codeshared with many airlines in North America such as Northwest Airlines, Continental Airlines, Alaska Airlines for flights from Seattle to Alaska, Aero-Mexico for trans-border services as well and domestic Mexico services, and Air Jamaica for service for flights between Jamaica and the U. S. Delta Airlines codeshare partners worldwide include Air-France for flights to Paris, Europe, Middle East, and Africa, Alitalia Airlines for service to Europe via Italy, Air-Japan for service via Transpacific such as Japan, and China, Avianca airlines for Colombia domestic services and Czech Airlines for service from Prague to Eastern Europe.

Incorporating the BCG Matrix, Delta Airlines has many so-called “ Stars” within its company for example it’s Worldwide Route System, Pricing, and its current fleet of over 449 different aircrafts, but there are also many other “ Stars” within Delta Airlines such as it has partial ownership in both Orbitz and Worldspan websites when purchasing tickets online and Delta also offers a 3-5% discount for purchasing tickets online and 2% discount for check-in using self service kiosks.

Compare to other airlines Delta airlines is best airlines and also, Delta gives better packages and other requirements. Delta Air Lines, Inc. is the third largest air carrier in the United States and the largest U. S. carrier serving Europe. Its route network serves 317 destinations in 55 countries. Its

domestic network operates around a hub system at airports in Atlanta, Cincinnati, New York, and Salt Lake City. The Delta Shuttle serves business travelers flying between New York City, Boston, and Washington, D. C. (and other continental airlines. The company has a strong network infrastructure enables it to gain access to key market as well as enhance the quality of its delivery services.

However even though delta airlines may seem to many as the dominant airline, there are many flaws within Delta Airlines itself. Some of these flaws are very minor while some affect Delta Airlines drastically. It is safe to say that no airline is without flaws and some of these flaws include high maintenance cost. Some examples of opportunities to Delta Airlines include internal as well as external factors.

The rising fuel price could have a direct impact in the company's margins. Though almost all carriers are expected to post negative earnings in 2009, however it is the most successful low cost carrier in the U. S. has maintained continued profitability for the last 30 years - even during periods of industry downturns mainly due to its strong fuel hedging strategies. Low-cost airlines are expected to get a higher share of revenue in the future, which will see structural changes in the industry and consolidation as a result of competitive pressures.

I think anyone will agree that wherever you are entertainment matters. Think about it...consider the number of movies you've seen, the countless hours of television you've watched, the thousands of songs you've downloaded and

the video games you've played. (" Maria. F. 2008"). The world would be a seriously boring place without entertainment.

I'm not sure how many of you have had a chance to fly on one of our aircraft equipped with the " Delta on Demand" digital entertainment system, but if you have then you know what a huge difference it makes to have a ton of stuff to watch on your own personal screen. We've got satellite TV, movies, HBO, 2, 500 MP3s and games – all on demand (Babb, C. 2007).

Some International flight have long been " cash cows" according to the BCG Matrix, but some have become burdens to be unloaded as quickly as possibly as business travelers cut back, taking with them the high-end fares that subsidize tourist-friendly discounts.

In Delta Airline industry the passenger traffic in largest Asian carrier by revenue, have been battered by a drop in passenger traffic because of the global economic crisis. Almost other airlines have played an immense feat, juggling both the legacy and low-cost carrier segment with unwavering commitment in going through the test of times during the last seven years and especially through 2008. The year 2007 was a year of regaining profitability for the airline industry after the uphill struggle of cutting off redundant infrastructure and going through various mergers and acquisitions and recovering from the post 9/11 downturn in volume of passenger air traffic. The exponential surge in fuel price and present volatility in financial sectors have significantly affected the aerospace industry as a whole. (Zack E). Delta Airline corp. will be able to rationalize and offer efficient services

with gradual freedom to operate in open skies if governments look to deregulation as a way to promote the industry as a whole. The previous drop of 50 percent in airline share prices might just reach their initial levels, post all the merger and infrastructure cutbacks by early 2009.

