



A Crisis Out of Thin Air

JetBlue's Response to a Pilot's Mid-Flight Breakdown





Company Background

- Nation's youngest domestic airline
- Started in 2000 under David Neeleman, former Southwest Airlines employee
- Based out of JFK International Airport
- Mission: **“To bring civility back to air travel.”**
 - Low-cost
 - In-flight entertainment
 - “More legroom than any other airline”



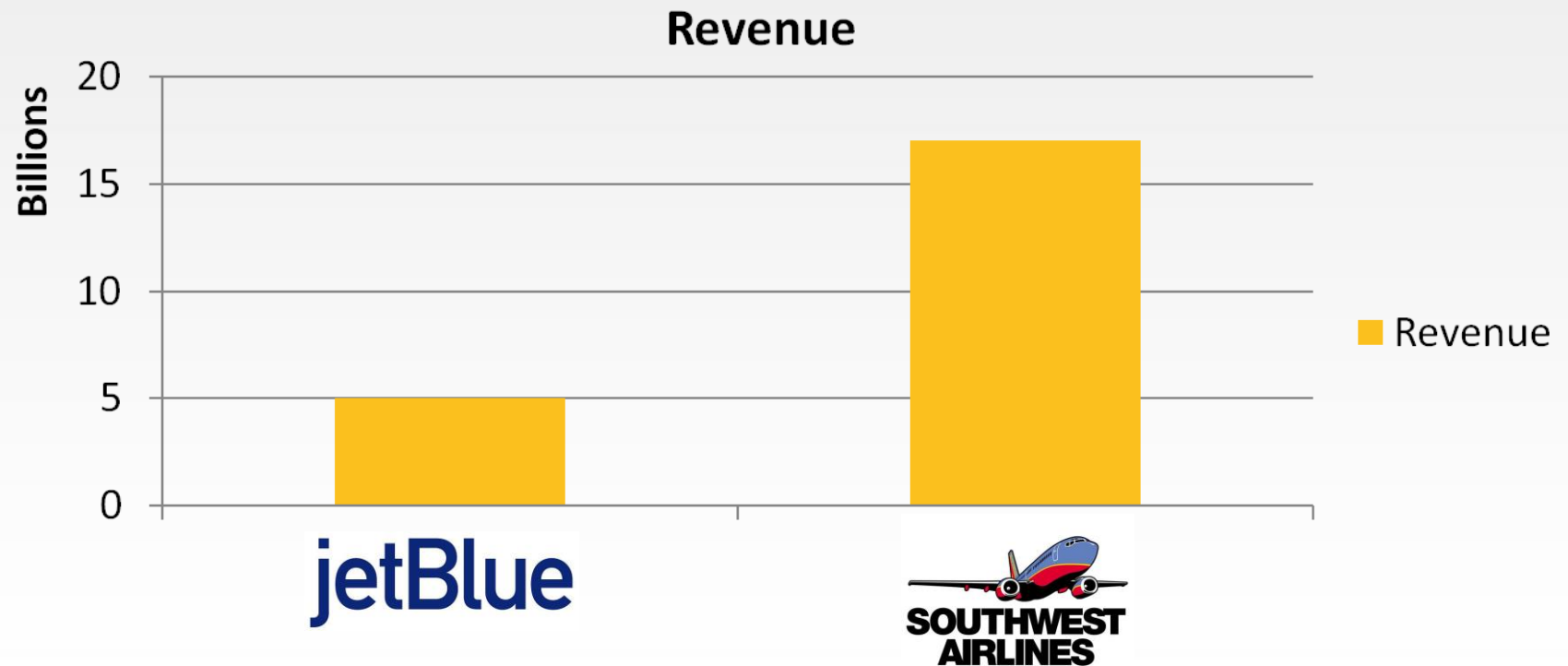


Financial Success

- **Profitable after six months** of operation
- **\$5 billion** in operating revenue, compared to **Southwest Airline's \$17 billion**
- Nearly **12,000 employees** and growing
- Serves **71 U.S. cities** in 21 states
- Operations have **increased 30 percent on an annual basis**, signaling the airline's growing relative market share of low-cost travelers



