

# Delta air lines

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Thus every passenger traveling with the airline should discover the "Stubble Experience" which combines value, excellent service, style and innovations. By offering branded snacks, dunking donuts, coffee, more legroom, wider seats and satellite television etc. The customers benefit from a high quality service. Innovations such as tickles flying, one-way fares, touchstones check-in, free live television and flying with the latest aircrafts such as the Embracer 190 regional Jet reflect the airline's aim to create a hip image that differentiates them from their competitors.

Melanin reduces distance within the company by talking to passengers about their experiences and by visiting the employees at their workplace.

Supervisors need to attend the "Jet Blue University", where they are trained by Melanin or Dave Barge, the chief operating officer. All employees are seen as "Creamers" and are highly involved in all business aspects to cultivate a strong team spirit and enthusiasm for the airline. Based on these aspects the "Stubble Experience" is strongly embedded in the company's overall business strategy.

Question 2 When Stubble got bigger, the company faced new challenges in 2005, by dealing with more complex operations and scalability issues. Labor and maintenance costs for older aircrafts increased and with the introduction of the new plane Embracer 190 the airline faced operational problems. Escalated costs for the implementation of the new aircraft-type, delays because of the installation of the in-flight entertainment system and trainings for mechanics and pilots ended in significant operational problems within the company.

Additionally Hurricane Rata, Wilma and Strain led to a decreased demand in their eye revenue regions, petroleum refineries were closed and the fuel costs rose 52 percent, the airline lost \$20 million in that year. As a response to the losses of 2005, Melanin and Barge formulated a recovery plan, which contained a raise of the average fares, a more efficient usage of capacities and extending their services to small and medium cities, where they had less competition. Furthermore they stressed their principle to fly with a delay rather than canceling a flight.

The airline also stated to improve their workforce productivity wrought better trainings, smatter business processes and more extensive use of automation. To control the rising fuel prices the company wanted to implement financial hedging strategies. As a reaction to the operation loss the managers refused bonuses and delayed the purchase of 36 new planes. Enjoyed three successive profitable quarters, with only \$1 million in the red. Question 3 Stubble suffered their worst crisis on February 14, 2007, when a heavysnowstorm reached New York City although the weather forecast stated that the city would not be affected.

Due to the company's principle to avoid cancellations, they kept six airplanes in the gate waiting for better weather and four more arriving aircrafts stuck on the tarmac for up to 10 hours. This led to frustrated passengers, complaining about Stubble in the media. The actual problem besides the storm and the wrong weather forecast was the internal way of handling the operational part within this situation. The communication and coordination

between the employees struggled and Stable's service system was completely overloaded.

The staff on board were not aware of what was happening outside and as they had never handled such a problem before, they didn't know how to handle it. Also the company's principle of not canceling any flights if possible and instead keeping the passengers on the airplanes led to criticism, bad media and unsatisfied customers. Stable reacted to the happening with a public apology and announced that every passenger who was stuck on the plane for more than three hours would get a full refund and a free roundup ticket and to those whose flight has been cancelled a full refund.

They also published a Customer's Bill of Rights which specified the imposition terms. The company could have published a Customer Bill of Rights before the storm happening since such an issue had happened earlier with Northwest airlines and it had led to a lot of bad press and clearly from the way employees reacted it shows that they were not trained to handle such difficult situations which could have been pre-meditated.

Even if the way Stable's management took action, (like when Dave Barge went to JIFF on the day of the storm to take a look at the situation and speak to passengers and crew members, or the fact that David Melanin became the public face of the crisis to give interviews, was a good way of dealing with the situation) the company would have needed someone in the management who was more experienced with handling such circumstances or been in similar situations before.

To better overcome such crisis the staff should have been trained by experienced coaches, that give instructions how to act in such cases. The management should also have clarified the responsibilities of each department to avoid irritations in critical situations. And in order to not get into an emergency situation the company