A Comparison of airline websites

Hui Zhang

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FORM K
A COMPARISON OF AIRLINE WEBSITES

By

Hui Zhang

A Thesis submitted to the
Faculty of the Department of Hospitality and Service Management
College of Applied Science and Technology
at
Rochester Institute of Technology
in partial fulfillment of the requirements
for the degree
of
Master of Science

May 2001
ABSTRACT

The online travel business is widely expected to be one of the Internet's biggest commerce breakthroughs by the millennium. Airlines have focused their web efforts on reinforcing their relationship with their customers. As the largest airline and the fourth-largest airline in the world respectively, both United Airlines and Northwest Airlines, the leaders of e-commerce in the transportation industry, have established a strong presence at the emerging travel purchase outlets being used by a growing number of airline consumers.

The literature review focuses on the application of Blur's effects (Davis, 1998) on the two and describes their main development in customer service and main operations of current travel agents in providing customers with in-time and whole package service.

Comparison tables illustrate the detailed features of United Airlines' and Northwest Airlines' Websites regarding the ten attributes of an offer.

Overall, the results show that homepage and Internet sales provide the customer conveniences, flexibility and choice. Without question, Internet purchasing, Internet check in, automatic paging, on-board Internet access, new on-line procurement sites, have brought the business-to-business efficiencies that will help organizations contain costs. They are becoming truly interactive places, where customers use information in ways that really add value. The improvements in speed and convenience, including features now available with hand held PDA's, are generating a higher volume of online sales and higher number of repeat
customers. The study shows the new concepts of Internet integration in terms of homepage development in the airline industry. The author believes that airlines should create, establish and apply these new trends to expand their market, keep the niche in the burgeoning e-commerce industry, allow themselves to seize new opportunities in the rapidly developing e-commerce arena, grow, and increase the ability to compete with other rivals in the future.
ACKNOWLEDGEMENTS

This thesis is dedicated to my Mom and Dad for all their strength, encouragement, endurance, commitment, vitality and love. Thanks for always being there when I needed help or someone to listen to my concerns. Thanks for everything you have done for me.

Above all, I want to thank my family, Hao Zheng, Ellen Zhang, Lei Zhang, Peter, and Dennis for their never-ending support, patience, love and for always being there. You made all this possible.

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CHAPTER I
INTRODUCTION AND STATEMENT OF STUDY

Introduction

Of all of the forces driving change, probably the most powerful is the demand for better, faster and more interactive information. "It might be a function of the information age, but it amazes me these days how quickly and neatly complex issues can be labeled and categorized. All of existence has been neatly divided into old economy and new economy," (Goodwin, 2000). The Internet is rapidly becoming an essential tool for electronic commerce and is one of the symbols of the new economy. The following paragraphs describe airlines and show the different components of change.

The online travel business is widely expected to be one of the Internet’s biggest commerce breakthroughs on the new millennium. Airlines have focused their Web efforts on reinforcing their relationship with their most important customers: frequent fliers. There are amazing new technologies that will help us deliver all that substance to the customers in ways that are faster, more convenient, more flexible, and less costly. For example, electronic ticketing has changed the way airline consumers’ travel by eliminating the need to pick-up, carry or change paper tickets. Passengers can change flight times, destinations, even the
name on their ticket when a last minute schedule occurs, right from their computer terminal. In addition, it has removed the hassle of worrying about a lost or forgotten ticket. The February (2000) ticketing statistics showed that nearly 60% of all the tickets used by United customers worldwide were electronic ("United Airlines recognized," 2000).

Any merchant that sets up a virtual shop online can have several important advantages, including unlimited shelf space, 24-hour accessibility, and a global audience. Consumers' sense of time is that they want their products and services any time, whereas the providers have focused more on being able to operate in real time. Today, organizations are looking at that power, what it means for the airline business and where it's taking them.

Doing business with today's empowered customers means sharing control up to, at, and after the moment of truth in ways that have never been considered manageable before. Customers are free to choose the companies with which they will do business. Customers value good service. Therefore, customers will choose to do business with businesses that provide good service.

Without question, customers today are demanding service that gives them choice, independence, convenience, personalization and control. This change is a customer service imperative.

To increase the quality of the online processing for customers, all the major airlines set up their own homepage to match today's customer needs. James Goodwin (2000), Chairman and CEO, United Airlines, Wings Club, remarked "The era of the dot.com airline truly has the potential to bring
our industry back to the top. We have an amazing opportunity to add new muscle and dimension to the service definition. We have new tools to engage customers in some very exciting new ways." He goes on to say that, "Internet purchasing, Internet check in, automatic paging, on-board Internet access, new on-line procurement sites, on the model of the auto industry, will bring the business-to-business efficiencies that will help us contain costs. They are becoming truly interactive places where customers use information in ways that really add value."

"United did $500 million in Internet sales last year. By 2003...we're aiming for 20 percent of total revenue" (Goodwin, 2000). Similarly, Northwest ticket sales through www.nwa.com in 1999 were more than double the 1998 level and accounted for approximately 15 percent of all direct sales (Northwest Airlines Corporation 1999 Annual Report, 1999). The improvements in speed and convenience, including features now available on hand held computers, are generating a higher volume of online sales and high number of repeat customers. Almost all airlines that have gone online aggressively are looking at percentages of revenue from the Web roughly into double digits and rising (Goodwin, 2000).

With revenue estimates ranging from $6-9 billion by 2002, the online travel business is widely expected to be one of the Internet's biggest e-commerce breakthroughs during the new millennium. Online transactions for travel reached $274 million in 1996, according to Jupiter Communications, making it the number two-commerce category behind computer software and hardware sales (Warner, 1998).
As you can observe above, homepage and Internet sales give the customer convenience, flexibility, and choice. Using new technologies, organizations provide unlimited shelf space and 24-hour accessibility to their empowered customer. This is very important for expanding the new market, keeping the niche growing and increasing the ability to compete with other rivals in the future.

**Problem Statement**

Given the depth and speed of change to date identified above, it is important to understand how the airlines would cope with these changes and continue to progress. This list of major questions forms the problem statement.
- What are airlines doing to become more connected?
- How will they serve the customers in the future?
- What new trends do we see in the virtual Internet space that can be useful to a dot.com airline?
- How do these needs convert into useful progress?

**Purpose statement**

Rapid change in e-commerce gives the edge to some companies over others. How will organizations need to change to remain productive? This study will examine United Airlines and Northwest Airlines' current status of real time customer service from their websites. In addition, by using attributes identified by Stan Davis, the study will explore how the future airlines will need to build new concepts.
What customers want is important; they need service must be timely, responsive, secure, consistent, flexible and economy. Figure 1, by examining the diverse service packages of two airlines from their Web page, we can clearly understand that "as the industrial society morphs into the information/network economy there is urgent need for business people to acquire new perspectives and learn to operate with new rules if they want to survive and prosper." Wriston, Walter B. former chairman and CEO, Citibank indicated. (Davis & Meyer, 1998). Recognizing the major airlines' websites and researching the successful online travel titans, the study will discover the discovery of new trends in the airline industry. At the same time, by comparing the attributes which were referenced earlier, the study shows the significance of development in e-commerce in terms of airline Websites. As the industry leaders, United and Northwest will have to focus on improving their online service in order to allow themselves to seize new opportunities in the rapidly developing e-commerce arena. By leading the trends of the airline industry, the Internet provides tremendous potential to find broad sources of innovation. If companies can increase their ability to attract new customers and maintain customer loyalty into the future, they can consistently learn from their competitors and at the same time, build new strategies and establish the new ideas. How companies can become unique is the key issue for their organizations to remain outstanding and to survive and prosper in the competitive market. Figure 1 demonstrates the purpose of the study in graphic form.
Figure 1: Research Model

Problem:
Rapid change in E-commerce gives an edge to some companies over others

10 attributes of an offer

How will organization need to change to remain productive?

Current status of two airlines in real time

Authors believes vision built on 10 attributes for a virtual airline

Detailed comparison of each airlines and progress toward future 10 attributes

Result:
Future airlines need new concepts
By comparing two airlines' websites by using the system matrix, this study will demonstrate to figure out what are each airlines unique features and how they work to satisfy the customers' demands. The study will analyze the website attributes that will provide value to both customers and airlines to determine the new trends in the future.

**Major questions**

The following questions will support the investigation of the research questions.

- What do customers really want?
- What kinds of service issues do airlines encounter by using technology Website-high tools?
- Why have these services become more important?
- What do the airlines do to provide improved service?
- What is unique about either United Airline or Northwest Airlines?
- What new trends for the future that will provide value to both customers and airlines?

**Literature review**

This brief section provides some background about the two airlines used in this study.

**United Airlines**
United Airlines is the largest majority employee-owned company, and the largest airline in the world, offering 2,382 flights a day to 138 destinations in 26 countries and two U.S. territories. United also is an industry innovator with breakthroughs such as the functionality found on www.ual.com, its Orion yield management program, Mobile Chariots, Airport Gate Readers, Economy Plus seating, United Shuttle, and the introduction of the technologically advanced Boeing 777. ("United Airlines Recognized," 2000)

As it flies into the new millennium, United continues to lead commercial aviation. Shuttle by United, launched in 1994, competes successfully against a new wave of low-cost carriers. The Star Alliance global partnership United formed in 1997 with four international carriers continues to grow and expand United's reach. United also focuses on improving its service by developing a new Customer Satisfaction Philosophy for employees. For the first time since 1965, the company has departed from its familiar "friendly skies" advertising slogan, replacing friendly skies with the word "Rising." (Soaring Through History, 2000)

**Northwest Airlines**

Northwest Airlines is the world's fourth largest airline and is engaged principally in the commercial transportation of passengers and cargo. Northwest Airlines began operations in 1926 and is America's oldest carrier with continuous name identification. Northwest Airlines operates substantial domestic and international route networks and directly serves more than 150 cities in 21 countries on the continents of North America, Asia and

The following are the attributes of reference as noted in Stan Davis and Chris Meyer's book BLUR.

**The 10 Attributes of an offer**

In the book, the authors point out the 10 attributes of an offer. As the industrial society morphs into the information/network economy, there is an urgent need for business people to acquire new perspectives and learn to operate with new rules if they want to survive and prosper ((Davis & Meyer, 1998, Cover).

**TABLE 1: Attributes of Blurred Offers** (Davis & Meyer, 1998, P.13)

<table>
<thead>
<tr>
<th>Speed</th>
<th>Connection</th>
<th>Intangible</th>
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<tr>
<td>Anytime Customer</td>
<td>Online Interactive</td>
<td>Organization learn</td>
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<tr>
<td>Access and</td>
<td>Anyplace Customer Access and</td>
<td>Organization</td>
</tr>
<tr>
<td>Response Real-time</td>
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<td>Anticipate</td>
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<table>
<thead>
<tr>
<th>Operation</th>
<th>Response</th>
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<td></td>
<td>Organization</td>
</tr>
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<td></td>
<td>Upgrade</td>
</tr>
</tbody>
</table>

**Significance of the study**

From this study, the reader can see the immediate short-term results and also understand the validity of the conclusion:

1. Make traveling easier for passengers:
   
   United Airlines added quick-search features that allow people to check schedules and flight information right from its homepage.

2. Give customers more choices:
   
   View schedules, compare fares among 500 airlines, and purchase travel under this section. Passengers can request and upgrade, redeem award miles for free travel or update their profile. This category contains all of the functionality of the former reservations section.

   United offers discount fares at ual.com for last minute travel to selected cities around the world. To receive weekly email notification of E-Fares and other fare specials, passengers complete a user profile after they login to its reservations system with their Mileage Plus number and password.
3. Get customer feedback real-time in order to improve service consistently:
   If customers can't find the information they need or have a special request, they can contact the airline directly by email. Contacting United allows passengers to evaluate the airline's customer service and realize customer control anytime and anywhere.

4. Database development:
   Using the Internet, airlines established their customer's database which include detailed information. The database can be mined for profiles of customers' buying habits, and these present opportunities for developing new services. At the same time, airlines have the opportunity to establish a lifetime relationship, with the potential for creating new or modified services for future purchase. To enhancing and consolidate relationships with frequent flyers, who are the most profitable for the airline, the airlines bundled with them together in the blurred direction.

5. Reduce the cost on human capital:
   Customers can serve themselves by using the Internet, so fewer airline employees will be needed to work at the ticket counter or airport check-in counter. In addition, airlines will benefit by direct ticket selling as it reduces the cost of paying the travel agency.

6. Enhance the relationship with premier passengers
When customers fly 25,000 paid miles or 30 paid segments on United Airlines in a calendar year, they attain Premier membership in the United Airlines Mileage Plus program.

Premier status entitles them to an enhanced level of service and a number of exclusive rewards, including mileage bonuses and Star Alliance Silver benefits. As Premier members, they are entitled to special privileges that may include complimentary or discount upgrades. Premier members enjoy priority check-in, boarding, and seating privileges. United Airlines is also upgrading its network to business class as part of an ambitious effort to improve customer service.

7. Increase market value and revenue:

Web site sales at United recently reached an all-time high of $2.7 million in one day, more than doubling the figure of just six months ago. Over 25% of United online users are Premier level or higher in United Mileage Plus frequent flyer program, a figure the airline attributes to its robust online reservations system and attractive features for frequent fliers. Visitors to the ual.com site topped 3.4 million in February. (United Airlines - New Web site wins top industry honors, 2000)

**Long range consequences**

At the same time, by examine the two airlines' web pages and exploring customer service, the study display that not only short-term benefits be produced, but also long-term
consequences will be realized by intangible values. These are:

1. Help leaders see a huge perspective, vision and value, and therefore create new strategies to profit from these revolutionary patterns of business.

2. Create tangible and intangible potential values. Example as cited below.

Revamped sites offers faster access to the most popular features. Users can now research fares and schedules, check up-to-the-minute flight information, and access Mileage Plus account information directly from the homepage, reducing the number of clicks required to accomplish the most popular tasks. All functions have also been reorganized into a few major categories on the home page to make it easy to find the desired page or section.

Ual.com gives consumers the ability to purchase travel with over 500 airlines, book reservations with 45 rental car companies and 30,000 hotels worldwide, take advantage of discount travel offered through weekly and seasonal E-Fare posted on the site, and register for the new flight paging service for digital notification of gate information, delays and cancellations on United Airlines-operated flights. In addition, United frequent flyers can use the site to track Mileage Plus account information, request upgrades and redeem miles for award travel online.

For example, intangible values are created and include --services, information, service component of products and emotions. Airlines expand their service by using the Internet to produce anytime and anyplace.
3. Expand marketing and increase the ability for competition:

Today's electronic connectivity allows the same simple strategy to work for everybody. Customers must be able to connect with the airline and the airline's offers as easily and freely as the Coke drinker can pick up a Coke. Who will be the new customer in the following decades? Most of them will be the young generation. Almost everyone uses a computer and the Internet in the office or at home. On line service is going to be the main access to new customers. Nevertheless, if airlines do not prepare their inventory of offerings for the Internet, they won't be able to compete with their competitors in the intensive market place.

**Thesis format**

To help the reader see ahead, Chapter two will provide more detailed information about Untied Airlines and Northwest Airlines. In addition, this study will describe Davis and Meyer's attributes and demonstrates new effects that can be produced in the business world.

Chapter three will analyzes two airlines homepages and their customer service which provided through their websites. It will compare their customer service with the 10 attributes and examine whether items provided on the website match customer needs and create a new concept for the future.

In Chapter four, the conclusion and recommendation, will include the long-term consequences and short-term significance of the study, and describe who can benefit from the research.
CHAPTER II
THE LITERATURE REVIEW

This study shows how Davis’s ten attributes of an offer describe primary features found in today’s business environment. Both United and Northwest are striving to achieve their goals, which are to provide all of their customers with reliable and convenient air service, through the use of industry-leading technology. To keep their leading position the airline industry in the future, they must develop a new technology development strategy. Big travel agents use Web pages on the Internet and enable people to check airline availability, book, and buy air tickets. Travelers have choices; by time, price, airline, on-time performance, the fewest numbers of connections, select a business, coach or first class seat; and specify an aisle or window seat. Also available is an opportunity to choose in-flight meals, enter frequent flyer numbers to ensure they gain mileage awards, and enter other requests or special needs. From an auction site to an Internet-based distribution network of lodging, these travel agencies are finding their own niche to compete with the airlines.

In this chapter, Davis’s blur’s effects are used to define the business trend in the travel industry. The introduction and the business strategies of the leading airline companies will be reviewed to show the main characteristics of the current airline industry and its development trend. Finally, the main attributes the travel
agents' Web sites are also explained to reveal today's methods of satisfying customers' needs.

These topics include:

1) The application of Blur's effects on current airline business using examples of an information/network economy.

2) A brief introduction of United Airlines' and Northwest Airlines' corporate profiles and histories. Their current strategies in using Internet technology and main development in customer service.

3) The effect of leading travel websites established together by main airline companies.

4) Combination of major airline companies' and travel agents' websites.

5) Current operations of travel agents to provide customers with on-time and whole package service.

**Attributes of Blurred Offers**

Stan Davis states in his book, *Future Perfect*, "you begin to make time, space, and mass intrinsic to how you think about your business." "With regard to market space, new distribution channels have opened up entirely new markets. Mail-order catalogs and home-shopping television networks have created major new markets. As we move increasingly into an age of electronic commerce, our entire sense of market space will shift once again." The consumer's sense of time is that they want their products and services any time, whereas the providers have focused more on being able to operate in real time.
Like Stan Davis and Christopher Meyer in their book **BLUR** said: "An economy is the way people use resources to fulfill their desires. The specific ways they do this have changed several times through history, and are shifting yet again - this time driven by three forces - Connectivity, Speed, and the growth of intangible value." (Davis, & Meyer, 1998, P. 2)

"**Speed**: Every aspect of business and the connected organization operates and changes in real time."

"**Connectivity**: everything is becoming electronically connected to everything else: products, people, companies, countries, everything."

"**Intangibles**: Every offer has both tangible and intangible economic value. The intangible is growing faster." (Davis, & Meyer, 1998, Pg.5)

No product without service, no service without product. The difference between products and services blurs to the point that the distinction is a trap. Winners provide an offer that is both product and service simultaneously (Davis, & Meyer, 1998, Pg.19). Let’s take a further look at all these attributes, keeping in mind that the most essential feature of all offers is that they are connected (Davis, & Meyer, 1998, Pg.31).

**Anytime**

Accessibility by users at any time of day is becoming a must have for offers of all kinds. The spectacular growth of the mail-order industry - and on its heels, electronic commerce - can be attributed largely to the public’s hunger for anytime shopping. As more homes have both heads of
family in the workplace, the demand for off-hours access to goods and services has risen - and with it, the expectation of “24/7” 800-number service (Davis, & Meyer, 1998, Pg.31).

**Real Time**

This need for Speed of response in today’s business environment puts a premium on systems that can operate in “real time.” Rather than acting on historical experience or expectations about the future, these systems capture the reality of what’s happening now, and function “on the fly.” This capability has been an incredible boon to marketers, who otherwise must rely on traditional, asynchronous marketing research (Davis, & Meyer, 1998, Pg.32).