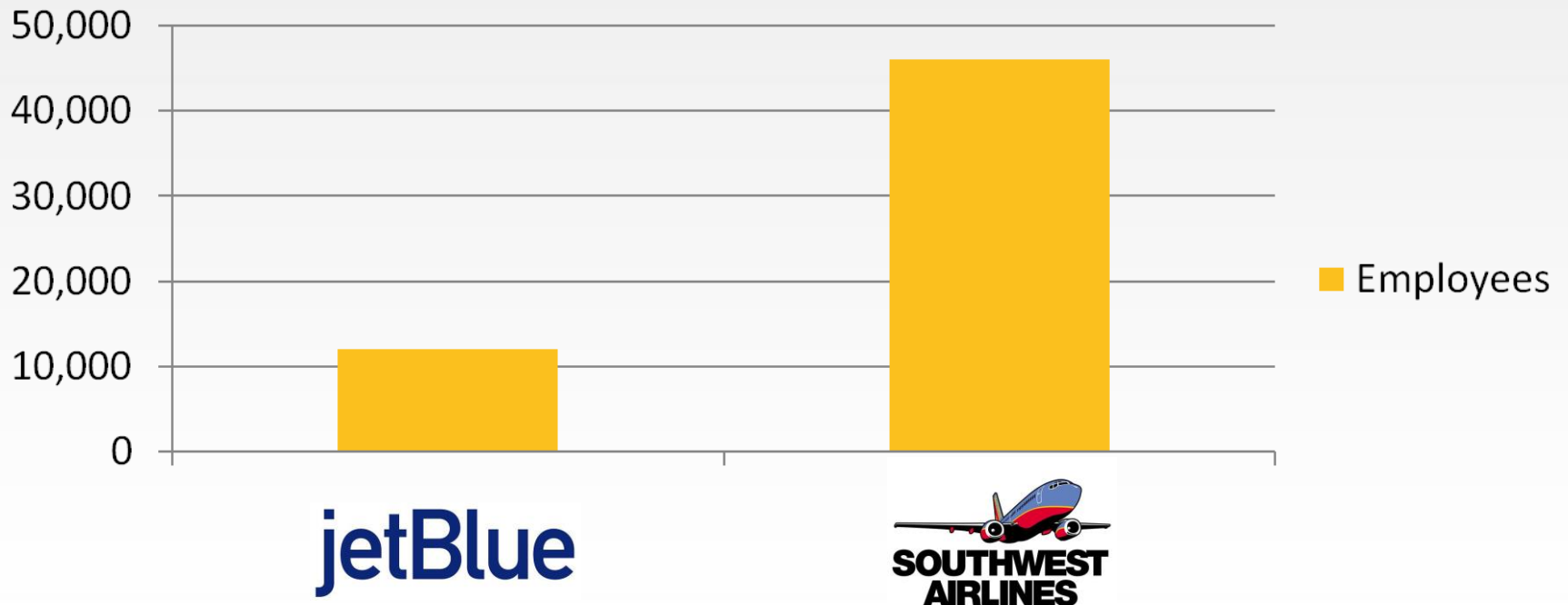
Playing Catch-up with the Competition





Playing Catch-up with the Competition

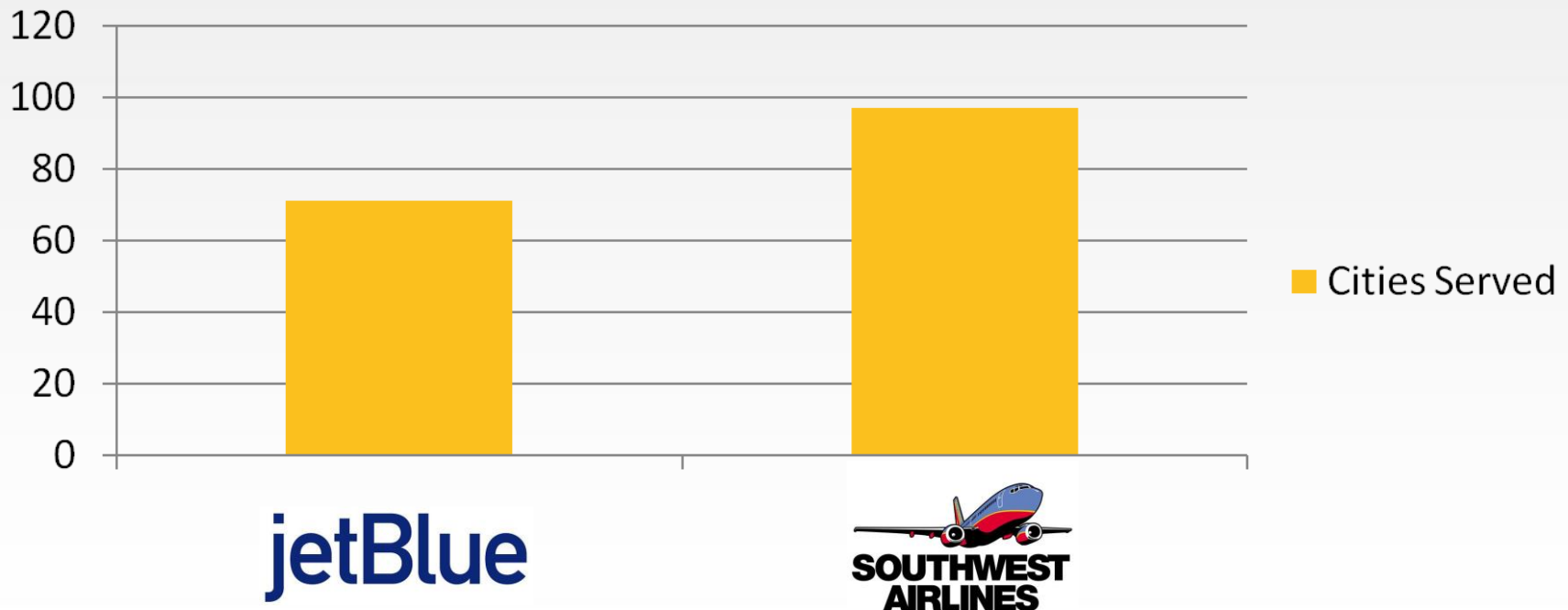
Employees





Playing Catch-up with the Competition

Cities Served





Crisis Management Timeline

- **2005:** Emergency Landing in Los Angeles (LAX)
- **2007:** Valentines Day Storm stranded 130,000 passengers
- **2010:** Flight Attendant Steven Slater makes a dramatic exit
- **2011:** Connecticut snowstorm leaves passengers without water, power, working bathrooms



Crisis Management Timeline



2007



NBC Connecticut

2011

2005



2010





Media Backlash

The McGraw-Hill Companies

BusinessWeek

NOVEMBER 2007 www.businessweek.com

CUSTOMER SERVICE CHAMPS

Our first-ever ranking of companies where the consumer is king. Here's the magnificent 25...

1. USAA
2. Four Seasons
3. Cadillac
4. JetBlue
4 Nordstrom

...AND ONE EXTRAORDINARY STUMBLE (P.53)

PLUS:
WHY TOYOTA IS SO AFRAID OF BEING NO. 1 (P.42)
WHAT CARL ICAHN IS TARGETING NEXT (P.48)



