

AIRLINES MERGER IRKS ITS MOST LOYAL FLIERS



March 3 held a significant decision for the largest airline in the world, United Continental Holdings Inc., had succeeded in integrating two large airlines operating systems. The merger has integrated both United and Continental systems for a more consistent application. Thus far the decision has been unsuccessful.

After 20 months of non-stop negotiations on the 3.2 billion dollar merger company, it has been a rough time for United and Continental. The process has been slow and has made many of the most loyal customers draw angst towards the airline.

The transition period has been a long and painful process. Many members who have been long time fliers have complained of the long queues and cancelled flights, leading to unsatisfied customers. Bewildered agents have been fuming leading to the slow growth in revenue for the company.

With everything going slowly, many have turned away looking for alternative airlines for the time being. The airline has thus unintentionally turned away most of the elite passengers which make up most of its revenue percentage. Although these frequent fliers only comprise 1% of the total customer population, 25% of the airline revenue comes from them. So it cannot afford to waste more time handling the transition process, and solutions are being found very slowly.

Although the airline has promised that this period is only temporary, assets are being lost. Even though extensive training is being administered for its staff, many are still confused as to how the new system works. The staff hit the ground running and they scramble to figure out how the system would benefit its customers.

Among the staff, those from United are slow in figuring out Continental's system. Although United's service is now obsolete, it has made checking-in different customers with different reservations. Furthermore, complaints from agents say that they cannot get the system to work the way they want to. They lack the necessary experience to handle clients, especially the elite ones. Although having too much information overloads them in one day, plans of simplifying the system are in place.

This new system works differently than the previous one, which is the main criticism for elite fliers. Most cannot upgrade to better positions. Others have encountered problems on reservations alone. Frequent flier miles are different for some, while many cannot avail of flights using their membership miles. Others have fumed about competition on seat upgrades and airline perks.

For the first few months, United has admitted that problems with waiting times have soared among clients vying for reservations. Now, that has been reduced to an average of 41/2 minutes. Thanks to ironing out system issues.

Now, the benefits of the decision to merge the two operation systems are looking better by the day. The airline has updated the routes to provide more destinations for its clients, which many have viewed as a positive.

Although minor benefits have been eliminated, the balance between high-tier and low-tier

passengers has been better. Yet the more efficient the systems, those with higher memberships have been disappointed with the loss of some perks.

Maybe it is a losing battle for United and Continental. The loss of elite fliers due to better offerings in other airlines is a problem that it has to fix. No transition can be easy; sometimes it takes years of decision making to achieve better service. For now, United and

Continental have to weather the storm.

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