**Online**

The key to capitalizing on the pervasive connectivity of the BLUR economy is to put your offer online. This keeps it connected all the time to real-time information (Davis, & Meyer, 1998, Pg.32).

**Interactive**

Another great benefit of online systems that eliminate the middle person-travel agent, bank teller, and stockbroker - is that they can easily be made interactive. Think of your favorite Web site. The ability it gives you to view information selectively, pick different pathways, ask and get answers to all kinds of queries is a big part of its appeal. Today, the site is highly interactive. Customers can
look up recordings by composer, name, style, artist, label, or other criteria (Davis, & Meyer, 1998, P. 33).

**Anyplace**

Hand in hand with anytime access goes anyplace access; this is the other half of the mail-order boom. Overworked shoppers love that they can order everything from a comfortable chair in their living room - or from an airborne phone 31,000 feet above ground. Of course, the telephone, and now the net, makes everywhere access possible for Intangibles, and for many of the service aspects of almost all offers. The trick is being able to service anyplace access effectively - anytime (Davis, & Meyer, 1998, Pg.34).

**Learning**

Offers really start to get interesting when they make it possible to learn; that is, when they can not only capture information about their use, but make adjustments or initiate action in line with that new information. Learning will become an even more prevalent feature of purchasing plastic as more smart cards come online. One species of smart cards is essentially a debit card capable of housing a great deal of information about its holder. Each time a smart card is inserted into a retailer's terminal, the machine collects data about the buyer and his purchases. Inevitably, if customers don't push back, the banks that issue these cards will start to sell the information the chips collect. This, in turn, will put many
other offers on the learning curve (Davis, & Meyer, 1998, Pg.35).

**Anticipating**

Once offers have the ability to learn, it's just a short step to give them something even more blurred: the ability to anticipate. Offers that anticipate can extrapolate from the patterns they've been able to observe, prepare for, and sometimes even suggest, what should probably come next. MyYahoo!, meanwhile, offers personalized recommendations of Web sites based on users' preferences and makes it possible for those users to meet other people with similar tastes and interests. In short, it has productized editorial service (Davis, & Meyer, 1998, Pg.36).

**Filtering**

A special form of customization is the filtering of the wide range of information and choices that increasingly confront users. Filtering is critical in many situations, though probably never more so than for jet fighter pilots. Given the speed and complexity of these aircraft, no pilot can deal with the torrent of incoming information in real time. Instead, smart systems help to filter out the "noise"-or extraneous, will keep until later information-in the data, and release only that which is relevant to what the pilot is trying to do: survive (Davis, & Meyer, 1998, Pg.37).
Customizing

Customization is a major theme running through the offers cited so far, whether they involve computers, jeans, or books. Customization is a BLUR phenomenon, and it is taking over. Soon it will be unheard of to market anything as “one size fits all” (Davis, & Meyer, 1998, Pg.38).

Upgrading

One distinctive feature of software products is the constant stream of upgrades they spawn. Once you’ve bought a program, it isn’t necessary to make a whole new purchase when its functionality is improved. The upgrade is offered at incremental cost, representing perhaps 20 percent of the original (Davis, & Meyer, 1998, Pg.38).

In summary, all offers in the marketplace should have all 10 capabilities. As the examples demonstrated, the future of airline web site systems may have a lot of room to advance. As you read through the next sections about United and Northwest, think about and compare these attributes above with current practice at each airline.

About United

Corporate Profile

UAL Corporation is the holding company for United Airlines, the largest air carrier in the world. With hubs in Chicago, Denver, Los Angeles, San Francisco and
Washington, D.C., and key international gateways in Tokyo. London, Frankfurt, Miami and Toronto, United flies to some 135 destinations in 26 countries. United's 100,000-plus employees worldwide bring people together safely, conveniently and efficiently more than 2,200 times a day. United Airlines' customers also enjoy access to more than 792 destinations around the world through Star Alliance, the leading global airline network.

United is an industry innovator with customer-service breakthroughs such as Economy PlusSM seating, the United First SuiteSM, United CommitmentSM, E-TicketSM service, airport gate readers, The ChariotSM mobile airport podium, United Shuttle, and the introduction of the technologically advanced Boeing 777. United's Mileage Plus program, with more than 38 million enrolled members, has been named the best frequent flyer program by Business Traveler International magazine in 1996, 1997, 1998 and 1999.

United also leads the way in safety and technological advancements for the aviation industry (Overview-Corporate Profile, 2000).

**History**

United Airlines has a rich history of community support that goes back nearly 70 years.

Entrepreneur Walter T. Varney launched his "air mail" operation April 6, 1926, marking the birth of commercial aviation in the United States. Because Varney was a predecessor of United, it also marked the birth of the airline.
As aviation matured, airlines, aircraft manufacturers and airport operators merged into giant corporations. With William A. Patterson at the helm, United, now an independent air transport corporation, charted an ambitious course for the future.

After the World War II, the post-war economic boom that swept the United States included a strong demand for air travel. President William A. Patterson responded by expanding United's workforce, acquiring new routes and purchasing United's first jet aircraft. This strategy solidified United's industry leadership and positioned it to become the world's largest commercial airline.

After leading United through 29 years of growth, President William A. Patterson moved into the chairman's office in 1963. United's new president, George Keck, continued the company's momentum by acquiring second-generation jetliners and seeking United's first trans-Pacific route beyond Hawaii. In late 1968, Keck also formed UAL, Inc., a holding company that would allow United to diversify.

United's fortunes changed in 1970 when the company posted a loss of $46 million just two years after making record profits. The company ran through a string of six presidents between 1970 and 1989, and changed its name twice as it continued its corporate expansion until forced to divest and return to its core airline business in 1987. It was a period of major hurdles for the airline's senior management team, which faced its biggest challenge when the industry was deregulated in 1978.
As the 20th century drew to a close, United redefined itself. Now operating in a deregulated environment, the company inaugurated service to Europe and South America and expanded its number of Pacific Rim destinations. United also adopted a new livery and logo befitting a global airline. Most importantly, United established its Employee Stock Ownership Plan, creating the world's largest majority employee-owned company in the world.

As it flies into the new millennium, United continues to lead commercial aviation. Shuttle by United, launched in 1994, competes successfully against a new wave of low-cost carriers. The Star Alliance global partnership United formed in 1997 with four international carriers continues to grow and expand United's reach. United focuses on improving its service by developing a new Customer Satisfaction Philosophy for employees. For the first time since 1965, the company departs from its familiar "friendly skies" advertising slogan, replacing it with the word "Rising". ("The History of," 2000)

**United Airlines to Create E-Commerce**

United Airlines unveiled plans to launch an e-commerce subsidiary dedicated to maximizing the sale of travel products over the Internet and Internet enabled-devices.

The new company will also create United's first online sales organization that will be charged with managing the carrier's many partnerships and relationships with new and existing online travel sites, as well as generating additional online revenues. The new company will be responsible for United's Internet and wireless initiatives.
The planned subsidiary will help United better compete in the burgeoning e-commerce industry through dedicated management and staff. Resources will be focused on integrated e-commerce opportunities that enhance the company's online revenues.

The organization will allow United to seize new opportunities in the rapidly developing e-commerce arena. The new team, made up of experienced professionals from United's e-commerce technology and business teams, will allow the airline to better serve the growing number of consumers who are taking advantage of new ways of buying travel.

United, an e-commerce leader in the transportation industry, has established a strong presence at the emerging travel purchase outlets being used by a growing number of airline consumers. The new company will be responsible for strategies and development in a number of key areas including:

1. United's Web site, www.ual.com. The site was launched in 1997 and was the first airline Web site to offer the ability to easily book travel on over 500 airlines, 30,000 hotels and 50 car rental companies. Since that time, ual.com has added customer-focused functionality that allows customers to easily redeem and book their frequent flyer award travel and check real-time flight information.

2. United's Internet partnership strategy. The airline has entered into innovative relationships with sites such as star-alliance.com and collegetravelnetwork.com.
United is creating new sites such as the BuyTravel.com Web site (in conjunction with Buy.com), and an independent Web site with Delta, Northwest and Continental that will provide customers with a new standard in customer convenience and access to Internet specials from multiple airlines.

3. Wireless technology. In May, United was the first airline to announce it would offer customers real time flight information through the use of the Palm Pilot VII hand-held device ("United Airlines to Create," 2000).

**Launch Industry-Leading Travel Web Site**

Airlines will offer a new full-service travel portal. United Airlines, Delta Air Lines, Northwest Airlines and Continental Airlines announced their partnership in a new independently owned travel Web site. The new site, the first multi-airline travel portal, will provide customers with convenient online access to airline, hotel, car rental and other travel services in addition to Internet offers.

Using innovative search capabilities, customers will be able to use the site to find comprehensive travel information on many of the world's most popular travel products. Price-conscious customers for example, will be able to use a special price search feature to locate products suiting their budget needs; customers concerned with convenience will use a special flight schedule search engine.
The new site will provide access to the carriers' online products, and the airlines believe it will offer the most comprehensive selection of online airfares and other travel information available anywhere on the World Wide Web. The site will feature published fares from virtually all carriers worldwide and will welcome the posting of Internet fares from other carriers as well.

In addition to booking travel on airlines, the new site will also partner with hotels, car rental companies, cruise lines and other travel partners to help consumers build an entire travel experience at just one site. Customers will be offered unique travel packages through the combined product offerings of partners.

Customers using the new site will also have access to real-time departure and arrival information from each of the participating airlines.

United Airlines is the largest majority employee-owned company and the largest airline in the world, offering 2,416 flights a day to 135 destinations in 27 countries and two U.S. territories. United also is an industry innovator with breakthroughs such as E-Ticket Service, United Connection, Airport Gate Readers, United Shuttle, and the introduction of the technologically advanced Boeing 777. United Airlines' Internet address is www.ual.com.

Delta, named "Airline of the Year" by Air Transport World magazine and "Best-Managed Major Airline" for 1999 by Aviation Week & Space Technology magazine, is the world's most flown carrier. More than 105 million passengers traveled on Delta in 1998. Delta, Delta Express, the Delta
Shuttle, the Delta Connection carriers and Delta's Worldwide Partners operate 5,266 flights each day to 357 cities in 59 countries. Delta Air Lines' Web site is www.delta-air.com.

Northwest Airlines is the fourth largest airline in the world with 52,000 employees and 1,700 flights daily. Together with its global travel partners, Northwest serves more than 500 cities in nearly 100 countries on 6 continents. Northwest's award-winning Web site is located at www.nwa.com.

Continental Airlines is the fifth largest airline in the U.S., offering more than 2,100 departures daily to 129 domestic and 85 international destinations. Operating major hubs in Newark, Houston and Cleveland, Continental has extensive service throughout the Americas, and to Europe and Asia. Continental's award-winning Web site is www.continentl.com ("United, Delta, Northwest and Continental Announce," 1999).

**Launch Joint Venture to Create BuyTravel.com**

United Airlines and Buy.com, a leading Internet retailer and E-commerce website, jointly announced that they have signed a strategic agreement to create a comprehensive online travel store. The new site, BuyTravel.com, will sell travel on all major airlines, as well as hotels, car rentals and cruises via the World Wide Web. In addition to its full-service offerings, BuyTravel.com will feature United Airlines' E-Fares, deeply discounted fares that are currently not widely available from other third party websites.
BuyTravel.com will provide customers with an online one-stop shop where they can obtain travel information, book reservations and purchase airline tickets on United Airlines and other carriers. BuyTravel.com will offer consumers all the benefits of a full-service online travel agency from the convenience of their desktop. United Airlines' E-Fares will provide customers who are flexible with their travel plans with a convenient cost-saving alternative to booking airline flights. By using the new BuyTravel.com site, customers will be able to easily and safely purchase a variety of tickets ranging from leisure getaways to business trips utilizing the proven e-commerce technology of both United Airlines and Buy.com.

Founded in October 1996, Buy.com offers consumers a range of computing and entertainment products, as well as an effective advertising medium for vendors. The company's objective is to become the leading e-commerce portal featuring the largest selection of product at guaranteed low prices and to provide customers additional value through convenience, quality customer service and a commitment to excellence ("United Airlines and Buy.com Launch," 1999).

**United Commitment**

United CommitmentSM is a sincere promise to customers that each day, in the air and on the ground, United will strive to provide them with the respect, courtesy, fairness and honesty that they both expect and deserve from United Airlines. The following are highlights of United's key policies and implementation plans for customer service commitments.
1. Offer the lowest fare available: (online)

At United, they believe that the process of purchasing a fare should be clear and fair. Customers will have the assurance that the fare quoted is the lowest eligible fare. Customers can also check fares on United's web site, which publishes available fares from other carriers as well.

2. Notify customers of known delays, cancellations and diversions: (real time)

Reliability is important to customers and also to United. At United, they are committed to operating the airline on time, and they have a number of initiatives in place to improve on-time performance. United also is committed to keeping customers informed during every step of their travel experience. United Commitment provides customers with the best available information regarding known delays, cancellations and diversions affecting their flight.

United is the only carrier with these battery-powered remote workstations that are specially designed to harness high-tech solutions to resolve customer problems at the airport, particularly during irregular flight operations. With Mobile Chariots, customer service representatives can quickly set up a fully functioning workstation anywhere in the airport to perform check-in procedures, issue tickets, boarding passes and bag tags, and re-accommodate customers.

3. Provide on-time baggage delivery

United is renewing its commitment to the prompt and efficient handling of customers' baggage. For the times when
baggage doesn’t arrive when it should, United is augmenting its handling procedures to ensure the prompt delivery of customers’ baggage. In cases where a bag is misplaced, United will make every reasonable effort to return customers’ checked baggage within 24 hours in the United States. United will deploy more than 600 additional state-of-the-art baggage scanners so it can more accurately track bag transfer information between airports. These scanners allow United to provide customers with immediate and accurate information on the status of their baggage and allow for improved on-time performance.

4. Support an increase in the baggage liability limit

5. Allow reservations to be held or cancelled: (online)

United Commitment will allow customers who purchase a ticket by telephone through United Reservations the opportunity to check for lower fare alternatives and receive a refund if they change their plans within 24 hours of initial ticketing. United is committed to providing customers with the most economical fares in the marketplace.

6. Provide prompt ticket refunds:

As part of United Commitment, they will issue refunds within seven business days for credit card purchases and within 20 business days for cash purchases in any instance in which refunds are appropriate. As part of their continuing commitment to provide customer service improvements, customers will have a toll-free number to contact the refund department either by speaking to a representative or by using a voice response system.
7. Properly accommodate disabled and special-needs customers: (customizing)

United believes that air travel should be safe and available to every customer. United is committed to meeting the travel needs of all customers and providing them with the care and respect they deserve. To reinforce their commitment to service quality for special-needs customers, United Commitment creates new ways in which they can provide customers with their policies and procedures for special-needs travel.

8. Meet customers’ essential needs during long on-aircraft delays:

As part of United Commitment, they will develop and implement detailed plans with all airports to address the essential needs of customers during extended off-gate delays resulting from irregular operations. To keep customers informed during lengthy delays, they will create an automatic computer prompt that reminds the flight crew to update the station on the status of the flight, aircraft, provisions and customer requirements.

9. Handle bumped customers with fairness and consistency:

It is United’s goal to have exactly as many customers as they have seats on each flight. It helps United keep service viable and fares reasonable. As part of United Commitment, employees can advise customers who inquire if the flight they are ticketed on is overbooked. United Commitment also provides customers, upon request, with
information cards that advise them of policies and procedures, such as check-in deadlines.

10. Disclose travel itinerary, cancellation policies, frequent flyer rules and aircraft configuration:

    United Commitment will disclose a wide range of information to customers in new and better ways:

1) If their travel involves a change of planes, United will share that information with them when they make their reservation, on printed travel itineraries and at check-in. (Online)

2) United will provide information on printed itineraries and on ticket wallets about cancellation policies if customers don't use all segments of their purchased flight.

3) United will share with customers the up-to-date guidelines of frequent flyer program and will provide an annual report on mileage redemption to active members or any customer who requests it.

4) When customers ask about aircraft, United employees will provide them information regarding aircraft configuration, including seat size and pitch (Online).

11. Ensure good customer service from code-share partners:

    Because United's goal is to provide consistent service throughout United's system, they have secured commitments from U.S. code-share partners to develop their own customer service plans to address the key provisions of United Commitment.
12. Be more responsive to customer complaints: (learning)

United Commitment charges Customer Relations division with responding to customers' inquiries or comments within 60 days. Starting in early 2000, United is introducing a toll-free telephone number to contact the Customer Relations department. In addition to offering customers an e-mail and mailing address, United also will publish contact information in Hemispheres magazine, on their web site and in System Timetables (Our united commitment, 2000)

Overall, United's Web site offers the ability to book ticket easily, view schedules, compare fares among 500 airlines, purchase travel in real time, change reservation, offer customers information of real time flight, and provide real time E-fare. It is no doubt about that all these online services will definitely strengthen the power of United to implement its commitment to customer service. As a matter of fact, this kind of commitment and goal by Airlines objectively reflects that implementing online service will be the inexorable trend for Airline Industry to develop and the only way to succeed.

About Northwest

Northwest Airlines, Inc.

Northwest Airlines is the world's fourth largest airline and is engaged principally in the commercial transportation of passengers and cargo. Northwest Airlines began operations in 1926 and is America's oldest carrier with continuous name identification. Northwest Airlines
operates substantial domestic and international route networks and directly serves more than 150 cities in 21 countries on the continents of North America, Asia and Europe. In 1998, Northwest had more than 51 million passengers and flew over 67 billion passenger miles. (About Northwest-Our Organization-Northwest airlines, Inc., 2000)

Northwest and Northwest Airlink together operate over 2,600 daily flights to nearly 250 destinations worldwide. Northwest began on October 1, 1926, flying mail between Minneapolis/St. Paul and Chicago. Passenger service began in 1927. On July 15, 1947, Northwest pioneered the "Great Circle" route to Asia, with service to Tokyo, Seoul, Shanghai, and Manila. Northwest operates more than 200 nonstop flights between the United States and Asia each week.

**Service**

Northwest Airlines is the world's fourth largest airline, and together with its global travel partners serves over 750 destinations in 120 countries on 6 continents. The U.S. system spans 49 states and the District of Columbia. Reservations can be made online through WorldWeb Reservations.

**History**

1926 - Northwest Airways takes to the sky, carrying airmail from the Twin Cities to Chicago with a "fleet" of two rented, open-cockpit biplanes—a Thomas Morse Scout and a Curtiss Oriole.
1938 - Northwest develops the first practical aviation oxygen mask, making possible high-altitude flying over the Rocky Mountains.

1948 - The "Red Tail" is painted on all Northwest aircraft for the first time, creating a trademark that becomes known worldwide and that continues in use almost 50 years later.

1955 - Northwest voluntarily becomes the first airline to operate without government subsidy on Trans-Pacific and United States-Alaska routes.

1960 - Northwest begins "fastest U.S. jet service to Asia" with Douglas DC8 aircraft, the airline's first "pure jet."