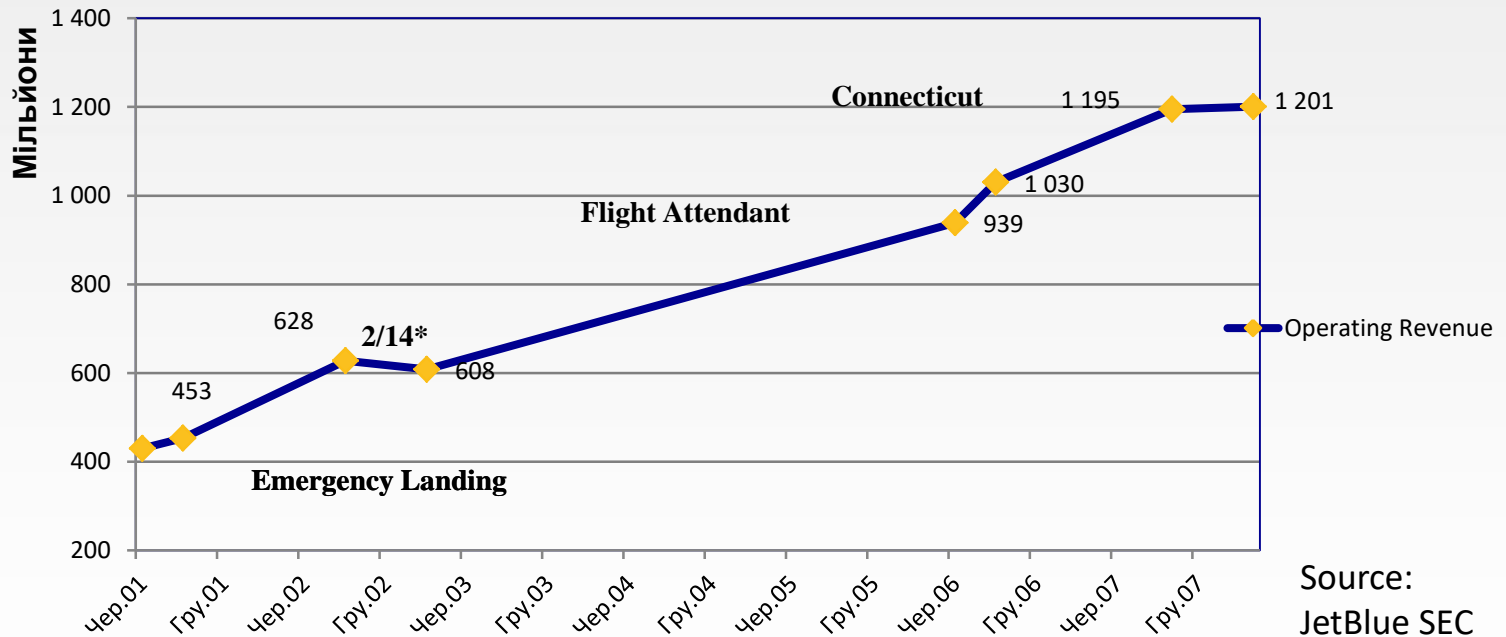
Customer Bill of Rights

- Issued a “Customer Bill of Rights” in February 2007
- Spearheaded by Neeleman after Valentines Day storm.
- Compensates passengers in the event “specified service levels are not met”
- JetBlue **praised for immediate action on the issue**
- **“First of its kind** in the airline industry”





Quarterly Revenue Stream During Crises



Source:
JetBlue SEC
Filings



What Happened This Time?

- On March 27, 2012, Captain Clayton Osbonsuffered a “**medical reaction**” mid-way through JetBlue Flight 191
- Locked out of the cockpit to allow First Officer Jason Dowd to make an emergency landing in Amarillo, Texas
- **Subdued** by several male passengers before landing
- Immediately **hospitalized** and placed in a mental health facility



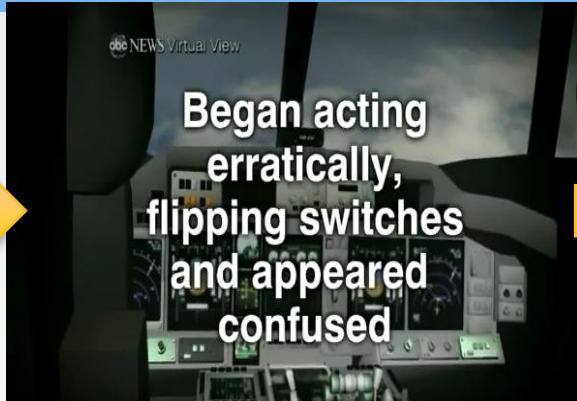
Events

Reported late to JFK, missed briefing



abc NEWS Virtual View

Began acting erratically, flipping switches and appeared confused



abc NEWS Virtual View

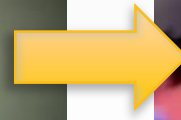
Co-pilot tricked captain into going to passenger compartment