Delta airline prices of air tickets globally will have come down to initial levels by end of 2008. On a positive note, the Asia Pacific players will not face any loss for 2009 and might even be left with few cents in the pocket. The market will still see reasonable growth in Low Cost Carrier passenger traffic within Asia Pacific and even in the long haul segment.

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Despite the worst economic recession in our lifetime, the fundamental strength of Delta's business allowed us to deliver breakeven results this quarter, excluding fuel hedge losses and special items. These results would not be possible without the hard work of all Delta employees – they are running a great airline while executing a seamless integration in the midst of this very difficult economic environment. “ We remain focused on making disciplined decisions about capacity, costs and capital, achieving merger synergies and finding new sources of revenue.

Delta airlines reported that a \$794 million first-quarter net loss, or \$0.96 per diluted share. Delta cited slower demand for travel brought on by the current recession as reason for the loss. On the cargo side of the business, cargo revenue declined 44 percent or \$146 million during the first quarter. Again reasons for the decrease were attributed to the current global recession,

decline in fuel surcharge revenue, and decreased demand for air cargo services.

Delta travelers have lately been complaining more often about frequent-flier programs, namely the lack of award seats on desirable flights, escalating fees for ostensibly free tickets and quicker expiration dates for miles. Airlines counter that they are giving away more awards than ever, despite generally fuller planes, and that most programs allow members to book any open seat on any flight, albeit in exchange for more. “ We at Delta and as an industry cannot continue to have customers earn a significantly greater number of miles year after year without providing customers some flexibility in ways to use those miles, “ Airlines are also offering more ways for members to use their miles, like bidding for things like Broadway tickets at online auctions, trading miles for merchandise or using a combination of cash and Miles for air travel. (“ Susan S, 2008”)

While most carriers have customarily been tight-lipped about how much they earn from these programs, more details are starting to emerge. United reported revenue of \$800 million last year from selling miles, while Qantas earned \$218 million in the last half of 2007 from mileage sales to third parties. (“ Susan S, 2008”)

These are some very important aspects to keep in mind when you look at the strong points in Delta Airlines as well as the weak points in Delta airlines, but then again there are many other factors that affect Delta Airlines. One

example is threats, such as competition, and the main aspect of supply and demand.

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One threat Delta Airlines faces vs. US Airways on-time departure performance. US Airways has an average of 95% on time departures vs. a 93% from Delta. At arrival performances both are at the same percentage, 94%. US Airways does not exceed Delta's workforce (employees) however, they have close to 32, 151 total employees. US Airways only serves 25 countries and 196 destinations, 41 international and 155 domestic. Their fleet is the closest they get to ours (Delta), they possess 600+ aircraft. Delta surpasses US Airways daily flights by almost 5 times, they only have 3, 043 daily flights. Delta has superior advantage over US Airways, Delta was established on 1924, US Airways was established 1939. " Delta traces its roots back to 1924, when Huff Daland Dusters was founded as the world's first aerial crop dusting organization" (Delta, 2009). We have several airline accidents, through our history. These accidents have resulted in fatal accidents. Is a threat, because whenever a customer looks at our flying history that may incline them to look for another airline. One remarkable accident happened on " August 2nd 1985, flight departed from Fort Lauderdale, Florida bound Los Angeles Int'l airport, the aircraft crashed with only 27 survivors out of the 163 people on board" (Leo Beber, 2009). The factor for this accident as per NTSB (National Transportation Safety Board) was microburst induced wind shear.

One of the ethical threats against US Airways is airline quality and passenger satisfaction. Delta is on the number 10th place and US Airways is on 8th (Airline Quality Rankings, 2008). This means that Delta Airlines is not keeping up with the on-time performance, customer service, baggage handling and/or bumping people around due to overbooking. For this year (2009), Delta airlines only rose its customer service by 6.7 percent, while US Airways rose a 9.3 percent. That is not so good news for Delta airlines, we need to improve our customer service, may be a way of doing so would be giving our Delta representatives weekly training, in order to rise our customer service satisfaction. Customer satisfaction is vital to the administration because if customers are not well satisfied, we will lose customers and that would make a big impact in our economic status.