1971 - Northwest is honored for noise abatement leadership by National Organization to Ensure a Sound-Controlled Environment.

1976 - Northwest is the first airline approved by FAA to install coordinated flight crew training.

1988 - Northwest bans smoking on all North American flights, the first major U.S. airline to do so.


**Development of High Technology**
1) Northwest became the first major airline to deploy compact self-service kiosks which enable E-Ticket customers to obtain boarding passes, make current-day flight or seat changes, obtain WorldPerks Gold upgrades, and at some kiosks check their bags all from one easy location.

2) Northwest Airline's Web site provides convenient travel content including online booking and electronic ticketing.

3) At gates serving international flights, new automated-boarding control devices help cut boarding times by as much as 30 percent.

4) A newly integrated Aircraft Maintenance System provides maintenance mechanics with better detail to assign and track maintenance projects.

5) Northwest is the first airline to use a remote control visual inspection system that peers inside aircraft engines and transmits data to Northwest Airline's technical staff (About Northwest-Northwest Airlines Up Close, 2000).

**Pioneering a New Global Alliance**

Not only was the Northwest/KLM alliance the first airline alliance in the world, it was the most deeply integrated. The Northwest/KLM alliance coordinates schedules, prices and capacity under an Open Skies agreement between the United States and The Netherlands. This means the convenience for the customers. Prior to the implementation of the Alliance, travelers would often have
to deboard multiple planes, recheck luggage, and keep track of several tickets to reach a single destination (About Northwest-Northwest Airlines Up Close, 2000)

The Vision of Northwest Airlines

To build together the world's most preferred airline with the best people, each committed to exceeding customers' expectations every day.

The Mission of Northwest Airlines

The people of Northwest airlines will provide reliable, convenient and consistent air transportation that meets or exceeds customer expectations and earns a sustainable profit.

Reliable means safe, clean, on-time air transportation created by the best people providing friendly, professional, consistent and caring service. A cornerstone of Northwest's reliability is prompt and appropriate service recovery when, despite their best efforts, something goes wrong.

Convenient means making it as easy as possible for customers in the markets they serve to do business with them, with the best schedules and the simplest access to their network.

Consistent means delivering reliable and convenient service every time the customer flies or ships on the airline.
Values of Northwest Airlines

Northwest has eight essential values or standards that Northwest people are expected to uphold; safety first, honesty and integrity, trustworthiness, respect for self, others and for property, caring, resourcefulness and innovation; commitment to profitability, enthusiasm and camaraderie (About Northwest- Our Vision and values, 2000).

Northwest Airlines Website Receives Top Ranking Awards

Northwest Airlines announced its Website, nwa.com, has received several top rankings from some of the most prestigious and knowledgeable Internet researchers and surveyors. Recently, nwa.com received the following awards and recognitions:

1) Selected as one of ActivMedia Research’s top 100 consumer e-commerce Websites;
2) Ranked one of the top 25 one-to-one Websites by Peppers and Rogers Group;
3) Received the award for “Best redesign of a Website” by Internet World magazine.
4) Received the #1 spot in customer confidence and finished second overall in the Spring 2000 Airline Scorecard rankings from the Gomez Advisors.

These awards are, in addition, to the January 2000 selection of nwa.com as top airline site by ZDNet and the top airline site in customer service by Forrester Research. Following sections described the details about each award.
1. Top 100 Consumer E-Commerce Websites

The top 100 e-commerce Websites are scheduled to be profiled in a syndicated study to be released at the end of April by ActivMedia. These profiles were developed through secondary research of published, publicly available information. In its report, ActivMedia said, “Northwest Airlines certainly knows how to fly its Website, nwa.com. While most of the other travel sites in the top 100 are middlemen offering packages of services provided by third parties, Northwest is a direct marketer for its own services” (“Northwest Airlines Website Receives,” 2000).

2. Top 25 One-to-One Websites

According to the Peppers and Rogers Group survey, “Best Practices of the Top One-to-One Websites,” nwa.com is “one of the most popular airline sites on the Web” (“Northwest Airlines Website Receives,” 2000).

Northwest Website offers users a well-designed site that is both easy to use and highly customizable. The site performs admirably in collecting customer preference information. Its excellent layout of the site helps customers make travel reservations easily, among other key aspects. Key one-to-one concepts mentioned in the survey include, collecting customer preferences; online product/service configuration; online/offline integration and push communications.

Peppers and Rogers survey is the only survey of the Internet focusing on the subject of one-to-one marketing. Released in February 2000, this survey is the third report in an ongoing series started in April 1999 on the topic of
one-to-one online ("Northwest Airlines Website Receives," 2000).

3. Best Redesign of a Website

Northwest's nwa.com was also recognized for "best redesign of a site" at Internet World's annual industry awards. According to Internet World, "The airline's utilitarian redesign put a ton of handy information - flight schedules, gate status - front and center on the home pages and packed a lot of useful information about Northwest's various divisions into a very small space" ("Northwest Airlines Website Receives," 2000).

The Internet World judges said, "Multiple Northwest divisions and departments maintain a presence on the main page, playing together nicely to help, not detract from, the user experience" ("Northwest Airlines Website Receives," 2000).

Internet World Magazine Industry Awards are given annually to recognize outstanding achievement in the Internet industry. The Internet World Magazine Industry Awards are the oldest and most prestigious honors in the Internet industry.

4. Top Customer Confidence Internet Airline Site for Spring 2000

Gomez Advisors ranked nwa.com among the leaders in airline Websites, coming in first in the customer confidence sector and second overall - by 1/100th of a point ("Northwest Airlines Website Receives," 2000).
Easy links to customer service data, travel upgrade capabilities and personal profiling are among the features that landed Northwest's nwa.com in the top two of the 23 ranked airline Websites for Gomez Advisors. The rankings also note that Northwest "lands a strong navigation scheme" and the ability to access frequent flyer miles online.

Gomez ranked the sites based on ease of use, customer confidence, on-site resources and relationship services.

According to Al Lenza, Northwest vice president, distribution planning, "Northwest Airlines continues to win top awards in online surveys and other Internet airline awards because we're listening to our customers' wants and needs. We are continually developing our site to keep it fast, easy to use and intuitive" ("Northwest Airlines Website Receives," 2000).

In 2000, Northwest plans to sell more than $350 million of passenger tickets through nwa.com and redeem more than 100,000 frequent flyer award tickets online.

Northwest continues to lead the industry in wireless technologies, efforts that have contributed to these recent Website awards. Northwest has customized its Website for handheld computers and browsers, which means most Palm ComputingSM browsers and other handheld devices can easily view a condensed version of nwa.com. Through NWA's Handheld WorldWeb, customers are able to display WorldPerks account information, download flight schedules and receive an instant link every Wednesday through Saturday to CyberSavers, Northwest's low weekend travel deals and simplified airport maps for hub cities ("Northwest Airlines Website Receives," 2000).
Overall, Northwest Airlines is the world’s fourth largest airline offering more than 2,600 daily departures with hubs at Detroit, Minneapolis/St. Paul, Memphis, Tokyo and Amsterdam. With its travel partners, Northwest serves more than 750 cities in 120 countries on 6 continents. Northwest and partner KLM Royal Dutch Airlines received Air Transport World’s prestigious “1997 Airline of the Year” award and, based on statistics compiled by the U.S. Department of Transportation, Northwest was the most on-time U.S. airline among the seven largest network carriers for the period 1990-1999. Northwest is the 2000 recipient of Air Transport World Airline Technology Management Award.

Northwest’s WorldPerks frequent flyer program is the highest rated U.S.-based program reviewed by InsideFlyer Magazine, the leading authority on airline free travel programs, and in 1999 was named the most preferred frequent flyer program by the readers of Time in Asia. WorldPerks received the special “Industry Impact Award” during InsideFlyer’s 12th Annual Freddie Awards. In 1999, Northwest’s nwa.com was chosen as best airline web site by zdNews.com and Business 2.0 and was named one of the top 500 sites by Internet World magazine (“Northwest Airlines Website Receives,” 2000).

**Sets New Standards for Service and Commitment**

1. Offer the lowest fare

Northwest's telephone Reservations Agents will respond with the lowest published fare when given a specific flight/date/time. Northwest has in place computer systems (Powershopper domestic and Price Lowest Fare domestic and
international) which are used to determine the best price for a given itinerary. Northwest Airlines will use both existing internal and new external audits to track Reservation Agents' compliance with the Customers First initiatives.

2. Notify Customers of known delays, cancellations and diversions

Northwest Airlines will notify customers at the airport and on board an affected aircraft, in a timely manner, of the best available information regarding known delays, cancellations and diversions. In addition, Northwest will establish and implement policies for accommodating passengers delayed overnight and a clear and concise statement of Northwest's policies in these respects will be made available to our customers.

3. On-Time Baggage Delivery

Northwest Airlines will make every reasonable effort to return domestic checked bags within 24 hours and will attempt to contact any customer whose unclaimed, checked luggage contains a name and address or phone number. Northwest is developing an aging system to track time of claim and time of delivery to obtain data to build an accurate monitoring system.

4. Support an increase in baggage liability limit

5. Allow Reservations to be Held or Cancelled
Northwest Airlines will allow our customers to cancel a reservation without penalty for up to 24 hours in order to give customers an opportunity to check for lower fares through other distribution systems, such as travel agents or the Internet. Northwest Airlines offers many fare types within two major fare categories of refundable and non-refundable tickets. Refundable tickets will remain fully refundable whenever the customer chooses to exercise that option as long as the ticket is valid.

6. Provide prompt ticket refunds

Northwest Airlines will issue refunds for eligible tickets within 7 days for credit card purchases and 20 days for cash purchases. The current refund processing procedure is that a refund request may be submitted to Northwest Airlines through one of the following options: U.S. Mail, Telephone, Internet/E-mail (electronic mail), Facsimiles (faxes), Electronic Refund Mask, Airport Requests, Reservations' Queue Settings. Customers may receive Passenger Refunds' contact information through Northwest Reservations or through Customer Service Agents at their airports and city ticket offices. This information is also available through the Refund web page.

7. Properly accommodate disabled/special needs passengers

Northwest Airlines will disclose its policies and procedures for handling special needs passengers, such as Unaccompanied Minors and for accommodating the disabled in an appropriate manner.
8. Meet customers' essential needs during long on-aircraft delays

Northwest Airlines will make every reasonable effort to provide for food, water, restroom facilities and access to medical treatment for passengers aboard an aircraft that is on the ground for an extended period of time without access to the terminal, as consistent with passenger and employee safety and security concerns. Northwest will prepare contingency plans to address such circumstances and work with other carriers and the airport to share facilities and make gates available in an emergency.

9. Handle "bumped" passengers with fairness and consistency

Northwest Airlines will disclose to a passenger, upon request, whether the flight on which the passenger is ticketed is overbooked, if the information is available to the airline employee to whom the request is directed within the usual and ordinary scope of that employee's work. Each airline will also establish and disclose to the customer policies and procedures, including any applicable requirements (such as check-in deadlines), for managing the inability to board all passengers with confirmed reservations.

10. Disclose travel itinerary, cancellation policies, frequent flyer rules and aircraft configuration

Northwest airlines will provide information on any change of aircraft on a single flight with the same flight number; cancellation policies involving failures to use each flight segment coupon; rules, restrictions and an annual
report on frequent flyer program redemption; and Upon request, information regarding aircraft configuration, including seat size and pitch.

11. Ensure good customer service from code-share partners

Northwest Airlines will ensure that domestic code-share partners make a commitment to provide comparable consumer plans and policies. Northwest has entered into strategic alliances, partnerships and selected marketing affiliations with airlines throughout the world, providing its customers with increased convenience by offering more flight choices with easy connections and the convenience of one-stop shopping for:

1) Booking with code share partners
2) Ticketing
3) Flight check-in procedures
4) Coordinated flight schedule
5) Single luggage check-in
6) Expanded opportunities to earn and redeem miles for free travel in its WorldPerks frequent flyer program and its partner programs.

12. Be more responsive to customer complaints

Northwest Airlines will assign a Customer Service Representative responsible for handling passenger complaints and ensuring that all written complaints are responded to within 60 days. Northwest Airlines responds to customer complaints via the method that they are received,
specifically through toll call telephone, U.S. mail, e-mail and fax.

Standards for correspondence turnaround times (written, fax, and e-mail) will be established, communicated, monitored, and reported monthly via an internal activity report. Standards for telephone answer times and percent of calls handled will be established, communicated, monitored and reported monthly via an internal activity report. Results will be communicated on an annual basis to the Department of Transportation ("Northwest’s customer Service Program Sets," 2000).

**Travel agents**

After briefly introducing two of the major airlines’ profiles, the study illustrates the top successful online travel agencies.

The online leader is Travelocity.com, which had $504 million in gross first-quarter bookings and more than 8 million visitors in April, making it one of the most popular of all Internet sites. It is 70 percent owned by Sabre, an airline reservation system company recently spun off from the parent of American Airlines.

Travelocity's site includes information on more than 300 countries and features such as Best Fare Finder, but its success is probably related more to its relationships with service providers. Fort Worth-based Travelocity recently bought Preview Travel in one of the biggest consolidations in online travel.
The No. 2 site, Expedia.com, acquired discount hotel site Travelscape.com and VacationSpot.com to expand its lodging offerings. Redmond, Wash.-based Expedia, 85 percent owned by Microsoft Corp., has won praise from analysts and reviewers of Web sites for its interactivity, including chat rooms, maps and information about destinations.

"Our biggest fear is becoming sort of an ATM for plane tickets," said Erik Blachford, Expedia's vice president for marketing. "Sites that survive the shakeout," he said, "will be those that go beyond selling tickets to putting together travel packages and helping consumers have a better trip" (Koenig, 2000).

Another leading online travel company is Priceline.com, the auction site. Travelers enter a price they're willing to pay, but they are committed to their bid and might not get their preferred airline or flight time.

The airlines themselves sell tickets online, but their sites lack the content of the travel sites. There are many discount-ticket sites, including Cheaptickets.com, based in Honolulu, Bestfares.com, based in Dallas, and 1travel.com, which is partly owned by Amadeus, a reservation system owned by several airlines (Koenig, 2000).

Airlines have greatly reduced the commissions they pay for tickets sold online to a $10 maximum. Internet sites - and regular travel agents - that don't develop other sources of revenue will go out of business (Koenig, 2000).

**Summary and conclusion**
In conclusion, referring to Davis's ten attributes of an offer, organizations should know and check whether their business match these examples of industrial society morphs in the information and network economy. There is an urgent need for business people to acquire new perspectives and learn to operate with new rules if they want to survive and prosper.

United Airlines is the largest air carrier in the world. With customer-service breakthroughs such as United Commitments and E-Tickets service, United also leads the way in safety and technological advancements for the aviation industry. As it flies into the new millennium, United continues to lead commercial aviation. United focuses on improving its service by developing a new customer Satisfaction Philosophy for employees. United plans to launch an e-commerce subsidiary dedicated to maximizing the sale of travel products over the Internet and Internet enabled-devices. The organization will allow United to seize new opportunities in the rapidly developing e-commerce arena. In addition, United, Delta, Northwest and Continental plan to launch an industry-leading travel Web site. The new site, the first multi-airline travel portal, will provide customers with convenient online access to airline, hotel, car rental and other travel services in addition to Internet offers. For the first time, online travel consumers will be able to compare and purchase the Internet fares offered by several airlines and travel providers by visiting just one site. The new site will offer the most convenient features of any online travel vehicle. Customers will be offered unique travel packages through the combined product offerings of hotels, car rental companies, cruise lines and
other travel partners. The site will offer customers the best collection of Internet fares in one location, the best search capabilities and the best travel-related content. Furthermore, United and Buy.com are planning to launch a joint venture to create BuyTravel.com. The new site, will sell travel on all major airlines, as well as hotels, car rentals and cruises via the World Wide Web. In addition to its full-service offerings, BuyTravel.com will feature United Airlines' E-Fares, deeply discounted fares that are currently not widely available from other third party websites. By using a Web site, United is realizing its commitment to the customers. Online processing for customers will certainly add new muscle and dimension to the service definition, such as offering the lowest fare available and notifying customers of known delays, cancellations and diversions, etc.

Northwest Airlines is the world's fourth largest airline and is engaged principally in the commercial transportation of passengers and cargo. Northwest became the first major airline to deploy compact self-service kiosks which enable E-Ticket customers to obtain boarding passes, make current-day flight or seat changes, obtain WorldPerks Gold upgrades, and at some kiosks, check their bags, all from one easy location. Northwest Airline's Web site provides convenient travel content including online booking and electronic ticketing. The people of Northwest airlines will provide reliable, convenient and consistent air transportation that meets or exceeds customer expectations and earns a sustainable profit.

Besides the two airlines representatives, this chapter also reviewed several leading online travel companies; their
sites are Travelocity.com, Expedia.com, and Priceline.com. Because these travel agents develop other sources of revenue, the sites have some special features that make them successful. However, compared to travel online providers, airlines' sites lack the content of the travel sites even though the airlines themselves sell tickets online. If airlines are to better compete in the burgeoning e-commerce industry and allow themselves to seize new opportunities in the rapidly developing e-commerce arena, airlines will need to learn from their competitors—online travel providers. For example, they should incorporate one-stop shopping, an auction site to bid ticket's price online, the most comprehensive selection of online airfares, and availability of other travel information anywhere on the World Wide Web. As long as they are improving and upgrading their own Web sites by drawing on others' successful experiences as a reference, the airline's sites will survive the shakeout from the competitive e-commerce. This will enable airlines themselves to be master of the potential in this valuable market. In next chapter, the study will show the comparison tables regarding to United Airlines and Northwest Airlines web sites and other online travel agencies' web sites referring to Davis's ten attributes.
CHAPTER III
COMPARISON AND ANALYSIS

In this chapter, the study illustrates detailed features of United and Northwest Airlines’ Website in comparison to the ten attributes of an offer. At the same time, the tables demonstrate the success of online travel service from other travel agency’s Websites. A system matrix illustrates attributes for each airline. All information about United and Northwest found in tables 2-11 was taken directly from United Airlines' and Northwest Airlines' websites, (www.ual.com) and (www.nwa.com). In addition, some websites' new trends are displayed in a new trends matrix in chapter IV.

In the tables below, the left column provides the following categories: United Airlines, Northwest Airlines, travel agencies, and benefits. On the right column, the table shows the Davis's ten attributes of an offer and examples of features that lies in their websites. At the end of each table, the reasons and the benefits have been displayed.

<table>
<thead>
<tr>
<th>TABLE 2: COMPARISON - ANYTIME</th>
</tr>
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<tbody>
<tr>
<td><strong>UA</strong></td>
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<tr>
<td>• United’s Web site allows</td>
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<tr>
<td>the purchase of travel</td>
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<tr>
<td>with 500 airlines, 45</td>
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<tr>
<td>car rental</td>
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companies, and 30,000 hotels around the world.