Captain paced aisles and pounded cockpit door



Started panic among passengers



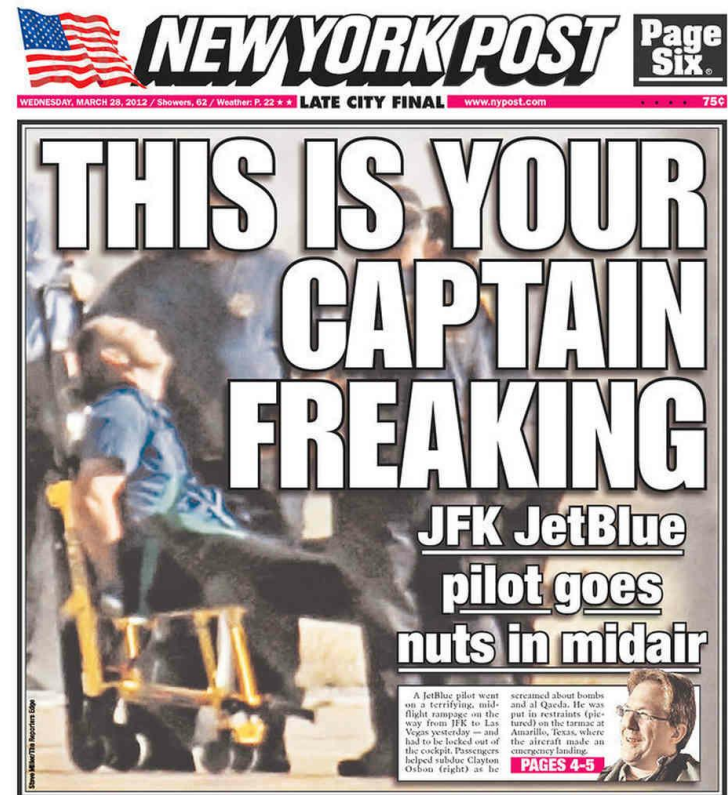
Subdued by passengers





Negative Media Attention

- Google Trends shows “Clayton Osbon” already had a **100 mentions within 48 hours** of Flight 191
- JetBlue also had **100 mentions between March 25-March 31**, the highest of any point in 2012.





JetBlue's Response to Flight 191



BlueTales

your destination for all things JetBlue and beyond...



JetBlue's Response to Flight 191

- **March 27, 2012:** JetBlue immediately referred social media followers to its corporate blog, BlueTales:
 - **12:37 ET** — JetBlue reports the “pilot in command elected to divert to Amarillo, TX for **a medical situation involving the Captain.**”
 - **3:25 p.m. ET** — JetBlue reports a “ferry flight” is due to arrive soon to fly passengers to their destination in Las Vegas.
 - **8:50 p.m. ET** — JetBlue reports passengers safely landed in Las Vegas. Meanwhile it informs customers it is working to verify “what details we can **and will only report what we know is accurate.**”



Criticism



"I support JetBlue, but this response is nonsensical. Best not to sanitize what sounds like a very serious situation. A pilot having a bout of food poisoning mid-flight is a 'medical situation.' An on-duty pilot having a psychotic episode in-flight... is a different category all-together."

**- CHRIS
3/27/12 AT 5:21 PM**



JetBlue's Response to Flight 191

- **March 28, 2012:** JetBlue solicits the “**Top 10 Questions**” from customers about the airline's handling of the situation:

Question	Answer
You're saying it's a "medical situation," but isn't it a security issue?	<ul style="list-style-type: none">•Reports first indicated it was a medical situation•Security an element, but not overriding issue
What happened to the pilot? What was the health issue?	<ul style="list-style-type: none">•Unsure what caused the pilot's actions•Under the care of medical professionals•Need to respect his privacy
Do we know what caused this?	<ul style="list-style-type: none">•No, but he is getting the care and support he needs•Situation was handled perfectly by crewmembers and passengers
How badly could things have gone if the Captain remained in or returned to the flight deck?	<ul style="list-style-type: none">•Won't speculate on this matter•Crewmembers are trained to respond in the best interest of passengers onboard.•Bullet-proof cockpit doors ensure safety
What would have happened if there hadn't been an off-duty Captain on the flight to step in?	<ul style="list-style-type: none">•First Officer was the pilot in command from takeoff to landing•First Officer trained to fly our aircraft

Question

Answer

What is the health screening for pilots/employees?

- Fully compliant with the FAA
- Annual health screening for those under 40 and bi-annual screening for those over 40.

Do you have any resources for JetBlue crewmembers in distress?

- Peer-assist program for pilots and LifeSolutions for all crewmembers

Have you done anything for the customers on board?

- Communicated with them directly upon arrival in Las Vegas
- Each customer received an apology letter enclosing their full refund for the ticket and a voucher for twice the value of their original ticket.

What about the crew? Have you done anything for them?

- Each were given time off and we are making all resources available to them.

Do we have anything to say to the customers that came forward to assist?