A major exterior factor that every single airline faces today is terrorism. One of Delta's biggest threats are bomb and hijack threats. This gives Delta Airlines, a disadvantage and bad reputation, Why and how it that? Well, most passengers or for the most part, the public does not know or may think that every airline has its own security. Therefore customers may think our security system is incompatible and unreliable. Truth is, no airline has its own security, airports

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Offer and provide the security system for the whole entire airport. But people may fail to see that or in other cases even get scared on flying with Delta Airlines just because of the terrorist threats Delta has faced throughout its

history. For example; the latest threat was on a flight making its final descent into LAX, Airport in Los Angeles, January '09. Individual was yelling out he had a bomb. Passengers actually tackled the individual immediately without hesitation. At the end guy never really had a bomb, just to show you bomb threat or hijack threats are out of one's hand. The Port Authority of NY & NJ has TSA personnel at La Guardia, JFK and Newark. TSA do screening on luggage, metal detectors for individuals, etc. " checkpoints are operated by Transportation Security Administration, the checkpoints are there to make sure that terrorists can't bring anything aboard the plane that would enable them to take it over or destroy it" (TSA, Travel Assistant-2009) Terrorist threat is a factor that no one has power on stopping it. Only thing we are able on doing is providing with the latest and sophisticated equipment to detect any hazardous threats that put the airport, aircraft and of course passengers life in jeopardy.

Predatory pricing is one of the most competitive threats between airlines and other businesses. There is no specific price rate, due to seasonal flights, due to competitions. Airlines must keep their prices as close as possible to each others. In some cases new airlines may go out of business real quick if senior airlines decide to lower their prices just to keep the customers. When this senior airlines decide to lower their prices than average, one fact is that they losing money just trying to keep customers. Seasonal flights are a very competitive battle between airlines trying to catch as many customers as possible by giving great deal at cheaper prices as possible and as profitable as well. Seasonal flights can also stress an airlines structure due to

competition. The Big Six airlines - United, US Airways, American, Northwest, Continental and Delta — have divided the country into local fiefdoms centered around fortress hubs” (Leah Platt, 2001)

Advertising the airline is a very important thing all airlines must do. From personal opinion, I always see T. V. advertising commercials of Delta Airlines. This is a factor some airlines fail to realize. Delta airlines is very well known thanks to its advertising on TV, radio and internet. Few airlines that are a threat to us just for the fact that they advertise as much as we do (Delta) are Continental, Jet Blue, American Airlines. Those are the most advertised on television. For some reason US airways doesn't advertise as much. This is a threat as well, because if an airline wants customers, it needs to put it out where the public sees it. Other airlines copying over a successful structured airline is a threat. For

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instance, if Delta decides to advertise on TV, radio, internet, newspapers, magazines, put lower prices, offer great deals and the rest of the airlines decides to do the same. That puts us in a spot where we have to improve our current structure. Every day, in newspapers across the country, airlines advertise flights at attractive and competitive prices. “ Every day, in newspapers across the country, airlines advertise flights at attractive and competitive prices” (Public Interest Advocacy Centre, 2003).

Overall, an airline biggest threat is the rising of fuel prices. Delta as well as other airlines, add a surcharge to the base price of the route it's been flown.

In some cases airlines struggle to set a price on a route due to the up and down of the fuel prices. Luckily, as of now (2009) fuel is not as high as previous times. It affects the customers when fuel prices are sky high, because an airline must raise its prices in order to keep the profits. Several airlines offer the same route and one has lower price tickets, like Southwest and Delta. “ Both Southwest and Delta charge \$148 for L. A to Salt Lake route. But US Airways, which like Southwest, is a lower-cost airline, has less invested in the L. A. to Salt Lake route; for this airline, the route is a simple connecting flight, so it doesn’t mind tacking on a \$50 surcharge to its \$148 base price” ... “ Southwest, true to its lower-cost carrier status, doesn’t have a fuel surcharge. Delta often adds a fuel surcharge, but knowing that Los Angeles to Salt Lake is a very competitive nonstop Southwest route, the legacy carrier eschews the surcharge in this instance, to stay competitive” (Rick Seaney, 2008)

Last but not least, no company is without its weakness. Delta Airlines has established its dominance in the aviation industry as one of the best airlines in the world today, but being the best doesn’t necessarily mean Delta Airlines doesn’t have its own drawbacks.