<table>
<thead>
<tr>
<th>NW</th>
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<tbody>
<tr>
<td>• Northwest Airlines and KLM Royal Dutch Airlines make booking and purchasing online very convenient. With WorldWeb Reservations it’s quick and easy to find the lowest fares and purchase tickets online.</td>
</tr>
<tr>
<td>• Point. Click. Buy. – Booking a flight has never been easier. Purchase NWA or KLM tickets online.</td>
</tr>
<tr>
<td>• Making Changes – It is easy to request a change for nwa.com online reservation.</td>
</tr>
<tr>
<td>• To reserve: (CyberSavers Extra Fares)</td>
</tr>
<tr>
<td>1. Check fares and availability to desired destinations.</td>
</tr>
<tr>
<td>2. Make reservations and purchase E-tickets online.</td>
</tr>
<tr>
<td>3. See Terms and Conditions for complete details.</td>
</tr>
<tr>
<td>4. Check Frequently Asked Questions for more information about CyberSavers or CyberSavers Extra.</td>
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<tr>
<td>OTHERS</td>
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rentals, hotel reservations and cruises.

<table>
<thead>
<tr>
<th>Benefits</th>
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<tbody>
<tr>
<td>• The biggest thing the Internet has done for travelers is make it more convenient to research and book trips</td>
</tr>
<tr>
<td>• Online travel planning is the way to go Millions of Americans turn to the Internet to research and arrange vacation plans.</td>
</tr>
<tr>
<td>• Web sites offer weekly e-mail updates on travel promotions, so airlines, through their website, can offer very low priced tickets which have not been sold until the last minute. Therefore, they expand their marketing by giving discount fares for a flight seat that may otherwise be empty.</td>
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</table>

**TABLE 3: COMPARISON - REAL TIME**

<table>
<thead>
<tr>
<th>REAL TIME</th>
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<tbody>
<tr>
<td><strong>UA</strong></td>
</tr>
<tr>
<td>• United Airlines now provides flight-paging services via various wireless devices, so that users remain informed of any changes in status on their United Airlines, United Shuttle or United Express flights.</td>
</tr>
<tr>
<td>• Flight paging provides automatic notification of flight delays or cancellations. In addition, gate information can be provided within one to four hours of the scheduled</td>
</tr>
</tbody>
</table>
arrival/departure time. Users can customize the service to meet their travel needs by selecting any of the flight paging options (United-Travel support-Flight paging services, 2000).

- UA offers an alphanumeric pager or cellular phone capable of receiving text messages sent by e-mail. If customers are unsure about the capabilities of their pager or cellular phone, United has included a test pager option on the registration screen. People may also contact their pager company. They just complete the Flight Registration form each time they make a booking or change their reservation (United-Travel support-Flight paging services, 2000).

- Customers can use their wireless Palm VII™ or Omnisky wireless modem enabled Palm V™ to access UA flight and Mileage Plus information.

- Customers decide what information they want and United will keep them informed about their United flights through your wireless devices (United-Wireless/Paging-Flight Paging, 2000).

- United Airlines provides users with the ability to download the electronic version of the United Timetable. They can access United flight schedules and information even when their Internet connection isn't available. The United Timetable is a valuable travel tool that allows customers to view schedules for future travel planning on United (United-Planning Travel-Download electronic timetable service, 2000).

- The site offers real-time information on the status of flights, as well as information on airports. United Airlines rolled out a Flight status feature on its Web site. The site offers departure and arrival updates to anyone who knows the flight number—a useful feature for the kind souls picking up passengers. Enter the required information to check the status of a flight. From the website, customers can check not only United’s flight
status, but also the other airlines’ flight schedules and information on departure or arrival time and gate information (United-Travel support-Flight status, 2000).

- The revamped site offers faster access to the most popular features. Users can research fares and schedules, check up-to-the-minute flight information, and access Mileage Plus account information directly from the home page, reducing the number of clicks required to accomplish the most popular tasks. All functions have also been reorganized into four major categories on the home page to make it easy to find the desired page or section (United-About United-United Airlines’ New Web site Wins top Industry Honors, 2000).

<table>
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<th>NW</th>
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<tbody>
<tr>
<td><strong>Flight Information Paging</strong> - Using this system, an email is sent to a customer’s alphanumeric pager, PCS phone or email inbox prior to the scheduled departure or arrival time. The message contains current departure or arrival time and gate information. Customers can be notified one to four hours prior to estimated departure or arrival time.</td>
</tr>
</tbody>
</table>

| Aircraft situation display - Northwest uses this interactive graphic display for real-time aircraft tracking. This sophisticated system helps the pilots navigate around severe weather and turbulence, ensuring customer safety and comfort. |

| Now customers can view Northwest Airlines' complete flight schedule online. Click on any of the topics listed to get information on reading and using their flight schedule and viewing flight information (Northwest Airlines-Flight Tools-Flight and Gate Status, 2000). |

| Customers have complete flight Information at their fingertips - they can find the lowest roundtrip fare, check flight availability, |
| **Others** | FlightArrivals.com is the Internet's only site offering real-time flight arrival, departure, delay and cancellation information on a per city basis for all commercial airline flights across the United States and Canada. It requires no login and offers several options to search for flight information even without knowing the flight number (Useful Web site tracks airline Flights Hot Sites @ detnews.com, 2000).

- Alaska Airlines' intranet has become an indispensable tool for getting up-to-the-minute information to employees and helping them do their jobs better. It's central to everything they do with their employees. Alaska airlines have a diverse workforce that is spread out over the West Coast, and their pilots can be all over the world. The system provides an easy way to get applications and information to those people, including up-to-date data for flight crews (Violino, 1999).

| **Benefits** | Real-time means giving customers convenience and satisfaction. Customers need updated information. They want to be reacted immediately. They want to know the flight status now because they have very strict time schedules for their business, for their vacations, for their lives. They want to spend their time on what they really want to do, not wait at the airport.

- Real-time information has become an indispensable tool for getting up-to-the-minute information to employees and helping them do their jobs better. The system provides an easy way to get applications and information to their diverse workforce,
including up-to-date data for flight crews who are spread out over country and their pilots can be all over the world.

**TABLE 4: COMPARISON - ONLINE**

<table>
<thead>
<tr>
<th>UA</th>
<th>ONLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• United offers discount fares on E-Fare at united.com for last minute travel to selected cities around the world. To receive weekly email notification of E-Fares and other fare specials, customers complete a user profile after they login to the reservations system with a Mileage Plus number and password (United-Planning Travel-E-Fares, 2000).</td>
<td></td>
</tr>
<tr>
<td>• United offers customers the same booking opportunities as the mega-sites, including information on fares of other airlines, but it offers strong incentives for customers to choose United. Online booking bonus - those who purchase their flight on united.com earn up to 1,000 bonus miles when they complete round-trip travel on United, United Shuttle, or United Express through December 31, 2000</td>
<td></td>
</tr>
<tr>
<td>• Customers earn 4,000 bonus miles when they purchase their first round-trip flight on united.com and receive 4,000 bonus miles when passengers complete their travel on United, United Express, or United Shuttle (excluding E-Fares).</td>
<td></td>
</tr>
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</table>
| • Online (one stop shopping) With Special E-Fares-- United Airlines, Delta Air Lines, Northwest Airlines and Continental Airlines announced their partnership in a new independently owned travel Web site. For the first time, online travel consumers will be able to compare and purchase the Internet fares offered by several airlines and travel providers by visiting just one site (“United,
<table>
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<tbody>
<tr>
<td>NW</td>
<td>• Customers looking for a last minute weekend get-away or quick trip out of town have found both with CyberSavers and CyberSavers Extra. Each week CyberSavers offers fantastic travel destinations in North America and, periodically, across the Atlantic and Pacific, plus there are even more choices with CyberSavers Extra (“Unbelievable Travel Deals With,” 2000).</td>
</tr>
<tr>
<td></td>
<td>• Exclusive weekend car rental rates are available from National Car Rental for Northwest CyberSavers customers. Users can check out the special rates and to book online, visit National Car Rental (Unbelievable Travel Deals With CyberSavers and CyberSavers Extra, 2000).</td>
</tr>
<tr>
<td></td>
<td>• Radisson Hotels offer great deals to CyberSavers customers in select markets. Radisson rates provided are for Radisson Hotels located within 60 miles of select CyberSavers destinations. (Unbelievable Travel Deals With CyberSavers and CyberSavers Extra, 2000).</td>
</tr>
<tr>
<td></td>
<td>• Great deals are available on last minute weekend rates at Holiday Inn hotels.</td>
</tr>
<tr>
<td></td>
<td>• Select Northwest Airlines promotional offers are redeemable online with new Electronic Certificates (E-Certs). These offers are occasionally sent to customers via mail, email, or other special promotions.</td>
</tr>
</tbody>
</table>
|     | • Online (one stop shopping) With Special E-Fares United Airlines, Delta Air Lines, Northwest Airlines and Continental Airlines announced their partnership in a new independently owned travel Web site. For the first time, online travel consumers will be able to compare and purchase the Internet fares offered by several airlines and travel providers by visiting just one site (“United,

OTHERS

- Alaska Airlines and Horizon Air offer small and midsize companies travel arrangement services via EasyBiz (easybiz.alaskaair.com). Businesses can book seats on either airline as well as hotels and rental cars.

- EasyBiz provides participating firms with online access to Alaska and Horizon flight schedules, published fares and online fare sales, and the ability to make or change seat assignments.

- Some airlines, like American, Air Canada, Continental, US Airways and Southwest offer last-minute, Internet-only fares to selected destinations at discounts up to 75 percent below regular coach. They post specials on their Web sites (Bly, 1997).

- For a consolidated list of weekly air, hotel and car rental bargains, check Best Fares’ Newsdesk (www.bestfares.com), Web Flyer (www.webflyer.com) or 1travel.com’s Last Minute Deals (www.1travel.com) (Bly, 1997).

- biztravel.com will offer customers unprecedented refunds for late or canceled flights on five big carriers -- American Airlines, Continental Airlines, US Airways, British Airways and Air France -- anywhere in the world.

- biztravel.com also says it will pay customers using those airlines smaller refunds if their luggage goes astray, if seat assignments aren't honored or if specially requested meals aren't served.

- Every Wednesday, the major U.S. airlines publish discounts for travel the upcoming weekend on their Web sites.

- Notable for its well-frequented message boards, AOL's Independent Traveler also does a
good job of supplying timely information and bargains to independent vacationers. The site's weekly newsletter provides a summary of bargains and links to new features, from the potential impact of higher gas prices on summer travel to the pros and cons of using alternate airports and advice on surviving a red-eye flight (Bly, 2000).

Benefits

- Price, above all, is the motivating factor for purchasing airline tickets online. Whoever is leading the online service will control the potential booming marketing in the future.
- Reduces costs because airline can increase the amount of direct-sale tickets and commission will be decrease to the travel agency.
- Online service can provide updated information, when, where or what customer's need. Online creates no time limit, no space between consumer and provider. Business is becoming globalized.

TABLE 5: COMPARING - INTERACTIVE

<table>
<thead>
<tr>
<th>INTERACTIVE</th>
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<tr>
<td>UA</td>
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- Customers locate information about services on the ground and in the air, such as baggage guidelines, onboard entertainment, and airport maps.
- Customers review frequent flier account information and keep up to date on the latest promotions to earn bonus miles.
- The site offers a seat-selection map for United flights, so that online customers can see the airplane in question and select the seats they want.
- Customers contact United by email online
according to the category: Access code, PIN/Password, Questions, Web technical support, Mileage Plus, Service Center, Red Carpet Club, SilverWings Plus, Customer Relations, Refund requests and status, Lost baggage, Service, Employment (About United - Email, 2000).

- Customers create their itinerary - find flights, compare fares, and book trips online themselves.

- Customers' request upgrades - after booking their flight ticket, passengers can upgrade their seats class.

- Customers click on the selection button to choose their vacation package, verify departure date, and select the number of nights and class of service for air inclusive packages. (UnitedVacations-Reservations, 2000).

- Customers can click on the selection button to choose their vacation package. United Vacations also offers hotel and air packages from international locations. Users select Departure City, Destination City, Departure Date, Number of Adults and the Ages of Children traveling with them. Customers can reserve, modify, or cancel their vacation package.

- Customers access information on United’s products and services and learn about alliances with other carriers around the globe. They can find out more about their philanthropic efforts and commitment to improving customer satisfaction.

- Customers choose hotels and cars through comparing the price and location. UA provides the destination information which passengers want, such as weather, transportation, entertainment and maps.
<table>
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<th>NW</th>
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<tbody>
<tr>
<td>- Customers sign up to receive any specials or promotions Northwest may be offering via e-mail. Whether customers are at home or the office, they will be notified of special offers and savings on value-priced packages to some of the most popular vacation destinations (Welcome to Northwest Airlines WorldVacations, 2000).</td>
</tr>
<tr>
<td>- Customers can change seat assignment, upgrade themselves, confirm their seat, print out their boarding pass directly from their PC, bypass all check-in lines at the airport, and go directly to the boarding agent.</td>
</tr>
<tr>
<td>- Customers can create a new reservation, save the itinerary to use at a later time, hold the reservation up to 24 hours without charging the credit card, view the reservation or itinerary, cancel the reservation or itinerary and make changes to the itinerary (&quot;Welcome to Northwest,&quot; 2000).</td>
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<table>
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<th>OTHERS</th>
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<tbody>
<tr>
<td>- WebAssured.com lets customers download a free browser plug-in called ShopAssured that helps assess the risk of buying at online merchants. So, as users shop and surf, the ShopAssured toolbar, still in its test stage, will display a five-point confidence rating of the merchant and will include buttons that let users instantly register a complaint or check a company's background (&quot;Airlines' Site is,&quot; 2000).</td>
</tr>
<tr>
<td>- eComplaints.com. One of the best things about the site is that visitors can search a database of all registered complaints. If their target is an airline, its name will show up on a clickable pull-down menu, as will a variety of complaint issues associated with the industry (trapped on the runway, flight overbooked, etc.). Users can click on more</td>
</tr>
</tbody>
</table>
than one problem ("Airlines' Site is," 2000).

- Planetfeedback gives users a forum to rant against or praise a company. They can offer suggestions or pose a question. Planetfeedback provides templates for helping compose a letter, sometimes with the CEO's name filled in. Customers can type in blocks of text to explain what bugs them and why and to inform a company what you expect in return. They will also find general tips on writing the letter ("Airlines' Site is," 2000).

- Expedia.com, purchased discount hotel site Travelscape.com and VacationSpot.com to expand its lodging offerings. Redmond, Wash.-based Expedia, 85 percent owned by Microsoft Corp., has won praise from analysts and reviewers of Web sites for its interactivity, including chat rooms, maps and information about destinations (Koenig, 2000).

<table>
<thead>
<tr>
<th>Benefits</th>
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<tbody>
<tr>
<td>- Half of all online bookings are made directly through the carrier. For carriers, this is a direct path to reaching customers. The reasons for such sites are clear: to reduce commissions paid to agents and to get more information on repeat customers.</td>
</tr>
<tr>
<td>- Customer can have more choices when they plan to travel. Select the seats, look up map, know the weather, and change their schedules, upgrade by using their frequent mileage. Customers are becoming more powerful and knowledgeable.</td>
</tr>
<tr>
<td>- Using the Internet to supply immediately information, not only because electronic prices can be updated instantly but because Web sites can provide immediate feedback on customer response.</td>
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### TABLE 6: COMPARISON - ANYPLACE

<table>
<thead>
<tr>
<th>UA</th>
<th>ANYPLACE (E-ticket)</th>
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<tbody>
<tr>
<td></td>
<td>• Electronic tickets are stored in United's computer rather than printed on paper. United's E-Ticket service is similar to the traditional paper ticket process, but eliminates the time and hassle associated with purchasing or exchanging a paper ticket. Electronic ticketing is the primary ticketing method used by United customers.</td>
</tr>
<tr>
<td></td>
<td>• Upon arrival at the airport, customers present an official form of identification (driver's license, passport, etc.) to receive a boarding pass. If they used United Reservations or the Web, they will also be asked to show the credit card they used to purchase their electronic ticket.</td>
</tr>
<tr>
<td></td>
<td>• Customers may check their luggage curbside (when available) for flights within the U.S. and Puerto Rico.</td>
</tr>
<tr>
<td></td>
<td>• When advance seat assignments are available, it will be shown on their itinerary and receipt.</td>
</tr>
<tr>
<td></td>
<td>• United Airlines unveiled plans to launch an e-commerce subsidiary dedicated to maximizing the sale of travel products over the Internet and Internet enabled-devices.</td>
</tr>
<tr>
<td></td>
<td>• The new company will also create United's first online sales organization that will be charged with managing the carrier's many partnerships and relationships with new and existing online travel sites, as well as generating additional online revenues. The new company will be responsible for United's Internet and wireless initiatives (United Airlines to Create E-Commerce Company, 2000).</td>
</tr>
</tbody>
</table>
Airlines will offer a new full-service travel portal. United Airlines, Delta Air Lines, Northwest Airlines and Continental Airlines announced their partnership in a new independently owned travel Web site. The new site, the first multi-airline travel portal, will provide customers with convenient online access to airline, hotel, car rental and other travel services in addition to Internet offers. The new site will provide access to the carriers' online products, and the airlines believe it will offer the most comprehensive selection of online airfares and other travel information available anywhere on the World Wide Web.

An alliance of 27 domestic and international airlines, tentatively called T2, had planned to open a "one-stop shopping" site this summer, allowing customers to book what the carriers said would be the biggest selection of low fares available anywhere on the Internet (Mcdowell, 2000).

United Airlines and Buy.com, a leading Internet retailer and E-commerce website, jointly announced that they have signed a strategic agreement to create a comprehensive online travel store ("United Airlines and Buy.com Launch," 1999).

Airlines are making their Web sites more navigable. For example, United can be logged on to at united airlines.com, united.com and ual.com and at the sites of three airline alliances.

Self-service electronic service (E-service) centers enable passengers to check in, check luggage, and get boarding passes — all up to six hours before departure.

Passengers also can confirm or change seat assignments, enter or change a WorldPerks
number on a reservation, and arrange seating upgrades.

- If a flight is delayed or cancelled, passengers can use e-service centers to book an alternate flight; soon, qualified passengers also will be able to receive "service recovery packets," including a prepaid phone card, amenity coupons, and credit certificates toward future flights.

- Northwest Airlines will be the first major network carrier to launch the service that will eventually allow customers to complete their entire check-in process - including printing boarding passes - directly from their PC's. That means Northwest Airlines will provide their products and service anywhere and anyplace.

- Northwest Airlines is pleased to partner with CallWave to give customers the ability to receive faxes anywhere via their email account. CallWave gives them their own, private fax number. Sending a fax to that number is no different than sending a fax to a standard fax machine. CallWave automatically routes the faxes to their email inbox as an email attachment that they can view with standard viewing applications. Users can pick up faxes wherever they can access their email. (Northwest Services-Receive your faxes via email, 2000).

