

## **Flying the (un)friendly skies of United**

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### **ABSTRACT**

This case presents synopses of several incidents involving United Airline's passengers that resulted in perceived negative customer service. Beginning with a heavily publicized situation in early April, 2017 when an elderly passenger was forcibly dragged off an airplane, the case then recounts other situations that either followed or preceded that event. Two questions are then asked to aid students in reflecting on the events described. A discussion of measuring customer service experience satisfaction then follows. The case concludes with some additional questions about how United handled the events and how the company might use measures of service satisfaction as a springboard to modifying some of their procedures.

Key Words – customer service, marketing, United Airlines, publicity, public relations



## INTRODUCTION

There are many people who opine that by and large, airlines based in the USA tend to offer poorer customer service than their counterparts in other countries. One source revealed that American based airlines rarely show up in any “top 10 list” of airlines around the world when it comes to customer service (Huffington Post, 2013). Gary Leff argues that part of the reason is due to cultural differences in performing services and part is due to the unionization of airline personnel in the U.S. He says that “U.S. airlines really do not monitor service performance at the individual employee level (other than dealing with the occasional specific complaint) and do not incentivize good service — both positive (better pay or perks that would lead to job satisfaction) and negative (removing poor performers from customer-facing roles)” (Leff, 2017).

The reason for generally poor airline service may go deeper than that. Airlines long ago found it made economic sense to overbook flights. They realized that some booked passengers would not show up for a flight, leaving the planes with empty seats. Better to maximize their capacity! Airlines also created distinctions between different customers based on their willingness to pay for certain privileges such as first class versus coach. “However, relentless obsession with filling planes to absolute maximum capacity coupled with open and invidious discrimination in the treatment of customers” says Tim Wu (Wu, 2017), has led to the less than humane treatment of passengers.

Customer discrimination may be due to the frequent flyer programs that most airlines offer. Many retailers and service providers in consumer based industries have reward programs that offer differential perks to different customers based on their buying profiles. In most industries, however, customers have other options to choose from so if they feel undervalued at one store, they can simply go to another. The result is that no matter how much those companies might want to snub lower-margin customers, they generally do not have that luxury. With air travel, however, flying choices are far fewer. Airline mergers in the past several years have resulted in a few large airlines with close to monopoly positions in many U.S. markets. The consequence is one of almost arrogance by the airlines who are much more concerned about their most profitable customers who are more likely to be frequent flyers who pay higher fares. The inequality is “enshrined in frequent-flyer programs. They’re not like typical rewards systems, which simply encourage loyalty with discounts. Instead, they create elaborate hierarchies, discriminating between platinum flyers and coach passengers in nearly every step of the air-travel experience, from booking to baggage claim” (Waddell, 2017).

## UNITED AIRLINES CUSTOMER SERVICE

United Airlines used the tag line “Fly the Friendly Skies of United” for many years in attempt to show customers what a warm, cuddly experience they would have by flying United. But several recent events are now painting a different story.

Oscar Nuno, CEO of United Airlines, was not having a month of April 2017. The airline was becoming the butt of jokes, Internet memes, the subject of numerous social media negative commentaries and media analysts who decried the poor handling of situations faced by airline personnel. Although the latest big firestorm to recently become public was the forcible removal of a passenger from a plane on April 9, 2017, it is only one of a series of customer service and publicity missteps taken by the airline both before and after that event.

How will United regain trust by the flying public? At one time, these kinds of incidents may have gotten a brief flurry of news – and then likely only locally – before being quickly relegated to the dustbin. Companies could pretend incidents never happened and mostly ignore public disclosure. Not in today's environment. With about 77% of Americans owning smart phones and 70% using social media (Pew Research Center, 2017), incidents can appear and go viral within a matter of minutes. Brands are increasingly being held accountable. Brands are always subject to scrutiny, being observed and recorded. Nowadays it seems that bad news moves further and faster than does good news. Customer loyalty is no longer derived only from product or service benefits but also by the judgement of the court of public opinion.

When bad news surfaces, firms should be prepared to tackle it head on quickly and decisively. But many firms, including United, are often slow to respond and take corrective action.

## **CUSTOMER SERVICE INCIDENTS**

Dr. David Dao was already on board a full United Express flight ready to fly from Chicago to St. Louis on Sunday, April 9, 2017. Before the flight departed, airline personnel singled out four passengers who needed to deplane to make room for four United Airlines flight personnel who showed up at the last minute and needed to be in St. Louis for a flight the next day. Three of those four passengers reluctantly complied. Dr. Dao, however, held fast saying he had to see patients in St. Louis the next day and would not deplane. The flight crew tried to remove him but finally had to get airport police to come on board and take him off (New York Times, 2017). He was dragged from the plane, suffering numerous injuries including a concussion and two teeth being knocked out (ABC News, 2017). Passengers were horrified and some used their cell phones to video the event See for instance (YouTube, 2017). A United spokesperson first tried to justify the action, indicating that Dr. Dao was politely asked to deplane and it was only after his continual rejection that the police were called in to resolve the situation. Mr. Nuno did not make an apology for two days before coming forth with one along with a claim that United would make some policy changes as a result. The Chicago Tribune reported that Oscar Munoz, commended airline workers after the passenger-dragging incident in an internal letter to employees. The letter reads in part: "Our employees followed established procedures for dealing with situations like this. While I deeply regret this situation arose, I also emphatically stand behind all of you, and I want to commend you for continuing to go above and beyond to ensure we fly right" (Chicago Tribune, 2017).