This report examines Delta Air Lines Weaknesses, Inc.’s key business structure and operations, history and products, and it provides summary analysis of key revenue lines and strategy. Use this report to understand the internal and external factors that affect Delta Air Lines, Inc.’s performance in achieving its business goals.

After eighty years of success history , On September 14 2005, Delta files for reorganization under Chapter 11 of the U. S. Bankruptcy Code. Northwest Airlines files for bankruptcy on the same day. After the bankruptcy, Delta spent millions to rebuild morale, flying in many of its 47, 000 employees for a series of events that were equal parts team-building and tent revival. And Delta convinced creditors to cede 15% ownership to employees. “ They saw the importance

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of having the pilots and employees on board to unlocking the synergies of the deal,” says Delta CEO Richard H. Anderson, a board member at the time who got the top job in August 2007. “ It was equally important for the employees to know that we followed through on everything we promised.”

Delta Air Lines plunged into bankruptcy in September 2005, marking the culmination of more than a

decade of management missteps made largely out of hubris. The Southeastern airline allowed itself to go through

many of the stages of decline outlined in Jim Collins’ new book. Its sense of infallibility helped foster an

undisciplined pursuit of practically every new jumbo jet that aircraft manufacturers rolled out, forcing it to fly

large planes even on one-hour routes. Add to that a distinct denial of the increasingly grim realities of the airline

business, exemplified by the errors made earlier this decade by then-Chief Executive Leo F. Mullin. He launched

the trendy Song discount airline, which fizzled amid high costs and stiff competition from JetBlue Airways.

Worse, Mullin negotiated a 2001 labor deal that paid top pilots a record-shattering \$300, 000 a year. “ Management

always had to have the biggest and the best,” recalls a former exec. “ It was the Delta way.”

That strategy helped the Atlanta-based carrier rack up billions in losses, pushing it into bankruptcy. And

management was so slow to accept its humbling fate that one bankruptcy judge told executives: “ I have not heard

anything that I will say remotely impressed me that you have the money, the talent, or the thought that you could

successfully reorganize in this case.” Admits President Ed H. Bastian: “ There were periods when Delta could

have been just 24 hours from disappearing. If the pilots had walked out, I’m not sure we could have pulled

through.”

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Delta’s “ people issues” are best exemplified by a specific person, Leo Mullin, named CEO in 1997. A

highly-publicized executive compensation scandal marred the trust between management and the rank and file.

Delta filed for bankruptcy less than 18 months after he abruptly retired.

Certain actions by Delta have not endeared the company to its employees.

Massive layoffs in 2004 continued

through 2005 and 2006 and have led to messy court actions. Employees and pilots have picketed airports.

Recently the bankruptcy court terminated their pilot defined benefit plan.

Delta also had a highly-publicized

conflict with an employee develop into a court action when they fired flight attendant Ellen Simonetti (aka Queen

of the Sky) who had become a well-known blogger.

Delta has spent a lot of valuable time and resources in answer to low-cost fare competitors in the U. S. such as

JetBlue and Southwest. Like a large 18-wheel truck trying to follow a motorcycle around town, this has been an awkward waste of energy.

- Delta Express was started in 1996. Delta Express was not successful for two reasons. First, the fares were not as low as JetBlue or Southwest, and secondly, there was a perception problem since this was a deviation from Delta's image. Delta President Fred Reid " We really found out that customers want to see something distinctive. We still found that people had this edge of skepticism about it that (Delta Express) was just part of Delta. . . . This is truly different."

- Song followed in 2003. The business model was that it was cheaper to use larger planes if they were full. 757s are cheaper to operate than small planes if all the seats are filled. They upgraded the seats to leather and encouraged the staff to be " friendlier." Passengers had a better experience on Song (the low-cost carrier) than on Delta's main operation.

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- Delta Shuttle was started in 1991 with the purchase of used Pan Am aircraft and continues today. The Delta

Shuttles fly only between limited east-coast city pairs.