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<th>OTHERS</th>
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<tbody>
<tr>
<td>- Travel &quot;megasites&quot; like Microsoft Expedia (<a href="http://www.expedia.com">www.expedia.com</a>) and Travelocity (<a href="http://www.travelocity.com">www.travelocity.com</a>) can provide a general overview of attractions, hotels, restaurants and events in cities people likely to visit on an Internet special (Bly, 1997).</td>
</tr>
<tr>
<td>- An alliance of 27 domestic and international airlines, tentatively called T2, had planned to open a &quot;one-stop shopping&quot; site this summer, allowing customers to book what the carriers said would be the biggest selection</td>
</tr>
</tbody>
</table>
Airline Websites Thesis

of low fares available anywhere on the Internet.

- Airlines are adding more web site as well as forming partnerships with online retailers such as Travelocity, Expedia and Priceline.

**Benefits**

- Because an electronic ticket is held in airline's computer, passenger will not forget it or lose it. More importantly, electronic tickets cannot be stolen, saving the cost of a replacement ticket.

- Customers do not have to wait for their tickets to be delivered to them - saving time.

- Customers may purchase, refund, or exchange their electronic ticket 24 hours a day by doing it online, no matter where they are. Since there is no paperwork involved, they are no longer restricted to conducting their travel arrangements by being the airline ticket counter or travel agents' office during "normal office hours."

- Airline sale their products anywhere by Internet without time and place limits, so organizations will benefits from the increase the market and revenue.

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**TABLE 7: COMPARISON - LEARNING**

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<td><strong>UA</strong></td>
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</table>

- United love to hear about warm memories and enjoyable travel experiences from their customers. United select some of the best entries to be featured on their website (Unitedvacations, 2000).

- United select one story to be featured on their site every month from all the great and fabulous things about customers' vacation, which involving where they went, what they
did, any helpful staff they encountered, any pleasant surprises, or just about their vacation experience in general." (Unitedvacations-Your Testimonial, 2000).

- If customer cannot find the information they need or have a special request, they could contact United by email, phone, postal mail, or visit United ticket offices. Customer's comments, both positive and negative, help United to serve customer better." (About United-Contact United, 2000).

- From the Guestbook sign-up, United can have knowledge of what is customers special requirement - "If you're looking for up to date vacation specials from United Vacations, you've come to the right place. Simply fill out the required fields on this form and make sure you agree to accept email specials" (Unitedvacations-About us-E-Specials Sign-Up, 2000).

- From Special offers, United will get more information about their special sale price - Are you interested in receiving e-mails regarding our special sale pricing, Mileage Plus offers, off-peak pricing, advanced booking specials, or special travel offers? Yes or no. If so, about which of the following destinations would you be interested in receiving information? Hawaii, Las Vegas, Ski vacations, Florida, Orlando, U.S. Cities, Europe, Latin America, Orient, New Zealand, Australia (Unitedvacations-About us-E-Specials Sign-Up, 2000).

- Through following questions, United know who is their Mileage Plus member and what level they are- Are you aware that you can make secure credit card vacation reservations from this site? Yes or no. Are you a Mileage Plus member with United Airlines? If so, what level? No or yes. General, premier, premier Exec, Premier Exec.1k (Unitedvacations-About us-E-Specials Sign-Up, 2000).
| NW | • Northwest offers sharp discounts for last-minute reservations to certain destinations where there are empty seats available - a tactic American Airlines uses on its site with great success. (Learning from others airlines)  

• With more features and an easier to understand interface, the new Travel Talk makes interacting with travel-minded people an exciting and unique experience. Traveler can post messages via email, receive posts via email, chat in real time, enjoy expanded topic areas, discuss the travel issues. (Rough Guides Travel-Experience the travel guides online, 2000).  

• Destination Guide (learning from their customers)  
Check out what's happening at travel destination and get useful travel information with Northwest's Destination Guide.  

1) City Guide and Current Attractions  
Get in-depth information on hundreds of cities and destinations with WorldGuide, Fodor's Travel Online and rough guides  

2) Maps and Directions  
If they are traveling in the United States, create a map of their destination with Mapquest  

3) Weather  
They will find current conditions, "weather wisdom" and special weather-related information at The Weather Channel  

4) Hotel and Restaurant Guide  

• Customers told them that the number they most frequently call from the plane is their office voicemail. So, Northwest has introduced a |
program where the first minute of a call to office voicemail is free ("Northwest Airlines-Northwest Services-AT&T Wireless Checking," 2000).

<table>
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<tr>
<th>OTHERS</th>
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</table>
| • American Airlines Inc. keeps track of customers through its AAdvantage frequent flier program, noting which customers fly most frequently and buy the most expensive fares (Sweat, 2000).

• American will include customer-profile information in its reservations systems so call-center representative and ticket-counter agents know their customers' most-recent experiences. It'll build a closer relationship between the airline and the customer. The system tracks basic information such as where customers fly and their preferred seating. American hopes to flesh that out with more important details, such as whether a passenger just had a bad flight or lost his or her luggage and needs to be treated with special care. The system will even suggest appropriate action, such as offering seating upgrades, bonus miles, or a free-flight voucher to a particularly harried traveler (Sweat, 2000).

• There are other ways for companies to expand their customer databases. American Airlines knows a lot about its customers because it gathers all the usual flight information: frequently traveled routes, payment history, home airports, and favored in-flight meals. But as the company teams with partners such as rental-car companies and hotels, the data starts to mount. Suddenly, the airline has the opportunity to know where its passengers go once they leave the airplane (Sweat, 2000).

• American Airlines asks customers about their ideal destinations, activities, and service preferences in surveys and opt-in E-mail campaigns. There is less mistaking whether the customer will be interested in a promotion or
In addition to earning lost commission dollars, airlines can use these opportunities to learn more about their passengers, creating enormous data warehouses to be used for targeted marketing and cross-promotions.

As airlines, they want to know what passengers drink, where they want to sit, what newspaper they want to read. These are giving airlines a new medium for getting to know their customers. Therefore, airlines can improve their customer service by listening to their customers' sounds.

Next table shows airlines' reaction to their customers' feedback—from the special meal to the online refund requests, from providing the wheelchairs to disabled people to the features and privileges of the business class—airlines deeply get involved in interactive anticipation. It is important that by posting this information online, thus making their products and service become popular, airlines enhance the channels that connect organizations and their customers.

<table>
<thead>
<tr>
<th>Benefits</th>
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<tbody>
<tr>
<td>• In addition to earning lost commission dollars, airlines can use these opportunities to learn more about their passengers, creating enormous data warehouses to be used for targeted marketing and cross-promotions.</td>
</tr>
<tr>
<td>• As airlines, they want to know what passengers drink, where they want to sit, what newspaper they want to read. These are giving airlines a new medium for getting to know their customers. Therefore, airlines can improve their customer service by listening to their customers' sounds.</td>
</tr>
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**TABLE 8: COMPARISON - ANTICIPATING**

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<tr>
<th>ANTICIPATING</th>
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<tr>
<td><strong>UA</strong></td>
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<tr>
<td>• United offers customers the same booking opportunities at the mega-site, including information on fares of other airlines, but it offers strong incentives for customers to choose United. Passengers now get 1,000 bonus miles each time they make a round-trip</td>
</tr>
</tbody>
</table>
reservation through United's Web site.

- United Provides a children's game book on domestic flights and a game pack containing several items on their international flights (United-Travel support-Children's meals, 2000).

- Children's meals are available for children who are 18 months or older and who occupy a seat. The meals contain soft, easy-to-chew foods and may include finger foods. Foods that may cause choking or are highly seasoned are avoided. Two-percent milk and juices are available onboard the aircraft (United-Travel support-Children's meals, 2000).

- Toddler meals are available for children who no longer require commercially prepared baby foods and who are not eligible for children's meals because they do not occupy a seat to accommodate a full tray meal service (United-Travel support-Children's meals, 2000).

- Baby meals include strained fruits, vegetables, and meats, and are available for children up to two years of age. Milk and juices are available onboard the aircraft (United-Travel support-Children's meals, 2000).

- McDonald Friendly Skies meals (FSM) are available as part of special meal program. Although they are intended for children, any customer may order a McDonald's meal. Meals are offered in restricted markets (United-Travel support-Children's meals, 2000).

- Diabetic meals - United follows in preparing diabetic meals. While the diabetic menus may not fit the menu plan of every person with diabetes, the nutritional analysis provided with the meal will allow them to regulate fat, protein, and carbohydrate intake more easily. The diabetic meals are low-calorie as well (United-Travel support-Meals, 2000).
• Bland meals - United follows liberal bland guidelines outlined by the American Dietetic Association when preparing meals for surgical patients and others with digestive tract problems (United-Travel support-Meals, 2000).

• Lacto-ovo vegetarian meals - United provides a strict or vegan meal for this meal request. United First and United Business passengers may enjoy appetizers and desserts containing dairy products, and, domestically, milk is available on all meal service flights for those wishing to include dairy with the meal (United-Travel support-Meals, 2000).

• Traveler's Lighter Choice meals - Seafood meal, Chef salad, Fruit Plates, Chicken meals, Obento Japanese meals (United-Travel support-Meals, 2000).

• United's wheelchair service - Every United station has wheelchairs available, and virtually all of the cities they serve have jet bridges or special equipment to board customers who cannot climb stairs. Also, most stations have narrow aisle wheelchairs for customers who require them to reach their seat in the airplane. Their reservations personnel can help customer with information and order a wheelchair for points of departure, connection and destination (United-Travel support-Wheelchairs, 2000).

• United offers a special reservation service for those who have hearing or speech impairment (United-Travel support-Wheelchairs, 2000).

• Working with the aircraft manufacturer and experts in rehabilitation medicine, United has developed seats with movable armrests, onboard wheelchairs, and more (United-Travel support-Wheelchairs, 2000).

• United Business international amenities
1) Separate airport check-in position

2) Invitations to United's Red Carpet Club and lounge access, where possible, including select Star Alliance lounges

3) Early boarding (prior to United Economy boarding)

4) Pre-departure beverage service offering champagne and orange juice

5) An individual bottle of water for each customer

6) A choice of three entrees on all flights, featuring our Celebrity Chefs in select markets, served on fine Noritake porcelain.

7) Japanese Obento meal on flights between the United States and Japan, and between Hong Kong and Japan

8) Premium wines, choice of fruit and cheese or dessert with port and liqueurs, Starbucks coffee, and Godiva chocolates

9) Fully adjustable, ergonomic seats complete with Backcycler lumbar support designed to provide more room to work, relax, or sleep

10) High-quality compact disc audio systems with noise reducing electronic headsets

11) Individual armrest video with nine channels of video and 20 channels of audio including regional programming and airshow moving map

12) Complimentary in-flight amenity kit containing travel necessities such as socks, eye shades, a toothbrush, and more

13) Over-water satellite phone (to be installed on most 747-200/400 aircraft, with 767-300 fleet to follow)

14) Multi-lingual flight attendants and International cabin crew
15) Priority deplaning and priority baggage delivery at the final destination

16) United new Fast Track service at London Heathrow, providing expedited service through the immigration process for United Business passengers

17) United Arrivals by United service at 20 locations offers full-fare United Business customers on overnight flights the opportunity to shower and eat breakfast, and also provides access to business services (phone, fax, laptop power ports for personal computer access, etc.) (United-Travel support-United Business, 2000).

- United First domestic amenities
  1) Separate United First check-in positions at the airport
  2) Pre-departure beverage service including juice and cocktails
  3) CD-quality audio systems with electronic headsets
  4) Individual armrest videos on all 777 aircraft with six channels of video and 20 channels of audio, including regional programming
  5) Complimentary Wall Street Journal, USA Today, and local newspapers every business day on selected flights
  6) Priority Bag delivery after landing United (Travel support-United First domestic, 2000).

- The Red Carpet Club is United's network of airport lounges for frequent flyers—places to work or rest away from the busy atmosphere of the terminal. Its Features and privileges are:
  1) Comfortable lounges centrally located in busiest terminals
  2) Fax machines
3) Phones with data jacks for laptop computer
4) Power outlets for laptop computer
5) Conference rooms (available in many U.S. clubs)
6) Complimentary nonalcoholic beverages
7) Complimentary continental breakfast and afternoon snacks
8) Reciprocal clubroom privileges are extended to Red Carpet Club members when traveling on United Star Alliance partners and their code-share partners (United-Travel support-Red Carpet Club, 2000).

| NW | • Service animals travel free of charge and are permitted to accompany their owner and/or trainer in the aircraft cabin.  

• Northwest offers a variety of meal options to meet the needs of customers who have special dietary requirements. Special meal choices include: bland, diabetic, fruit, gluten free, low-calorie, low-cholesterol, low-sodium, low-carbohydrate, soft diet, sulfite free, vegetarian, Meals to meet religious needs such as Kosher, Muslim, Hindu  

• With advance notice, supplemental oxygen can be provided on all domestic and international Northwest flights for those customers who require the use of constant or occasional oxygen during the flight.  

• Northwest offers online refund requests for Northwest E-Ticket passengers. In addition, they can obtain the appropriate forms and contact information for other refund issues.  

• To display information about delayed luggage, customers can check them online by enter their 10-character file reference and their last
name. They may also contact Luggage Services by email with any questions regarding luggage such as carry-on dimensions, delayed luggage, or damaged luggage (Northwest Airlines - Northwest services - Luggage services - Track Your Delayed Luggage Online, 2000).

- Located in airports around the world, WorldClubs and its affiliated lounge network will help passengers make the most of the time they spend traveling. A WorldClubs membership offers:
  1) A quiet, comfortable place to relax during your journeys
  2) Friendly, personalized assistance with travel arrangements
  3) A wide selection of amenities, including fresh seasonal fruit, cheese and crackers, premium espresso, latte, cappuccino, local newspapers and more
  4) Productivity-enhancing business tools, including private work stations, seats with integral data and power ports, computers, printers, self-service fax machines, Internet access and conference/meeting rooms. (Northwest Airlines-Northwest Services-Northwest Airlines WorldClubs Overview, 2000).

- The WorldClubs membership program has changed to a single-tier structure, providing all WorldClubs members access to 91 WorldClubs and affiliated lounges worldwide. This includes America West Clubs and Continental Airlines Presidents Clubs in the United States (Northwest Airlines-Northwest Services-Northwest Airlines WorldClubs Overview, 2000).

- WINGS is a comprehensive Northwest Airlines program designed to calm the nerves of anxious flyers. Presented by a team of aviation professionals, flight crew members and behavioral experts. Since its inception in 1995, the Northwest WINGS seminar has helped 90% of its participants manage their anxiety and overcome their fear of flying (Northwest
Airline Websites Thesis 89

- World Business Class from the global alliance of Northwest Airlines and KLM Royal Dutch Airlines takes comfort to a whole new level:
  1) They provide extra legroom, more seat recline and an adjustable footrest in every business class seat, so passengers can stretch out, put their feet up and relax.
  2) There is a Personal Video System in every business class seat with a choice of four movies, news and entertainment programming, even a program that allows customers to follow their course of flight.
  3) There are innovative menus created by world-renowned chefs and complemented by a selection of the fine wines and champagnes. On flights to and from Asia, passengers may choose from Asian specialties and a variety of Western-style meals.
  4) On duty are personnel who speak the language of the destination and newspapers and magazines are available in a variety of languages.
  5) Customers who purchase a World Business Class Fare, receive a 50% Mileage Bonus on WorldPerks credited flight miles.

(Northwest Airlines-Northwest Services-World Business Class, 2000)

- ConnectFirst is an exclusive package of perks designed to give extra rewards when connecting on qualifying domestic flights through Detroit, Minneapolis/St. Paul or Memphis on Northwest Airlines. ConnectFirst offers both a FREE UPGRADE TO FIRST CLASS and 1,000 WorldPerks Bonus Miles roundtrip for the cost of a full Coach fare ticket (Northwest Airlines-Northwest Services-ConnectFirst, 2000).

- Northwest's Select Seating program offers preferential advance seat assignments to its most valued customers. Select seating is
<table>
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<th>Airline Websites Thesis 90</th>
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<tr>
<td>available to: WorldPerks Platinum Elite members, Gold Elite and Silver Elite members, Domestic unrestricted full-fare Coach Class passengers, Special access passengers (Northwest Airlines-Northwest Service-Select Seating, 2000).</td>
</tr>
<tr>
<td>- Northwest's meeting, convention and incentive travel programs offer products and services to help plan and manage air travel, whether for a small or large group sharing a common destination, or for individuals attending a meeting or convention (Northwest Airlines-Northwest Service-Meeting,&quot; 2000).</td>
</tr>
<tr>
<td>- Northwest offers discounted travel to wedding guests when customers work with a Meeting and Incentive travel representative to set up their personalized wedding program (Northwest Airlines-Northwest Service-Meeting,&quot; 2000).</td>
</tr>
<tr>
<td>- Northwest transports all types of personal wheelchairs for customers including folding, collapsible or non-folding manual wheelchairs, electric/battery powered wheelchairs and electric powered carts.</td>
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<td><strong>OTHERS</strong></td>
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<tr>
<td>- American Airlines gives customers AAdvantage miles for every dollar they spend—and in return, customers give the airline information about the food they eat, the clothes they wear, and the stores they shop (Sweat, 2000).</td>
</tr>
<tr>
<td>- A new venture with America Online in which customers can use AAdvantage miles as online currency will increase what American knows. American goes on that data that gives the company insights that help it identify profitable customers and tailor products, such as tour packages, to them. (Sweat, 2000).</td>
</tr>
<tr>
<td>- Special Course to Overcome the Fear of Flying Air Canada now offers a comprehensive course on how to overcome the fear of flying. The course is available to all Air Canada</td>
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passengers and to the general public in Montreal, Toronto and Vancouver. Anyone who has white knuckles when flying, or who avoids flying completely, can benefit from this course.

- **Special Meals**
  In order to accommodate your religious or medical dietary restrictions, or the special needs of an infant or child, Air Canada offers a choice of the following 17 special meals: Asian vegetarian meal, Infant or baby's meal, Bland/soft meal, Child's meal, Diabetic meal, Fruit platter meal, Gluten-free meal, Hindu meal, Kosher meal, Low-calorie meal, Low-cholesterol/low-fat meal, Low-sodium meal, Muslim meal, Oriental meal, Vegetarian meal, Vegetarian meal, Non-lactose meal

- Delta Air will allow corporate customers to reject a negotiated fare if a cheaper one was available through its Web site.