As horrific as that event was, it has not deterred United from exercising their peculiar type of customer service. A Utah man and his fiancée, Michael Hohl and Amber Maxwell, claimed a U.S. Marshal booted them from an April 15, 2017 Houston flight to their Costa Rica wedding after they changed seats without permission. The couple alleged that they boarded along with friends only to find a napping man sprawled across their assigned seats. Spotting empty seats three rows up, they took those seats. United considers those particular seats to be premium and charges an up-fee to sit in them. A flight attendant told them to return to their assigned seats, which they did but were subsequently told to leave by an air marshal who boarded the plane. The soon-to-be bride and groom agreed to deplane without incident. Hohl reported "they said that we were being disorderly and a hazard to the rest of the flight, to the safety of the other customers" (New York Daily news, 2017).

Not too surprisingly, United offered a different version of the story, saying “these passengers repeatedly attempted to sit in upgraded seating which they did not purchase and they would not follow crew instructions to return to their assigned seats.” The airline added “We’ve been in touch with them and have rebooked them on flights tomorrow.” (New York Daily news, 2017). At the time of this writing, the events remain murky.

On April 11, 2017, just prior to the dragging incident, , Geoff Fearn, president of TriPacific Capital Advisors, an Irvine investment firm that handles more than half a billion dollars in real estate holdings on behalf of public pension funds, boarded a United flight in Hawaii. He had paid \$1000 for a first class ticket to Los Angeles. However, Mr Fearn was then told he would have to deplane because someone with higher priority needed the seat. United personnel threatened to place him with in handcuffs if he did not comply but eventually a compromise was reached by placing Mr. Fearn in a middle seat in coach class. The seat, unfortunately for Mr. Fearn, was between two arguing newlyweds who refused to sit beside each other and apparently continued their disagreement during the flight. He complained in writing to CEO Nuno, asking for a refund of his first class fare and that United make a \$25,000 donation to a charity of Fearn’s choice. Initially the airline refused to do anything but later did refund the difference between first class and coach fare along with a voucher for \$500 towards a future flight. Mr. Fearn expressed doubt that he will use the voucher since that would mean flying again on United (Los Angeles Times, 2017).

Soon after, Maura Furfey reported that her husband and 3-year-old daughter were on a United flight returning to New York from a trip to Mexico on Sunday, April 16, 2017. Another passenger suggested to an airline employee that “the fair-skinned child didn't look like her Mexican father, raising suspicion that he had kidnapped her” (AOL, 2017) The plane taxied to the gate when several officers from the Port Authority and Customs and Border Patrol boarded the plane, approached the man, instructing him to bring his carry-ons and deplane.

Once off the plane, four officers from Port Authority and Customs and Border Protection (CBP) surrounded them, asking questions and upsetting the daughter. The agents asked very detailed questions about the child such as place and circumstances of her birth. Only after Furfey was contacted, verifying details of her husband's story, were they released. Furfey filed a complaint with United Airlines' customer service department. “An agent reportedly responded a few later with an apology and a \$100.00 travel voucher, which Furfey says her family has no plan to ever cash in” (AOL, 2017).

These are just three recent situations where United has been accused of being heavy handed with passengers. It seems, however, to be a pattern. On March 26, 2017, a United Airlines gate agent prevented two teenage girls from boarding a flight from Denver to Minneapolis and required a young girl boarding the same flight to change into a dress. The gate agent decided the leggings the three had on were inappropriate. The incidents were described in a Twitter post by another passenger. Waves of anger soon spread on social media, “with users criticizing what they called an intrusive, sexist policy, but the airline maintained its support for the gate agent’s decision” (New York Times, 2017)

It turns out the teenage girls were what United dubs “pass travelers” who are friends and family of United employees who may fly free on standby; other passengers, of course did not know that and assumed they were regular travelers. An airline spokesperson indicated that “pass travelers ‘are ‘representing’ the company and as such are not allowed to wear Lycra and spandex leggings, tattered or ripped jeans, midriff shirts, flip-flops or any article of clothing that shows their undergarments” (New York Times, 2017).

Another earlier incident apparently happened in 2015 when a former Venezuelan beauty queen, Carmen Maria Montiel, occupied a first class seat aboard a United flight in June 2013 from Houston to Bogota, Colombia. Accompanying her was her husband and their 14-year-old daughter. The couple was in the throes of a bitter divorce at the time. Montiel claims she requested a pillow from flight attendant Samuel Oliver who informed her the airline no longer provided them. Montiel's solution was to prop up blankets and lean her head against her husband to sleep. The husband, unhappy with this, summoned Oliver complaining that Montiel was invading his space. After more arguing, Oliver was again called and the husband claimed she was still bothering him.