- Sorry for being thrown into that situation but thankful for their efforts



JetBlue's Response to Flight 191

March 28, 2012: JetBlue CEO Dave Barger goes on the *Today Show*:
Barger applauds the **“true team effort at 35,000 feet yesterday”** and acknowledges a previous criticism that **“We know less than 24 hours later, it started medical. But clearly it was more than that.”**





JetBlue's Response to Flight 191

- **March 29, 2012:** JetBlue explains the resources available to crewmembers and customers in times of need
 - **Care and Emergency Response Department** — “Offers customers and crewmembers resources when they need them...Our Care Team also deployed to Amarillo on Tuesday to assist customers on Flight 191.”
 - **Peer Assist Program** — “Directs crewmembers to a variety of resources provided by JetBlue including BlueBenefits, LifeSolutions, JetBlue Crewmember Crisis Fund (a non-profit that provides financial assistance to crewmembers in need), and community-affiliated organizations.”
 - **LifeSolutions** — “Offers mental health assistance, financial and legal resources, and guidance to crewmembers and their families.”



JetBlue's Response to Flight 191

- **March 30, 2012:** Looking to highlight the positives, JetBlue asked loyal followers to post a message on its BlueTales blog for Flight 191 crewmembers and customers :
 - 86 comments posted
 - A clear majority of the comments came from **“loyal” JetBlue passengers** extending their wishes to the Osbon family and **appreciating the crew for their courageous efforts.**



Criticism

Posted by **Tim Meier** on April 2, 2012 at 7:08 pm

To the passengers and crew- great job handling the situation.
To the JetBlue PR team- why in the world would you create a page dedicated to posting about an embarrassing and unfortunate incident like this? The goal in handling a PR nightmare is moving the conversation, not blogging about it!



JetBlue's Response to Flight 191

- **April 1, 2012:** JetBlue issues a press release on behalf of the Osbon family.

“Finally, we would like to recognize the Crew and passengers of Flight 191 for their effective yet compassionate handling of the situation. It is our belief, as Clayton’s family, that while he was clearly distressed, he was not intentionally violent toward anyone. We know you were placed in an awful situation and we appreciate your ability to respond professionally.”



Investor Outlook

- Seeking to maintain investors' confidence in the airline, JetBlue's Quarterly Filing on May 2, 2012 stated:

“Our overall strategy remains focused on strengthening our culture, offerings, and foundations to improve the JetBlue Experience for our employees, customers, and shareholders.”

- Quarterly **revenue spiked from \$1.2 billion to \$1.27 billion between May-August 2012**
- Closing at a stock price of **\$5.21 on March 26, 2012**, JetBlue traded at **\$4.89 by March 30**, a minor drop that cannot be entirely linked to **Flight 191 due to “volatile fuel prices”**



Application of the Page Principles

1.) Tell the Truth

In the immediate aftermath of Flight 191, **JetBlue took the time to observe the facts and respond appropriately to the incident that took place.** While JetBlue took heat for referring to Capt. Osbon's situation as a "**medical reaction,**" that fact is the PR team responded as accurately as it could given the information it had to process within minutes after the emergency landing. The team was void of false assumptions and baseless remarks — impressive in today's demanding, fast-paced news cycle.



Application of the Page Principles

2.) Prove it with action

JetBlue abided to the “Customer Bill of Rights” and fairly compensated Flight 191 passengers as a form of apology for the unfortunate events they had to witness. Moving forward, however, JetBlue will need to promise much more than a voucher and/or refund enclosed in an apology letter. Generating long-term goodwill requires a sense of urgency for change; a long-term action plan that assures JetBlue crewmembers — including pilots — abide to the highest air travel standards and build credibility around its claim to superior customer service. If zero action is taken, JetBlue risks being casted as the “cheap airline” that can’t work behind the scenes to ensure their own pilots’ safety, much less their own passengers.



Application of the Page Principles

3.) Listen to the Customer

JetBlue effectively gathered the **“Top 10 questions”** received by concerned customers in the 48 hours following the incident and provided detailed responses with regards to Osbon’s condition, the heroic acts taken by crewmembers and passengers, and the follow-up JetBlue conducted to get to the bottom of Flight 191 incident. **When the BlueTales blog indicated there was a clear concern surrounding the ambiguous classification of Osbon’s “medical condition,” CEO Dave Barger further elaborated on the airline’s comments in the *Today Show* interview; showing a willingness to respond to public curiosity and place “You Above All.”**



Application of the Page Principles

4.) Manage for Tomorrow

JetBlue's persistent communication through the BlueTales blog demonstrated an **ability to retain control of the situation** even as numerous media sources were doubting the airline's credibility in the immediate aftermath of Flight 191. That fact that **each blog post contained newsworthy material** showed JetBlue was looking to engage stakeholders just as much as followers of the incident were seeking to gain information.