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<th>Benefits</th>
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<tr>
<td>- Passengers’ feedback will increase what airlines know. Customers go on data that gives the company insights that help airlines identify profitable customers and tailor products.</td>
</tr>
<tr>
<td>- Anticipation help leaders take into perspective the picture of future, vision and value to create new strategies to profit from these revolutionary patterns of business.</td>
</tr>
<tr>
<td>- Because airlines deeply get involved in interactive anticipation, users get more chances to feedback to the airlines, which enhances the solid relationship between airlines and customers.</td>
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TABLE 9: COMPARING - FILTERING

<table>
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<tr>
<th>FILTERING</th>
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<tbody>
<tr>
<td><strong>UA</strong></td>
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<tr>
<td>• United, Delta, Northwest and Continental plans to launch industry leading travel Web site. The new site, the first multi-airline travel portal, will provide customers with convenient online access to airline, hotel, car rental and other travel services in addition to Internet offers. For the first time, online travel consumers will be able to compare and purchase the Internet fares offered by several airlines and travel providers by visiting just one site.</td>
</tr>
<tr>
<td>• United Vacations offers great vacation choices to more than 100 cities worldwide. Select from many exciting destinations, including hotels, car rentals, and attractions.</td>
</tr>
<tr>
<td>• When visiting United worldwide homepages, customers can learn what special programs and services UA offer in other countries. The information provided is in the local language of each country.</td>
</tr>
<tr>
<td>• United provided E-fare and other travel-related information via email. Customers can chose the topics which they interested in or change their mind for receiving from newsletters, which United has sorted their massive information into different categories.</td>
</tr>
<tr>
<td><strong>NW</strong></td>
</tr>
<tr>
<td>• Promotional Email Registration is provided - if customers would like to be sent travel-related information and offers via email. Travelers can register from Promotional Email Registration on Northwest airlines. If at anytime customers change their mind, they may simply unregister for all topics or re-register for only those topics they would like to receive (Northwest Airline-WorldPerks-Promotional Email Registration, 2000).</td>
</tr>
</tbody>
</table>
- United, Delta, Northwest and Continental plans to launch industry-leading travel Web site. The new site, the first multi-airline travel portal, will provide customers with convenient online access to airline, hotel, car rental and other travel services in addition to Internet offers. For the first time, online travel consumers will be able to compare and purchase the Internet fares offered by several airlines and travel providers by visiting just one site.

- Customers can use Northwest's Destination Guide to access tools and tips that make trip planning easy and to familiarize themselves with the destination they have chosen. They also provides information on Northwest's luggage and carry on policy as well as information about E-Services to help simplify customers to find the basic information for travel planning.

- E-Services is the typical filtered information about features of E-service

1) E-Ticket
   Information on the ticketless travel option and directions for obtaining an E-Ticket refund

2) E-First
   Easy upgrades to first class for E-Ticket customers.

3) E-Service Center
   A quick and simple check-in option for E-Ticket passengers at select airports

4) nwa.com Check-in
   Another easy check-in option available to Northwest E-Ticket customers traveling on qualified itineraries with carry-on luggage only. They can check in on their PC and print their boarding pass before leaving for the airport.

5) Redeem special discount offers
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<tr>
<td>6)</td>
<td>Northwest/KLM WorldWeb Reservations are the most convenient and complete electronic tools for travel.</td>
</tr>
<tr>
<td>7)</td>
<td>Receive faxes via email when customers sign up to receive their faxes via email-free.</td>
</tr>
<tr>
<td>8)</td>
<td>nwa.com From Anywhere is customized for your handheld devices. (Northwest Airlines-Northwest Service-E-Service Center, 2000).</td>
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- General Travel Tips is a brief introduction that tell what travelers should so before and during they travel. |

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<tr>
<td>1)</td>
<td>Photocopy your passport and keep it in a separate location from the original.</td>
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<tr>
<td>2)</td>
<td>Bring as little cash as possible. Traveler's checks, ATM and credits cards are best bet. Bring only the credit cards they will be using.</td>
</tr>
<tr>
<td>3)</td>
<td>Keep a list of credit cards, their 1-800 numbers and any other important phone numbers and information and place it in the carry on or luggage. In case they lose their wallet, they will know whom to call quickly.</td>
</tr>
<tr>
<td>4)</td>
<td>Mark all luggage with a permanent marker, clearly writing name and address.</td>
</tr>
<tr>
<td>5)</td>
<td>Travelers research the option of travel insurance and determine if it will suit their needs.</td>
</tr>
<tr>
<td>6)</td>
<td>Bring comfortable shoes.</td>
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<tr>
<td>7)</td>
<td>Do not take valuable jewelry.</td>
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<tr>
<td>8)</td>
<td>Travelers pack their own luggage so that they will be able to answer any questions about the contents along the travel route. This will speed up any security protocol along the way.</td>
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<tr>
<td><strong>OTHERS</strong></td>
<td>• Smarter Living's weekly, Internet-only airfare newsletter goes a step further by consolidating 20 major airlines' Web deals; the e-mailed missives are available each Wednesday for more than 40 departure cities in the U.S. and Canada, including New Orleans. Other Smarter Living newsletters are targeted to seniors, students, and frequent fliers, while its weekly &quot;Deal Alert!&quot; covers general travel bargains (Bly, 2000).</td>
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- Tips for Business Travelers - Making simple preparations before traveler go can help make trip more enjoyable.

1) Traveler should enable their staff to handle their clients while they are away from the office.

2) Stay in touch with the office while travelers are on the road and encourage their staff to leave them updates via voice mail or e-mail.

3) Consider paying bills electronically to help save time and make it easier to track spending throughout the year.

4) Purchase an electronic personal organizer to track appointments as well as birthdays, anniversaries and other important personal dates.

5) Stay balanced. Even though travelers are on a business trip, be sure to take time for themselves during the day.

6) Get wired-cell phones and laptops are a great way to stay in touch with family, friends and business contacts while travelers are on the road.

(Northwest Airlines-Travel Planner-Travel Tips, 2000).
• Dennis Deacon's Travel Link Express (http:members.aol.com/trvlevery): Deacon's reviews are brief and often superficial, but his no-nonsense newsletter and a voluminous, soon-to-be-updated travel directory remain useful resources (Bly, 2000)

• www.lonelyplanet.com: Designed for budget-minded travelers who like their travel news downloaded, not loaded down, this attractively written monthly newsletter dispenses guidebook updates, destination news and plugs for new Lonely Planet products (Bly, 2000)

• www.cruisemates.com: This consumer-friendly site provides advice for first-time cruisers and a lively reader's forum. The site's weekly newsletter mixes pitches for upcoming CruiseMates chats and cruises with cruise tips and summaries of industry news and trends (Bly, 2000).

• America Online's Independent Traveler: Notable for its well-frequented message boards, AOL's Independent Traveler also does a good job of supplying timely information and bargains to independent-minded vacationers. The site's weekly newsletter provides a summary of bargains and links to new features, from the potential impact of higher gas prices on summer travel to the pros and cons of using alternate airports and advice on surviving a red-eye flight (Bly, 2000)

Benefits

• Information needs to be brief and superficial. Newsletters always target to frequent fliers, but a lot of travelers don't have time to read all newsletters received weekly from airline. Some of them may only need lowest fare instead of travel packages; some may need promotion price of hotels. Airline need to set up a consumer-friendly site and filter the information to help user sort all kinds of information and remain useful resources. Then
consumer can get timely variety messages from different categories easily.

### TABLE 10: COMPARISON - CUSTOMIZING

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<th>CUSTOMIZING</th>
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<tr>
<td><strong>UA</strong></td>
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<tr>
<td>• Passengers can create their own itinerary according to their time schedule and interests</td>
</tr>
<tr>
<td>• Audio-United Airlines and Disc Marketing provide the music passengers hear on the planes; it is available for purchase courtesy of United Airlines and Disc Marketing. Customers can visit <a href="http://www.discmarketing.com/inflight">www.discmarketing.com/inflight</a>.</td>
</tr>
<tr>
<td>• The SkyMall catalog brings passengers a collection of high-quality, unique and innovative products from the best brands in America. They can find the SkyMall catalog in the seat pocket on U.S. and international flights or they can log on to <a href="http://www.skymall.com">www.skymall.com</a> and see thousands more products online.</td>
</tr>
<tr>
<td>• When user visit SkyMall online, they can also get great timesaving services like e-reminders that allow customers to program important dates so they can be reminded of them via e-mail. There is a Mileage Manager to help track frequent flyer miles, an electronic itinerary that they can be completely and easily e-mailed to associates and family, and much more.</td>
</tr>
<tr>
<td>• As members, passengers can customize their mileage by choosing Mileage Plus Dining program or/and Mileage Plus Shopping miles program.</td>
</tr>
<tr>
<td>• Passengers earn ten Mileage Plus miles for every U.S. dollar they spend on qualifying visits at thousands of participating restaurants across the U.S, not just on food, but on beverages, tips, and taxes as well. For example, if customers spend an average of just $50US a week</td>
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</table>


dining out, they can accumulate 25,000 miles a year. That's enough for a roundtrip Saver Award in United Economy to any United destination in the continental U.S.

- Simply register up to three credit cards and earn up to five Mileage Plus miles per dollar whenever these cards are used to shop with participating retail, catalog and E-commerce merchants. Mileage Plus Shopping miles will be credited automatically to customers' Mileage Plus account.

- There are lots of ways to earn miles with Mileage Plus. There are two easy ways to purchase them. Customers can give their miles as gifts to friends and family.

1) Personal Miles are for individual travelers. They are the fastest way to top off miles in travelers' Mileage Plus account. Customers can purchase up to 15,000 miles per year and redeem them with any of their Mileage Plus airline partners. To learn more, or purchase Personal Miles online, travelers can visit www.ualmiles.com.

2) Reward Miles are for companies and organizations. They are the ideal way to reward customers and employees, strengthen business relationships and boost sales.

- Flight paging provides customers with automatic notification of flight delays or cancellations. In addition, gate information can be provided within one to four hours of the scheduled arrival/departure time. Users can customize the service to meet their travel needs by selecting any of the flight paging options (United-Travel support-Flight paging services, 2000).

- Northwest Airlines has customized its website for handheld computers and wireless browsers. Most WAP phones (or Wireless Application Protocol-enabled cell phones), standalone PalmPilots™ and
other wireless devices can easily view a condensed version of nwa.com. Some or all of the following information is now available:

1. Flight and Gate Status with Current Weather Conditions
2. Downloadable Timetables
3. CyberSavers Fares
4. Airport Maps
5. WorldPerks Mileage Balance
6. Flight Status Paging


- Northwest Airlines Not only offers the convenience of online booking, it also feature a world of destinations, specially priced airfares on Northwest Airlines and KLM Royal Dutch Airlines, a wide range of value-priced accommodations, and a choice of add-ons to allow you to create a custom-made vacation at a package price (Welcome to Northwest Airlines WorldVacations, 2000).

- Browse and let WorldVacations help customers plan their vacation. They can select a destination by either geographic area or activities. They can select a WorldVacations destination by desired activities, and then click on the Enter Request button (Welcome to Northwest Airlines WorldVacations, 2000).

- Customers select their destination from the list and then pick the topics that interest them. By click on the CONTINUE button, they can proceed to a series of checklists where customers say exactly what they want in the way of hotels, restaurants, and other travel info. When they are finished, Northwest Airlines will use the choices to build their personal miniguide (Fodor's Create your own miniguides, 2000).

OTHERS

- Some airlines' sites are starting to personalize ticketing by asking frequent fliers where they prefer to sit on the plane, telling travelers the movie choices, and offering advanced special
check-in for large luggage such as skis.

- The airlines could improve their options by making sites even more specialized. For example, airlines should post the standard menu selections online, along with possible in-flight movies. The data collected would help carriers customize and prioritize food preferences and movie selections according to customer feedback.

- Another all-purpose site, fodor’s (www.fodors.com), lets customers customize their own guide for 87 cities, while Excite’s City.Net (www.city.net) provides the basics on more than 5,000 destinations plus plenty of links to related Web sites (Bly, 1997).

- Delta Air Lines will launch a Web site that targets the small-business market. The site, MYOB Travel (Mind Your Own Business Travel at www.myobtravel.com), will offer access to airlines, hotels and rental-car companies. It also will let small-business customers modify travel itineraries online, store profiles of travelers and create company travel reports (Khan, 2000).

- Southwest Airlines added an area to its Web site (www.southwest.com) that lets companies set up private accounts and track travel spending. The function, called Swabiz, lets travel managers view traveler bookings and get spending reports. Reports include fares on city pairs and average ticket costs (Khan, 2000).

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<th>TABLE 11: COMPARISON - UPGRAADING</th>
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<tbody>
<tr>
<td><strong>UPGRADED</strong></td>
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<tr>
<td>UA</td>
</tr>
<tr>
<td>United Airlines continues to revamp and snub existing individual Web sites to attract more loyal customers.</td>
</tr>
<tr>
<td>NW</td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>Customers will have the ability to download the Timetable on a monthly basis so they have got the most recent edition of the United Timetable.</strong></td>
</tr>
<tr>
<td><strong>&quot;The multiple accolades that the new ual.com is receiving and the overwhelming response to our flight paging service are strong endorsements of the new design and capabilities of our Web site,&quot; said Rick Collins, Director of Internet Marketing at United Airlines new e-commerce division. &quot;It is also a reflection of the many excellent suggestions we received in customer focus groups before we revamped the site.&quot; (United Airlines' New Web Site Wins Top Industry Honors, 2000).</strong></td>
</tr>
<tr>
<td><strong>Northwest Airlines continues to revamp and rebuff existing individual Web sites to attract more loyal customers.</strong></td>
</tr>
<tr>
<td><strong>Customers can view and select low-priced vacation packages, special promotional packages, and value-priced packages from select cities. Specials from Select Destinations update weekly (WorldVacations-CyberDeals, 2000).</strong></td>
</tr>
<tr>
<td><strong>Outdated, Northwest Airlines takes the power of three to a new level with a redesign of its award-winning website, (<a href="http://www.nwa.com">www.nwa.com</a>) that allows users to access nearly every feature on the site in three mouseclicks or less. Northwest is the first airline to use drop-down tabs, which show what information is contained in each section of the site without even going to that section (&quot;About Northwest—Three Clicks to Anywhere,&quot; 2000).</strong></td>
</tr>
<tr>
<td><strong>Northwest Airlines listen to their customers—they tell Northwest they want simple navigation on their web site. It has never been easier to check fares and availability, purchase tickets, look at flight status, join</strong></td>
</tr>
</tbody>
</table>
Airline Websites, book WorldPerks award travel and so much more. Other enhancements to NWA.Com include:

1) Online booking and purchasing is quick and easy with Northwest's "Fast Trip Finder" and "Make a Reservation Now" link positioned front and center on the home page.

2) Northwest's highly rated WorldPerks program is highlighted on the new home page with links for membership signup and account information. For customers' enhanced security, Personal Identification Numbers (PINs) are now required to access WorldPerks accounts.

3) WorldPerks Account History is now available online. Customers can view their account summary for air and non-air miles earned on Northwest Airlines and its WorldPerks partners.

4) Enhanced search capabilities make it easier to find specific information from any page of the site. Customers can simply type in a search word or phrase at the "Search" command to receive a list of appropriate links within the site.

5) Email registration is now available from the footer of every page on the site allowing customers easy access to register, unregister or update their email information with Northwest (About Northwest—Three Clicks to Anywhere, 2000).

OTHERS

- The airlines will continue to revamp and rebuff their existing individual Web sites to attract more loyal customers.

- Trans World Airlines said it selected GetThere.com Inc.'s Internet travel-booking engine to upgrade the airline's Web site. TWA, the nation's eighth-largest airline, said the new FlightRez system will allow it to offer its passengers access to hotel accommodations, car rentals and air tickets through the airline's twa.com Web site.
<table>
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<tr>
<th>Benefits</th>
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<tr>
<td>• That airlines consistently change and upgrade their web sites makes customers simply and easily navigate on airlines' web site to check fares and availability, purchase tickets, look at flight status, join their club member, book award travel packages. As more and more functions and features have been added in airlines' web sites, they more and more use these consumer-friendly web sites to enhance and strengthen the relationship between airlines and customers.</td>
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</table>

Comprehensive viewing of the results of the comparison tables in this study shows that Davis's ten attributes of offers describe the primary features of the virtual airlines' online service. Both United and Northwest are achieving their goal, which is to provide all of their customers with reliable and convenient air service, through the use of industry-leading technology. How do they to keep their leading position within the airline industry in the future? Referring to Davis's ten attributes of an offer as industrial society morphs, airlines have to learn from their competitors, travel agencies, because they provide some unique real customer service online. Some of those represent the new trends of Web site development in the travel industry.
CHAPTER IV
RESULTS AND CONCLUSION

This Chapter demonstrates the changes in current airline and travel agencies and the continuous improvement on their online services, a look at new concepts of expanding the new market and new tactics of using the experience of travel agents for reference to keep airlines the niche and enhance the ability to compete with other rivals in the future, and new developing trends and airlines rethinking Internet strategy of obtaining customer-friendly web sites of airlines themselves. In addition, the study shows the benefits and significance of online service for both organizations and customers.

After comparing the websites of these two big virtual airlines’ and some travel agents’ Internet online services, in table 12, the study displays the changes of online services in current airlines and travel agents and indicates the new concept and strategy in developing trends of airlines’ e-commerce by using the systematic matrix again. In the following table, the study illustrates the value to both customers and organizations by providing comprehensive online service. Finally, the study draws a conclusion about the significance of new technology in terms of airlines’ websites development by using the Internet.
**TABLE 12: THE NEW TRENDS OF AIRLINE WEBSITE DEVELOPMENT IN THE FUTURE**

<table>
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<tr>
<th>Alliance plan to open a One-stop shopping site</th>
<th>It is not difficult to find the new Internet development trends in airlines existing web pages. In order to offer the most convenient features of any online travel vehicle, by combining the vast amount of Internet experience of all the launch partners, airlines will create a site that is superior to all travel sites. The new site will also partner with hotels, car rental companies, cruise lines and other travel partners to help consumers build an entire travel experience at just one site. Customers will be offered unique travel packages through the combined product offerings of all partners. For the first time, online travel consumers will be able to compare and purchase the Internet fares offered by several airlines and travel providers by visiting just one site. The new site will provide access to the carriers’ online products. The airlines believe this will offer the most comprehensive selection of online airfares and other travel information available anywhere on the World Wide Web. Price-conscious customers for example, will be able to use a special price search feature to locate products suiting their budget needs; customers concerned with convenience will use a special flight schedule search engine. Alliance’s site will offer customers the best of everything: the best collection of Internet fares in one location, the best search capabilities and the best travel-related content.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airlines are making up for lost time, going after potential passengers by adding more web sites as well as forming partnerships with online retailers, such as:</td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
as Travelocity, Expedia and Priceline, all better known for selling electronic products or sporting goods than airline tickets.

- Presumably seeking to decrease the power of the online travel companies, an alliance of 27 domestic and international airlines, had planned to open a "one-stop shopping" site, allowing customers to book the biggest selection of low fares available anywhere on the Internet. The alliance would have also allowed customers to book hotel rooms, rental cars, cruises and package tours. The carriers are developing a $100-million online reservation system on which they plan to post joint schedules and fares. (Mcdowell, 2000).

- The airline alliance is set to form an online market. The airlines estimate the new venture will handle about $32 billion of purchases annually, which represents most of what they currently spend with suppliers. The Web site is being formed by Air France, British Airways, Continental Airlines, Delta Air Lines and UAL Corp.'s United Airlines. The site should help airlines cut costs (Khan, 2000).

- These new alliances, if they ever get going, will provide Internet users access to a far greater range of fares and flight information (Mcdowell, 2000).