- Delta Connections is a current subsidiary. Flights are flown by SkyWest, based out of St. George, Utah using Delta

Connections branded Canada Regional Jets. Their website shows only airplanes in Delta Connections livery. These planes don't allow full-sized carry-on luggage; anything bigger than a laptop computer needs to be checked through the regular baggage claim or checked planeside.

None of these attempts at a low-fare subsidiary have been entirely successful, and have detracted from rather than contributed to Delta's overall success as an airline. Presenting these multiple faces is confusing to the flying public. These repeated attempts to enter the low-fare market detract a significant amount of focus and resources from what Delta does best. In "This Bird Won't Fly," The Travel Insider blog (in 2002 and updated in May 2006) calls this a "Futile

Act of Self-Cannibalism," indicating that the low-cost options have actually been competing against the main Delta service; and may have made its shortcomings more apparent.

The most important part of the progress and survival of an airline's customer service is listening to opinions and complaints from the customers, the

airline can reinforce the weak spots. then reviews a inappropriate customer service ends up the image of the airline publicly.

Some Complaints From Passengers Of Delta Airlines

Sharlyn of Atlanta, GA July 30, 2009, I had a 4 1/2 hour flight from ATL to SFO on a 767 aircraft. I called the flight attendant using the help button on the computer screen to inform her that my overhead light would not come on. The flight attendant told me she would rebut my computer so I could use the overhead light and once she did, the light still did not come on. I told her I needed to use the overhead light to read business materials, etc. for a meeting and throughout the entire flight leaving at 21: 15 pm (EST) to 23: 30 pm (PST), I could not read over my business materials. The flight was not full, yet the flight attendant did not move me to another seat so I could read. I had eye surgery for a retina problem and had to strain my eyes in the dark, because the flight attendant refused to move me. This is very unacceptable considering that I have been a Delta Skymiles member since 1995.

Lindsay of Los Angeles, CA July 20, 2009, We arrived an hour before our flight, checked-in using the self service kiosk, paid for an additional bag, and got in line to drop it off. The line was long and personnel continued to take those who were “ late” and cut them in front of us. I told the stewardess that we ourselves might need to get to the front of the line and were likely later than those she was allowing to cut in front of us. She refused to listen to me and kept me in line. When we arrived at the counter the woman did not want to let us check our bag because it was less than 30min. before the flight. We asked to speak to her supervisor. She moved as slowly as possible and it

took another 10min for her to actually take our bag - which she finally had to do because we had already paid. When we got to the gate the plane was still there but they would not let us on as the gate had "closed". I don't understand how they could hold us in line, and allow other people to cut in front of us because they may miss their flight, not do the same for us, and then not take responsibility when we missed our flight because of this.

Usha of Finksburg, MD July 15, 2009, my husband, daughter and I went to Seoul in June 19th and scheduled to return to Baltimore on June 27th, so my daughter can fly to Chicago on 28th. But when we arrived at Atlanta around 6:40, the flight stood on runway for about 2 hours because of gate issues. We all missed our flight and delta do not have another flight until next morning at 9:00, so my daughter missed her scheduled flight to Chicago and we have to pay full fare for the after noon flight (which was about 250). They gave us a hotel which was so crappy, it stunk.

Nathan of Hof Hacarmel, CA July 10, 2009, I must congratulate Delta airlines for being the first "paperless" fleet I've had the discomfort of flying with. My flight DL87 leaving Tel Aviv, July 2, 2009, had reached a bit more than the halfway point when the hand towels, tissues and TOILET PAPER (!) all ran out in all four toilets. I walked to the rear of the plane and informed the service crew of the problem. They were woken out of the obvious stupor: "Thank you sir for informing us." One of the lovely marched over the toilette area with a hand full of paper towels, and, I assume, inserted them into the correct receptacle. The hygienic for a population of some 250 men, women

and children was despicable and at best reprehensible. We have decided never again to fly Delta.

Less than four years after it was left on life support, Delta is now the picture of health. Thanks to a management overhaul, a rigorous shift towards more profitable international routes, aggres