Application of the Page Principles

5.) Conduct public relations as if the whole company depends on it

When CEO Dave Barger went on national television and assured viewers JetBlue was going to conduct a **“full review”** of the incident, he appeared sincere in his response. **Unfortunately, the public has heard nothing new since that promise was made a day after Flight 191.** Despite adhering to basic PR fundamentals — engaging the stakeholder, responding accurately and efficiently, and following up with relevant information — **JetBlue continues to treat the Capt. Osbon case as an isolated incident;** carrying on with business as usual without any sense of urgency from JetBlue leadership to address clear challenges to the airline’s reputation.



Application of the Page Principles

6.) A company's true character is expressed through its people

While not directly employed by JetBlue, Capt. Osbon's wife, ConnyeOsbon, perhaps went through a greater ordeal than any customer, employee or investor with a vested interest in the airline — aside from those on Flight 191. By issuing a press release on behalf of Connye and the rest of the Osbon family, **JetBlue reached into its desired character**; tapping into a human element that helped JetBlue classify itself as a “family airline” as opposed to an insensitive operation. **Meanwhile, JetBlue fed off public sentiment and illustrated the actions taken by First Officer as a classic American Hero story.**



Application of the Page Principles

7.) Remain calm, patient, and good-humored

The JetBlue team refused to give into media speculation in the hours after the Flight 191; instead focusing its efforts on providing precise, reliable information that celebrated the heroic actions of crewmembers and passengers. On what could have blew up into a major tragedy, JetBlue allowed stakeholders to feel more at ease with the way the airline staff handled the incident — in the best interest of passengers. Above all, the JetBlue communications department remained just as calm and poised as the crewmembers aboard Flight 191 — internalizing a set of values that center around passenger safety and transparency in the broader public.



Discussion Questions

- 1.) How did JetBlue go about drafting a quality response to the Flight 191 incident as mainstream media began speculating as to the events that took place prior to the emergency landing?
- 2.) Why did JetBlue decide its corporate blog, BlueTales, was the primary channel through which it wanted to manage its overall crisis response? What advantage did it have over other social media platforms and/or over a traditional PR response (i.e news conference, press release, etc).
- 3.) How did JetBlue prioritize around the different audiences it wanted to engage in the immediate aftermath of Flight 191? Which audiences, if any, had greater precedence over others?



Discussion Questions

- 4.) How did JetBlue leadership, particularly the Chief Communications Officer, manage its public relations department to ensure enough information was being delivered to the public while simultaneously taking careful measures to protect the airline's corporate reputation?
- 5.) In age of instant dialogue built around social media frenzy, what levels of organizational bureaucracy must the communications team overcome when engaging in public discourse on something as complex as an airline crisis?
- 6.) For an unpredictable incident, how did JetBlue measure success of its short-term crisis management? How did the PR team evaluate its tactics and how successful were they in retaining customer loyalty based on those metrics?



Discussion Questions

- 7.) Given the recent crises — minor speed bumps — in the airline's young history, what's really at stake for JetBlue as it phases into a corporate maturity phase? Moving forward, how will the public relations department adjust the JetBlue brand to reshape reluctant customers' expectations and feelings of the airline?

- 8.) How has the relationship between JetBlue's public relations department and the CEO evolved since the Flight 191 crisis? Will the Chief Communications Officer grow more closely integrated with the C-Suite and called upon for strategic insight — not only in handling crises but also in shaping overall corporate character? Or will management turn a blind eye?



JetBlue's Challenge

- Despite adhering to proper communicative mechanics in alleviating a crisis out of thin air, JetBlue still has yet to match its **“review of the incident”** with meaningful action — **comprehensible reform that puts pilot safety at the center of a long overdue conversation in the airline industry.** Externally, JetBlue now faces the reputational challenge of assuring hesitant passengers that a low-fare, **“fun and friendly airline”** can still guarantee **high-quality service** in a marketplace of notable competitors — especially from the cockpit.