Oliver then wrote an incident report, saying it was a warning that she needed to sign. Montiel claims she refused to sign, but did agree to change seats. But when Oliver told Montiel she would have to move to the coach section, she refused. Montiel claims "that Oliver, after huddling with her husband, recruited two heavysset men who handcuffed the 120-pound woman with plastic zip ties, grabbed her by the shoulders and carried her to the rear of the plane, sitting her next to an off-duty Houston cop" (New York Post, 2017).

The saga continues. Flight attendant Oliver complained that he felt "intimidated" and "two months later, Montiel was indicted in federal court on a charge of interference with a flight attendant. During a three-day trial, the captain testified that he did not authorize her removal or arrest. The jury found her not guilty" (New York Post, 2017). Montiel has now filed suit against United in Houston seeking "unspecified damages for mental anguish, malicious prosecution and defamation" (New York Post, 2017).

A somewhat more publicized incident occurred in the spring of 2008 when Canadian singer/songwriter Dave Carroll and his band, the Sons of Maxwell, saw United baggage handlers on the tarmac in Chicago throwing about his Taylor guitar. Maxwell, quoted in (Dunne, 2010), claims that:

I discovered later that the \$3500 guitar was severely damaged. They didn't deny the experience occurred but for nine months the various people I communicated with put the responsibility for dealing with the damage on everyone other than themselves and finally said they would do nothing to compensate me for my loss. So I promised the last person to finally say 'no' to compensation (Ms. Irlweg) that I would write and produce three songs about my experience with United Airlines and make videos for each to be viewed online by anyone in the world .

Mr. Carroll did, in fact make his music videos and posted them online. He also wrote about the experience, which transformed him from country singer to a customer service guru. One version of his song "United Breaks Guitars" can be found here:

<https://www.youtube.com/watch?v=5YGc4zOqozo> and his commentary on the experience here: <http://www.davecarrollmusic.com/united-breaks-guitars-story-and-case-studies/>.

## CASE QUESTIONS PART I

Before reading any further, think about your answer to two questions based on the preceding discussion about passenger experiences with United Airlines:

1. Is there a commonality about behavior exhibited by United Airlines personnel during the customers' experiences described above?
2. Is there a commonality in how United handled the issues immediately following the incidents? Note: additional information may be found through the references cited.

## CUSTOMER SERVICE DETERMINATION

Since services – such as flying on an airline – are intangible, consumers have a difficult time evaluating the quality of the service. Marketing scholars and companies have proposed various ways to gauge service satisfaction. One well known method is the SERVQUAL (Parasuraman, Zeithaml, & Berry, 1988) model. SERVQUAL is a research instrument designed to measure consumers' expectations prior to receiving a service and perceptions of actual service. Five key elements of service quality are identified as follows (UserLike, 2016):

- Reliability – is service provided consistently and accurately?
- Assurance – is the provider knowledgeable and polite, inspiring to create trust and confidence?
- Tangibles – is the physical appearance suggesting a certain quality level?
- Empathy – is the provider genuinely caring and giving personal attention?
- Responsiveness – is the provider willing to offer quick service?

Originally created in 1988, the SERVQUAL approach has been tweaked and modified by some for use in specific contexts. Unsurprisingly, a host of marketing scholars have raised criticism about the model. Nonetheless it remains widely used. Several key performance indicators (KPIs) have similarly been suggested for measuring and tracking levels of customer service satisfaction. These KPIs include items such as overall satisfaction, satisfaction improvement over time, customer retention and average resolution time (Stillwagon, 2015).

Most companies assume that providing a higher level of customer service will pay off in terms of revenue and profit. Many companies actually try to provide customer “delight” by exceeding customer expectations. However, a customer service article in the Harvard Business Review (Dixon, Freeman, & Toman, 2010) argued that companies should quit trying to exceed customer service expectations. Research shows that customers don't particularly reward companies for excellent service but are quick to “punish” poor service. Consequently, costs of exceeding service expectations are high but payoffs are marginal. Rather than using resources to “delight” customers, the authors argue companies should instead make it as easy as possible for customers to have their problems solved. Effort needed to have an issue addressed has the biggest impact on the customer experience. There is an inverse relationship between effort required and the perception of customer service received. The authors propose measuring what they call a Customer Effort Score (CES) instead of satisfaction measures. Lower scores are better. Research by CEB showed “that 96% of the customers with a high effort score were less loyal in the future, compared to only 9% of those with low effort scores” (CEB, 2013).

## CASE QUESTIONS PART II

1. Which of the SERVQUAL dimensions were illustrated in the incidents described?
2. Evaluate those dimensions to determine what United Airlines could have done differently.
3. Is there a common basis underlying the way United Airlines personnel handled each of those situations?
4. What KPIs do you suggest that United use?
5. What actions should United Airlines have taken immediately following those incidents?
6. If you were the CEO of United, what might you do to minimize the reoccurrence of these types of incidents?

7. What recommendations can you make to United to restore customer confidence?
8. What steps might U.S. based airlines, in general, take to improve the public's perception of customer service?

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