- TRX Inc., which owns ResAssist, WorldTravel Partners' online-booking system, plans to introduce a booking module that would integrate Internet fares by the end of the year, says Nick Born, a spokesman for WorldTravel Partners.
need to set up their own auction site

because passengers are able to use a special price search feature to locate products suitting their budget needs. If airlines have their own auction sites, the author believes that airlines not only provide the best fare for the customer, but also can guarantee that they receive benefits such as, Frequent Flyer miles and segments, or upgrades. Obviously, other online travel companies are not competitive with them.

- Priceline is a brand-new way of buying airline tickets--Save money by naming your own price. Making a ticket request at Priceline is fast, easy and free. If online shoppers tell Priceline where and when they want to go, the number of tickets they need, how much they want to pay and provide a major credit card, Priceline then searches for an airline willing to release seats at that price. In just one hour, online shoppers will have an answer. If they find tickets at the bidder's price, they immediately purchase those tickets and charge the customer's credit card.

- Delta Airlines made its unsold seats available to priceline.com

- Hotelsupplies.com is another service that allows hotels to accept bids through private on-line mailboxes as well as find suppliers through a special directory. "It's the place where everyone goes to meet and conduct sales," said Colin Fahrig, vice president of sales and marketing (Blank, 1999).

- Continental and several other U.S. airlines, in fact, are selling tickets through Priceline, an Internet retailer that lets customers submit bids for airline tickets online (Miller, 1999).
<table>
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<tr>
<th>Airlines become search engines for much broader travel-related topics.</th>
<th>• Airlines become travel &quot;infomediaries,&quot; not only using their Web sites to enable consumers to book hotels and car rentals, but also to become search engines for much broader travel-related topics. Airline should provide more content and information related to the travel topics. In addition, airline should help consumers build an entire travel experience at just one site and offer unique travel packages through the combined product offerings of their partners. For example, a fly-fishing enthusiast might search an airline's site for flight information and find a list of ideal fly-fishing locales, available ground transportation, and fly-fishing vacation packages. The site also could feature ads for fly-fishing books and publications, fly-fishing equipment, and related Web sites (Miller, 1999).</th>
</tr>
</thead>
</table>
| Some Web sites guarantee fares really are lowest. | • For the avid web site surfer, the most attractive factor is the lowest fare. Therefore, an airline's web site should guarantee that the fares really are lowest.  

• Ireland's Ryanair promises the lowest fares on the Internet or it will refund double the difference to anyone who finds a lower Web fare for the same itinerary and notifies Ryanair within 12 hours.  

• Expedia's Travelscape.com guarantees the lowest hotel room rates. It will refund the difference if a customer finds a lower rate for the same hotel and date within 24 hours.  

• Biztravel.com, owned by travel agency Rosenbluth, gives money-back guarantees to customers who buy tickets on its site for flights delayed or canceled by American, Continental, US Airways, British Airways and Air France. Customers get up to $200 for delays and a full refund for
| **Web Sites Start A Refund Plan** | • Airlines generally should start to offer travelers a refund plan - unprecedented refunds for late or canceled flights on their Web Sites to compensate for misery encountered on the road, although fliers who squawk sometimes get free miles or vouchers.

• biztravel.com will offer customers unprecedented refunds for late or canceled flights on five big carriers

• biztravel.com also says it will pay customers using those airlines smaller refunds if their luggage goes astray, if seat assignments aren't honored or if specially requested meals aren't served.

• Fliers rush to the carrier's site, www.aa.com, to find out which flights were canceled, not to book vacations then the site links up a flight cancellation data bank and displays a form that customers can fill in on their computers to apply for refunds (Farrell, 1999). |
| **Airlines rethink Internet strategies** | • Airlines need to build a travel portal to compete with online agencies while continuing to serve loyal customers through proprietary Web sites

• In addition, to reducing pay out to competitors, the airlines hope to get rid of commission fees altogether by creating their own travel portals and moving customers to them from sites like Travelocity-Preview and Expedia.

• Airlines, particularly at the cheaper end of the scale, are so keen to get customer buying online, they are offering preferential fares or, in the case of
United Airlines, giving double the air miles (Shipside, 1998).

- The airlines hope the reduced fares, one-stop shopping and promotional incentive will capture price-conscious customers and new users who would normally book tickets through a travel center like Expedia.

- United Airlines unveiled plans to launch an e-commerce subsidiary dedicated to maximizing the sale of travel products over the Internet and Internet enabled-devices.

The new company will also create United's first online sales organization that will be charged with managing the carrier's many partnerships and relationships with new and existing online travel sites, as well as generating additional online revenues.

The planned subsidiary will help United better compete in the burgeoning e-commerce industry through dedicated management and staff. The organization will allow United to seize new opportunities in the rapidly developing e-commerce arena.

- United has incorporated an Internet partnership strategy. The airline has entered into innovative relationships with sites such as star-alliance.com and collegetravelnetwork.com. United is creating new sites such as the BuyTravel.com Web site (in conjunction with Buy.com), and an independent Web site with Delta, Northwest and Continental that will provide customers with a new standard in customer convenience and access to Internet specials from multiple airlines.

<p>| Made their products available through a | • Airlines have always made their products available through a variety of sources. The joint site will offer hotel, rental car, and vacation packages as well as |
| products available through a | |
| United Airlines, giving double the air miles (Shipside, 1998). | |</p>
<table>
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<tr>
<th>variety of sources</th>
<th>airline tickets.</th>
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<tr>
<td>• United Airlines and Buy.com, a leading Internet retailer and E-commerce website, jointly announced that they have signed a strategic agreement to create a comprehensive online travel store. The new site, BuyTravel.com, will sell travel on all major airlines, as well as hotels, car rentals and cruises via the World Wide Web. In addition to its full-service offerings, BuyTravel.com will feature United Airlines' E-Fares, deeply discounted fares that are currently not widely available from other third party websites.</td>
<td></td>
</tr>
<tr>
<td>• BuyTravel.com will provide customers with an online one-stop shop where they can obtain travel information, book reservations and purchase airline tickets on United Airlines and other carriers.</td>
<td></td>
</tr>
<tr>
<td>• BuyTravel.com will offer consumers all the benefits of a full-service online travel agency from the convenience of their desktop. United Airlines' E-Fares will provide customers, who are flexible with their travel plans, with a convenient cost-saving alternative to booking airline flights. By using the new BuyTravel.com site, customers will be able to easily and safely purchase a variety of tickets ranging from leisure getaways to business trips utilizing the proven e-commerce technology of both United Airlines and Buy.com.</td>
<td></td>
</tr>
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</table>

| Customer focus | • To maintain relationships with their customers, airlines must improve the delivery on their sites. For customer focus, airlines sites already provide travel perks that the agencies can't offer—such as discounted rates and |
frequent-flier incentives—but they need to do it better through faster and more easily accessible sites and multiple travel options

- For example, sites such as United's UAL.com and American's AA.com provide competitors' rates to value-conscious consumers so surfers won't be forced to click through several sites to compare prices.

- United Airlines has been cutting fares by 5 percent for online bookers, offering discounted special rates exclusive to its site, throwing in a few thousand bonus miles, and offering a free paging service.

- American Airlines is now offering bonus miles—with 1,000 miles going to anybody who books a ticket online.

- And Southwest Airlines will even double miles when tickets are booked online.

<table>
<thead>
<tr>
<th>Offerings are targeted</th>
</tr>
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<tbody>
<tr>
<td><strong>Airlines</strong> need to make sure offerings are targeted and not a free-for-all promotion.</td>
</tr>
<tr>
<td>Frequent travelers are the ones airlines don't want to lose, so it is important to have a healthy Web site for their own customers</td>
</tr>
<tr>
<td>The airline strategy is to provide personalized service, and the Internet agencies will find it difficult to compete with the airlines</td>
</tr>
<tr>
<td>Another avenue to reach customers is through partnerships with specialized groups.</td>
</tr>
<tr>
<td>United Airlines' contract with College Travel Network will specifically target student travel.</td>
</tr>
</tbody>
</table>
Despite the rise in self-booked trips, industry professionals are creating niches by exploiting the power of the Internet and offering a personal touch.

**Travel agents adopt new tactics which airline should refer.** Travel agents want to play an "information-giving, advice-offering, hand-holding role."

<table>
<thead>
<tr>
<th>Specializing</th>
<th>Designed for residents rather than visitors, online city guides reduced by Microsoft's Sidewalk (<a href="http://www.sidewalk.com">www.sidewalk.com</a>) and its chief rival, CitySearch (<a href="http://www.citysearch.com">www.citysearch.com</a>) give far more specifics on restaurants, events and entertainment.</th>
</tr>
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<tr>
<td>—</td>
<td>Travelocity's site includes information on more than 300 countries and features such as Best Fare Finder, but its success is probably related more to its relationships with service providers.</td>
</tr>
<tr>
<td>—</td>
<td>The Expedia engine simultaneously polls both the database of deals, and the airlines' central reservation systems so if it comes back with an offer, it's available now, and you can book it on the spot with a credit card. Packages, flights and hotels are available, with detailed city maps to give customers an idea of where they are going to wind up. Since the system saves preferences, it will automatically tell the airline the customer needs a vegetarian, non-smoking, aisle seat (Shipside, 1998).</td>
</tr>
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</table>

| Three clicks to anywhere - fast, easy and convenient | Today, Northwest Airlines takes the power of three to a new level with a redesign of its award-winning website, (www.nwa.com) that allows users to access nearly every feature on the site in three mouse clicks or less. Northwest is the first airline to use drop-down tabs, which show what |
## Reducing the Cost

### Airlines

Airlines should eliminate credit card fees by introducing a direct-payment system on the Web site. This could reduce the cost of transactions and streamline the booking process for passengers.

### In Late July, Delta Airlines

Delta Airlines announced plans to do just that. Their third-party online travel agencies already had been offering direct bookings for corporate clients through its Business Travel Solutions service, Travelocity.com provides self-booking Web sites not available to the public-for exclusive use of individual companies (Miller, 1999).

### Northwest

Northwest wins the award for knowing who its audience is and what it wants, by offering best-of-breed Web-based services. These services include not only online enrollment and an updated report of account information but the ability to book award travel online.

### United and American

United and American win the Enlightened Self-Interest award for permitting users of their sites to price and book flights on other airlines, too—making them the public for exclusive use of individual companies.

### Reducing the Information

Information is contained in each section of the site without even going to that section. (About Northwest—THREE CLICKS TO ANYWHERE, 2000)

## Comparing the Major Carriers' Sites

Comparing the major carriers' sites according to how well they perform the crucial tasks of pricing and booking, distributing useful and necessary information, and offering frequent-flier services.

- United
  - Self-Interest award for permitting users of their sites to price and book flights on other airlines, too—making them the public-for exclusive use of individual companies (Miller, 1999).
- American
  - Enlightened Self-Interest award for permitting users of their sites to price and book flights on other airlines, too—making them the public-for exclusive use of individual companies (Miller, 1999).
- Delta
  - Direct-payment system on the Web site reducing credit card fees and streamlining the booking process for passengers.

### In Late July, Delta Airlines

Delta Airlines announced plans to do just that. Their third-party online travel agencies already had been offering direct bookings for corporate clients through its Business Travel Solutions service, Travelocity.com provides self-booking Web sites not available to the public-for exclusive use of individual companies (Miller, 1999).
only lines brave enough to suspend the fiction that one carrier can meet any travel request.

- United and American understand the value of providing inducements for users to make their sites their online "homes"—even at the expense of losing an occasional ticket sale. Between the two, United integrates other lines' options, including their lower-priced options, more fully and easily into its booking engine; American requires users to choose to view options from other carriers (Briley & Stoltz, 1999).

- The major carriers' Web offerings are nearly the same. All offer schedules, flight status, frequent-flier information and the ability to book flights on site; most throw in marginally valuable extras designed to keep users returning to the same reservation site.

<table>
<thead>
<tr>
<th>1) Site</th>
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<tbody>
<tr>
<td>2) Incentives to Use</td>
</tr>
<tr>
<td>3) Finding Flights/Fares</td>
</tr>
<tr>
<td>4) Freq.-Flier Services</td>
</tr>
<tr>
<td>5) Best Features</td>
</tr>
<tr>
<td>6) Worst Annoyances</td>
</tr>
<tr>
<td>7) Notes</td>
</tr>
</tbody>
</table>

- American—aa.com

4,000 bonus miles for first-time e-buyers, 1,000 for others. Some Web-only fares.

Five clicks for precise itinerary, three for price. May request, book other carriers.

Online enrollment, account info, redemption requests.

Bargain finder will get flight cheaper than one requested. AAdvantage number auto-recalled.
<table>
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<tr>
<th>Site experiences frequent e-problems: frozen screens, system busy messages.</th>
</tr>
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<tbody>
<tr>
<td>Fare finder reads high to low, creating first-screen sticker shock. Claims to tailor offer to user profile. Online specials posted sporadically providing incentive to check back frequently.</td>
</tr>
<tr>
<td>● Continental--continental.com</td>
</tr>
<tr>
<td>1,000 bonus miles for e-buying international r/t, 500 for domestic r/t.</td>
</tr>
<tr>
<td>Three clicks to fare, but many fields need filling out, making it time-consuming.</td>
</tr>
<tr>
<td>Online enrollment, account info. Request retroactive mileage credit in one screen.</td>
</tr>
<tr>
<td>Navigation aided by pop-up explanations that appear with pass of mouse.</td>
</tr>
<tr>
<td>Poor design: Links are small, many look-alike screens, pop-ups. Log-in needed for online deals.</td>
</tr>
<tr>
<td>OnePass screen carries eight-week forecast of routes with high award seat availability. Site won't accept e-mail without home address. OnePass number, PIN needed to reaccess OnePass screen.</td>
</tr>
<tr>
<td>● Delta--delta-air.com</td>
</tr>
<tr>
<td>500 bonus miles for e-buy r/t, 500 more for e-ticket. Weekly Web fares here only.</td>
</tr>
<tr>
<td>Two clicks to price, via bonus promo or &quot;book online&quot; link. Round-trip choice not automated.</td>
</tr>
<tr>
<td>Online enrollment, account info.</td>
</tr>
<tr>
<td>Weekly Web fares all have easy &quot;reserve&quot; button to book seats.</td>
</tr>
<tr>
<td>&quot;Vacations&quot; area extremely time-consuming.</td>
</tr>
</tbody>
</table>
"Deals" extracts excessive personal data.

Pull-down menus, running text banner are irritating. Nice calendar.

- Northwest--nwa.com

1,000 bonus miles for every round-trip online purchase.

Three clicks to fares via "flight tools"
Price screen: good extra info.

Best of breed: Online award booking, plus account info, retroactive flight credit.

Flight status available without flight number, clean, complete page - one presentation.

First-timers book a fare, are sent to registration screen, and then back to beginning to re-book.

Only site to offer low-graphics version for speedier access. Clean design, good navigation. Online award-travel booking good only for travel more than 14 days out.

- Southwest--iflyswa.com, southwest.com

Best: Double Rapid Rewards, and instant Freedom Reward status, for e-booking.

Best: Two clicks to browse fares between cities, three to book. Elegant, simple.

Enroll via flight booking; no online account access or award booking.

Quick-hit low-fare scanner (cash register icon at Home Gate). Easy prices, booking.

Lack of "home" button requires back-clicking.

Best support of price-shopping of any site. America Online 2.5 users can't use
reservation system. Airport parking rates, short and long term, provided. Vacation booking is fairly well developed, though still taxing.

- TWA--twa.com

1,000 bonus miles for e-booking r/t. Online-only specials.

Six clicks to ticket price. TransWorld Access page requires registration (ID/PIN).

Online enrollment; can check account status with just Aviators number.

Best for quick access to current bargains via Hot Deals (weekend fares, other specials).

Baffling requirement to choose outbound and inbound legs, not just a round trip.

Vacation page lists available packages, but no prices or online booking. Hot Deals are sometimes good, but some are expired.

- United--ual.com

500 miles/segment for online booking, 1,000 max per r/t. E-contests, attractive prizes.

Bulky: Six clicks to itinerary; five to prices, cited "as low as," per leg; details next screen.

Mileage summary requires PIN. No on-line enrollment. Good mile-value chart.

Booking engine offers options, and lower-priced choices, on other airlines.

Maddening vacations page -- it assigns a firm, arbitrary return date that it never explains.

Home page design redeemed only by great
site map and rich features. Flight status requires flight numbers. Foreign language and phrase links. Lots of destination info, good car and hotel links.

- US Airways--usairways.com

1,000 bonus miles for booking r/t online.

Worst. Six clicks to price itinerary. Fare unknown until flight is selected. No online enrollment, account access or booking.

Fare request offers cheaper options. Check Fares offers three-click city-pair price scan.

Requiring flight selection to see fare reveals scary misunderstanding of user needs, attitudes.

Fairly clean navigation. Hint: Save clicks with "check fares" link, not "book a flight." Flight status requires flight number. Some compelling special offers dump user into a sprawling page where offer is hard to find.

(Briley & Stoltz, 1999).

In the following table, the study illustrates the value and benefits to both customers and organizations by providing comprehensive online service.

**TABLE 13: BENEFIT FROM ONLINE SERVICE**

| Customer benefit from services. | Octave Communications of Salem, N.H., says its 20 traveling employees benefit from the free travel-spending reports, e-mailed flight schedule alerts, automatic seat upgrades and 24-hour live customer service that Rosenbluth International's |
Biztravel@myCompany offers. Travel agencies and airlines are setting up Web sites for small businesses to intercept the growing number of employees turning to Internet sites such as Expedia.com and Travelocity.com to make bookings (Khan, 2000).

- Employees at small and midsize companies are expected to be a big part of Internet online booking. About 59% of companies spend $5 million or less on travel a year, according to a survey by Runzheimer International. Travel agencies are trying to reach employees of those companies by providing online management services for the company and specialized services, such as e-mail alerts about flight delays and frequent-flier seat upgrades, for the employees (Khan, 2000).

- Some small businesses began looking at online travel agencies. That is when many travel agencies increased booking fees after airlines cut commissions. Through American Express One's RezPort, for example, employees can book trips online for free, and travel managers can get monthly spending reports. Agencies make money on other services, such as arranging meetings, consulting and planning international trips (Khan, 2000).

- Companies can get their own company-branded sites with their travel policies, expense guidelines and traveler profiles. For a fee, by this fall companies using Carlson Wagonlit Travel agencies in the USA will be able to set up customized sites for doing bookings and getting spending reports (Khan, 2000).
Small businesses can now save up to 30% on travel costs by booking through Internet sites customized for their companies.

- The International Pacific Halibut Commission of Seattle says it saves about $3,000 every three months on travel by using Trip.com's travel service, CompanyTrip. The commission pays $10 a booking compared with $25 to $35 a booking that it paid to its former travel agency (Khan, 2000).

- Thanks to the Internet, small businesses can get many of the same savings and services that corporations with tens of millions of dollars in annual travel budgets and strong negotiating power get. Small businesses can now save up to 30% on travel costs by booking through Internet sites customized for their companies (Khan, 2000).

- Some online travel agencies, such as Trip.com, are providing management services for the companies to get them to require all employees to use them. They also are negotiating cheaper airline, hotel and rental-car deals for their clients. Sabre says companies using its Business Travel Solutions system can save 30% or more on travel-management costs. Chipshot.com of Sunnyvale, Calif., says Biztravel.com is negotiating with Hertz to lower its daily rental-car rate to $36 from $46 (Khan, 2000).

- It is less expensive to book the same flight on its Web site (www.go-fly.com) rather than by phone. Airlines, particularly at the cheaper end of the scale, are so keen to get fliers buying online, they are offering preferential fares or, in the case of United Airlines, double the air miles (Khan, 2000).

- Nor is it just direct sales operations that benefit. Last year saw the big three online travel agents, Microsoft Expedia,
Travelocity, and Preview, break into the top 30 US firms in the field. Analysts Jupiter Communications estimate that by 2002, the US will spend $30 billion online on travel, representing more than 40 percent of the country's total e-commerce trade (Shipside, 1998).

| Web sites that can help slash flying budgets. | • Web sites that can help slash flying budgets. Online travel agencies that provide travel booking and management services for small and midsize businesses  
• Company: biztravel.com  
  Online booking charge: none  
  Live agent charge: $15 per booking  
  Customer service: 24 hours, 7 days  
  Management reports: Monthly  
  Extra services: E-mails about flight status; sends alerts if cheaper fare found after booking made  
• Company: yatra.net  
  Online booking charge: $20 a month  
  Live agent charge: $30 per booking  
  Customer service: 24 hours, 7 days  
  Management reports: Real time  
  Extra services: E-mails about flight status, gates; restaurant tips; can do expense report online  
• Company: myobtravel.com  
  Online booking charge: none  
  Live agent charge: none  
  Customer service: 24 hours, 7 days  
  Management reports: Real time  
  Extra services: Destination descriptions  
• Company: companytrip.com  
  Online booking charge: $10 per booking  
  Live agent charge: $10 per booking  
  Customer service: 24 hours, 7 days  
  Management reports: Real time  
  Extra services: E-mail alerts on better fares after booking made  
• Company: travel.american |
Airline Websites Thesis

express.com/travel/rezport
Online booking charge: none
Live agent charge: $20 per booking
Customer service: 24 hours, 7 days
Management reports: Monthly
Extra services: E-mails about flight status

• Company: sabrebits.com
Online booking charge: $10-$15 per booking
Live agent charge: $10-$15 per booking
Customer service: 7 a.m.-7 p.m. CST, weekdays
Management reports: Monthly
Extra services: Book and change travel plans through Internet- enabled phones; e-mails about flight changes (Khan, 2000).

Big saving for both customer and organization

Saving for customers
• The Internet is more than just a new way to sell products and services. It's a way to efficiently run a business, resulting in significant cost savings that add to an organization's bottom line. When people book direct, they save reservation-system fees and travel-agent commissions (Blank, 1999).

Saving for suppliers
• Suppliers find impressive cost-saving benefits to direct sales. They achieve new efficiencies, either through internal cost reduction or by cutting out existing distribution intermediaries (Blank, 1999).

Revenues
• The success of the on-line booking leader, Travelocity.com, which in late July announced gross revenues of $301 million for the first half of the year, far exceeded its sales of $285 million for all of 1995, said Terrell B. Jones, president of Travelocity.com (Blank, 1999).
### Satisfaction and loyalty

- "In the past, marketing programs were based on historical information," said Brian Pratt, Starwood's v.p. of interactive marketing. "Now our customers can access our site at their convenience to personalize their profiles and, in turn, Starwood can tailor our promotions to their specific interests—resulting in increased guest satisfaction and loyalty." (Blank, 1999).

### Growing in e-commerce

- There is more growth in World Wide Web sites and e-commerce as people become more confident in doing business transactions over the Internet (Blank, 1999).

- The Forrester report predicts that by the end of 2002, 16 million homes in the U.S. will have high speed PC connections to the Internet, opening the door for travel videos and interactive tours (Blank, 1999).

### Booking air travel through the Internet benefits consumers, airlines, and travel agencies

- For consumers, booking air travel through the Internet simplifies the tedious task of researching fares and schedules and saves time. For airlines, the benefits of the Internet are even more compelling. According to Julius Maldutis of CIBC World Markets, the Internet helps airlines reduce their dependence on travel agencies. It also reduces distribution costs—the cost of commissions, advertising, promotion, ticket processing, and related expenses, but it also is a very efficient vehicle for selling seats that normally never get sold via special promotions, sales or auctions (Miller, 1999).
According to Juppiter Communications, the e-commerce research company, online travel spending reached $6.5 billion, or 4.5 percent of all travel spending, and is projected by Jupiter to soar to $28.2 billion in 2005, or 14.2 percent. More to the point, Jupiter said that airline tickets accounted for an enormous 77 percent of online travel purchases last year (McDowell, 2000).

People are increasingly likely to make the booking on computer-- either directly on an airlines' own Web site or through one of the proliferating third-party online travel agencies such as Microsoft Corp.'s Expedia Travel, Sabre Group Inc.'s Travelocity.com, Priceline.com Inc., biztravel.com Inc., or Preview Travel Inc (Miller, 1999).

Jupiter and other analysts foresee online booking, which so far has become widespread only in the U.S., accounting for as much of 10% of airline travel by 2003. This year the share is expected to hit 4%--up from 2% last year, 1% in 1997, and 0.5% in 1996 (Miller, 1999).

Attesting to the savings potential are figures cited by William Spillman, senior director of product distribution at America West Airlines, a subsidiary of America West Holdings Corp., Tempe, Ariz. Bookings made through travel agents cost airlines an average of $23, he indicates. Those made through online agencies average $20, and those made through airlines' call centers, $13. In contrast, the cost of a booking on airlines' Web sites is only $6 (Miller, 1999).

For their part, the third-party online agencies don't consider themselves at war with the airline Web sites. "We serve different markets," explains Terrell B.
Jones, president of Travelocity, the Ft. Worth-based online service that claims to be the most-frequently visited travel site. The firm reported $128 million in sales for the first quarter 1999, a 156% rise from a year earlier, and has sold more than 3 million airline tickets online since its start-up in March 1996 (Miller, 1999).

- "The online Web sites of the carriers are focused on frequent travelers, who tend to be loyal to particular airlines," says Jones, president of Travelocity. "Our customers are 'shoppers'-leisure and vacation travelers who take an average of 2 1/2 trips a year. "The travel market is so big--some say it's the biggest industry in the world, at $3 trillion plus—that there's a lot of room for everybody." (Miller, 1999).

"Direct-booking is creating tremendous savings in time," declares Jack Riebe, an ACTE consultant. "It means that business travelers no longer need to spend lots of time on the telephone talking with travel agents or reservation agents. On simple, routine trips, the time savings can be as much as 20%" (Miller, 1999).

| Airlines can cut the cost and keep its best customers away from those annoying fare sales | - By offering a Web site that is genuinely useful and informative—as opposed to merely promotional—airlines can create a valuable link directly to their best customers. Web sites that offer online booking can save airlines money by reducing commissions paid to travel agents, fees paid to computerized central reservation systems and the high costs of live phone operators (Briley & Stoltz, 1999).  
- If an airline creates a Web site that meets and anticipates flier needs with a |
### Business Learning

- Almost every business would like to have a complete view of its customers, few have all the pieces in place: software that collects E-mail, phone, retail, and Web data, then analyzes it and turns its findings into action. A true 360-degree customer view depends greatly on the type of data a company is tracking. Businesses can get detailed information about their customers by having them enter those data themselves, in registration forms, e-mail, and on Web sites.

- To succeed, companies must meet customers on their terms: if customers communicate with a company across multiple channels—online, via E-mail, they expect the company to be aware of their actions across all those channels. Businesses must listen to their customers, to let their service representatives be aware of all customer interactions.

- E-businesses are improving customer service and understanding and meeting the needs of external customers. Many InformationWeek 500 companies are aggressively putting in place Web.

- Try to anticipate customer needs—Crager says Rittenhouse is using its customer-management systems to create an environment that tries to anticipate customer needs, before even the customer knows them (Sweat, 2000).
| The more knowledge the more benefits | • A 360-degree view of the customer offers tangible competitive benefits to the airline organization. Companies that better understand their customers' preferences, past interactions, and demographic information can sell better - they know which customers are most important, most profitable, and most in need of service. American Airlines Inc. keeps track of customers through its AAdvantage frequent flier program, noting which customers fly most frequently and buy the most expensive fares. The Internet helps airlines easily to collect the information from the traveler and at the same time, to better understand their customers (Sweat, 2000). |

**Conclusion**

There are amazing new technologies that will help airline organization deliver all services to the customers in ways that are faster, more convenient, more flexible and less costly. A virtual shop online has several important advantages, including unlimited shelf space, 24-hour accessibility, and a global audience. Consumers' sense of time is that they want their products and services any time, whereas the providers have focused more on being able to operate in real time. Without question, customers today are demanding services that give them choice, independence, convenience, personalization and control. Recognizing this change is a customer service imperative for all airlines.
Internet purchasing, Internet check in, automatic paging, on-board Internet access, new on-line procurement sites on the model of the auto industry will bring the business-to-business efficiencies that will help organizations contain costs. They are becoming truly interactive places, where customers use information in ways that really add value. The improvements in speed and convenience, including features now available on hand held computers, are generating a higher volume of online sales and a higher number of repeat customers. Almost all airlines that have gone online aggressively are looking at percentages of revenue from the Web roughly into double digits and rising.

As observed above, homepage and Internet sales give the customer convenience, flexibility and choice. Through new technologies, organizations provide unlimited shelf space and 24-hour accessibility to their empowered customer. This is very important for expanding the new market, keeping the niche and growing and increasing the ability to compete with other rivals in the future.

Turn the study matrix, a summary of the significant benefits are listed below:
1. Make travel easier for passengers:

   For consumers, booking air travel through the Internet simplifies the tedious task of researching fare and schedules and saves time. Travelers benefit from the free travel-spending reports, emailed flight schedule alerts, automatic seat upgrades and 24-hour live customer service. Airlines added quick-search features that allow people to check schedules and flight information right from its homepage. They may purchase, refund, or exchange their
Airline Websites Thesis

Electronic ticket 24 hours a day by doing it online. Since there is no paperwork involved, they are no longer restricted to conducting travel arrangements during normal office hours.

2. Customers become more powerful and have more control over choices:

Customers may view schedules, compare fares among hundreds of airlines, and purchase travel under specific sections of web sites. Passengers can request and upgrade, redeem awards miles for free travel or update their profile. To receive weekly email notification of E-Fares and other fare specials, passengers complete a user profile after they login to the reservations system with their Mileage Plus number and password. Price-conscious customers will be able to use a special price search feature to locate products suiting their budget needs; customers concerned with convenience will use a special flight schedule search engine.

3. E-businesses are improving customer service and understanding and meeting the needs of customers.

Airlines get customer feedback in real-time in order to improve service consistently. Customers communicate with a company across multiple channels—online, via E-mail and they expect the company to be aware of their actions across all those channels. Businesses can get detailed information about their customers by having them enter data themselves, in registration forms, e-mail, and on Web sites. E-service will eventually allow customers to complete their entire check-in process, including printing boarding passes,
directly from their PC's. That means airlines will provide their products and services anytime and anywhere.

4. Database development:

Through the computer network, airlines established their customer’s database, which includes detailed information. The database can be mined for profiles of customers’ buying habits, and these present opportunities for developing new services. At the same time, airlines have the opportunity to establish a lifetime relationship, with the potential for creating new or modified services for future purchase.

Enhancing and consolidating relationships with frequent flyers, who are the most profitable for the airline, buyer and seller bundle together in the blurred direction. Airlines can use this opportunity to learn more about their passengers, creating enormous data warehouses to be used for targeted marketing and cross-promotions.

5. Saving for both customers and suppliers

Do-it-yourself has disintermediated a whole field. Customers can serve themselves by using the Internet, so no more employees of the airline will be needed to work in the ticket counter or airport check-in counter. And also airlines will benefit by selling tickets directly, reducing the cost of paying to the travel agency.

Actually, a saving is possible for both customers and suppliers. The Internet is more than just a new way to sell products and services. It's a way to efficiently run a business, resulting in significant cost savings that add to
an organization's bottom line. When people book directly, they save reservation-system fees and travel-agent commissions. Suppliers find impressive cost-saving benefits from direct sales. They achieve new efficiencies, either through internal cost reduction or by cutting out existing distribution intermediaries.

6. Airlines rethink Internet strategies and enhance the relationship with primary passengers

Frequent travelers are the ones airlines don't want to lose, so it is important to have a healthy Web site for their own customers. For customer focus, airlines sites already provide travel perks that the agencies can not offer, such as discounted fares and frequent-flier incentives. However they need to do it better through faster and more easily accessible sites and multiple travel options.

7. Increasing the market value and revenue

There is more growth in World Wide Web sites and e-commerce as people become more confident in doing business transactions over the Internet.

The Forrester report predicts that by the end of 2002, 16 million homes in the U.S. will have high-speed PC connections to the Internet, opening the door for travel videos and interactive tours.

Indeed, the number of travelers who use the Internet for travel purposes skyrocketed to 70 million last year from 29 million in 1996, reports Jupiter Communications, a New
York-based media-research firm. Revenues from Internet bookings, which totaled $276 million in 1996, tripled to $827 million in 1997 and will top $3.2 billion this year, Jupiter says. By 2002, the figure is projected to reach $8.9 billion. Jupiter and other analysts foresee online booking, which so far has become widespread only in the U.S., accounting for as much of 10% of airline travel by 2003. This year, the share is expected to hit 4%—up from 2% last year, 1% in 1997, and 0.5% in 1996 (Miller, 1999).

At the same time, through comparing the two airlines WebPages with the ten attributes, we also will find that high tech plays a very important role in the business development for the future of the airline industry. Not only will short-term benefits be produced, but also long-term consequences and intangible values will result. These are:

1. Help leadership gain perspective of the large picture, vision and value, and create new strategies to profit from these revolutionary patterns of business.

The airlines hope the reduced fares, one-stop shopping, and promotional incentive will capture price-conscious customers and new users who would normally book tickets through a travel center. Airlines are adding more web site as well as forming partnerships with online retailers such as Travelocity, Expedia and Priceline.

In order to offer the most convenient features of any online travel vehicle, by combining the vast amount of Internet experience of all the launch partners, the airlines will create a site that is superior to all other travel sites. The new site will also partner with hotels, car rental companies, cruise lines and other travel partners to
help consumers build an entire travel experience at just one site. Customers will be offered unique travel packages through the combined product offerings of all partners. For the first time, online travel consumers will be able to compare and purchase the Internet fares offered by several airlines and travel providers by visiting just one site. The new site will provide access to the carriers’ online products, and the airlines believe it will offer the most comprehensive selection of online airfares and other travel information available anywhere on the World Wide Web.

Online auction sites are very popular because passengers are able to use a special price search feature to locate products suiting their budget needs. If the airlines have their own auction sites, the author believes that they will not only provide the best fare for the customer, but also can guarantee that customers receive special benefits such as Frequent Flyer miles and segments, or upgrades. Obviously, other online travel companies are not competitive with them.

2. Create potential values both tangible and intangible.

The revamped site offers faster access to the most popular features. Users can now research fares and schedules, check up-to-the-minute flight information, and access Mileage Plus account information directly from the home page, reducing the number of clicks required to accomplish the most popular tasks. All functions have also been reorganized into four major categories on the home page to make it easy to find the desired page or section.

Ual.com gives consumers the ability to purchase travel with over 500 airlines, book reservations with 45 rental car
companies and 30,000 hotels worldwide, take advantage of
discount travel offered through weekly and seasonal E-Fare
posted on the site, and register for the new flight paging
service for digital notification of gate information, delays
and cancellations on United Airlines-operated flights. In
addition, United frequent flyers can use the site to track
Mileage Plus account information, request upgrades and
redeem miles for award travel online.

The intangible value includes four forms - services,
information, and the service component of products and
emotions. Airlines expand their service by using the
Internet. Customers can access the WebPages anytime and
anyplace.

Today, Northwest Airlines takes the power of three to a
new level with a redesign of its award-winning website,
(www.nwa.com) that allows users to access nearly every
feature on the site in three mouse clicks or less. Northwest
is the first airline to use drop-down tabs, which show what
information is contained in each section of the site without
even going to that section.

The customers want simple navigation on the web site.
They do not need to wait in a line or have to go to the
airline's office or travel agents to buy their ticket.

To accommodate the rise in self-booked trips, industry
professionals are creating niches by exploiting the power of
the Internet and offering a personal touch. Supplier will
play an information-giving, advice-offering, handholding
role. The airlines have always made their products available
through a variety of sources. The joint site will offer
hotel, rental car, and vacation packages as well as airline
tickets.
The airline strategy is to provide personalized service, and the Internet agencies will find it difficult to compete with the airlines. Northwest wins the award for knowing who its audience is and what it wants, by offering best-of-breed Web-based services for frequent fliers. These services include not only online enrollment and an updated report of account information but also, the ability to book award travel online.

Databases as the resource for creating new opportunities for the using to airlines, will definitely add new value for the customers and organizations. By listening to their customers, the airlines will redesign their new strategy. At the same time, companies will establish a reputation, trust and a relationship, which will affect the long-term customer's loyalty.

3. Expand the market and increase the potential for competition:

Today's electronic connectivity allows the same simple strategy to work for everybody. Customers must be able to connect with the airline and the airline's offers as easily and freely as the Coke drinker can pick up a Coke. Who will be the new customer in the following decades? How could the airlines improve their Web sites to attract these new customers, most of which will be the young generation? During the next decades, almost everyone will use a computer and the Internet in the office or at home. Online service is going to be the main access to the new customers. Nevertheless, if airlines do not prepare their inventory of offerings for the Internet, they won't be able to compete with their competitors in the intensive market place.
"As the industrial society morphs into the information/network economy there is an urgent need for business people to acquire new perspectives and learn to operate with new rules of what they want to survive and prosper" Walter B. Wriston said, former chairman and CEO, Citibank (Davis & Meyer, 1998). Looking at this study conclusion, just as the Davis’s BLUR said:

- Every Aspect of business and the connected organization operates and changes in real time.
- Everything is becoming electronically connected to everything else: products, people, companies, countries, everything.
- Every offer has both tangible and intangible economic value. The intangible is growing faster. (Davis & Meyer, 1998, pg5).

Blur’s effects are seen and applied in current airline business. As representatives, United and Northwest, the e-commerce leader in the transportation industry, have established a strong presence at the emerging travel purchase outlets being used by a growing number of airline consumers. However, if airlines will better compete in the burgeoning e-commerce industry and allow themselves to seize new opportunities in the rapidly developing e-commerce arena, airlines will need to learn from their competitors and incorporate the new concept in order to stay abreast of the business trends. As long as they are improving and upgrading their own Web sites by drawing on the other’s successful experience for reference, the airlines' sites will survive the shakeout from competitive e-commerce and
the airlines will enable themselves to be the potential master of this extremely valuable market.
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