

**United Airlines:  
With Great Power Comes Great Response-ability?**

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**TEACHING NOTES**

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The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

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## Teaching Plan Overview

The case study is made to achieve two main learning objectives. Firstly, study of crisis situation analysis is presented where one part assesses the seriousness of a crisis and the other identifies gaps between corporate identity and reputation by applying the CBIRM. Secondly, learning on communication management in a crisis is addressed, where three aspects are considered, namely: alternative responses, importance of consistent corporate message and management of media relation. In order to achieve the designed objectives and to engage and encourage discussion in class, a set of main questions are presented followed by assisting questions to get the most out of the case study.

Teaching suggestions for the instructor of the case, on how to present and lead discussions, are provided and followed up with a time plan for an overview of how to divide the presentation of the case efficiently. Furthermore, a discussion plan is recommended in a table format, where the crisis is discussed in three aspects: key issues, alternatives and actions. To conclude the teaching notes, reflections of the case study are presented lastly.

## Case Synopsis

On April 9, 2017, a passenger was violently dragged off a United flight by airport security officers at Chicago's O'Hare international airport and had multiple injuries during the process. The forcible removal was due to the reason that the passenger refused to comply with the United involuntary deboarding request. Videos about the incident were spread over the internet which soon resulted in an intense backlash and boycott threats from the public. A week later, United's stock price fell by 5.3% (representing approx. USD 1 billion drop in market capitalisation).

Back then, Oscar Munoz, the CEO of United, made two public apology statements on April 10 and April 11 respectively right after the incident. He first declared that the incident was "upsetting" and he was sorry for "having to re-accommodate customers" and then on the next day he presented a full apology committing that United "was going to fix what was broken so this never happens again".

Although United had followed policies governing involuntary deboarding procedures in this crisis and other related rules and regulations when handling the incident, it hurts United's reputation in the long run. Therefore, the questions of who should be responsible for the incident and how United should have responded to the incident arose.

## Learning Objectives

Through understanding the situation of the drag-off incident, identifying related stakeholders in the crisis, discussing several alternatives for the Company to respond

to the crisis, and comparing with management decisions made, the audience is expected to achieve key learnings in below areas:

## **Situation Analysis in Crisis Situation**

### *Analysing the Seriousness of a Crisis*

According to Greyser (2009) corporate marketing, especially when it comes to identity and reputation management during a brand crisis, is the concern of the CEO and management board, which means that United's CEO and the board of directors must be held accountable for the incident. There are several causes of corporate brand crisis, which in the United case could have been corporate misbehaviour, and the seriousness of the situation needs to be assessed (Greyser, 2009).

The author mentions four key areas for analysing seriousness of a crisis situation:

(1) The brand elements, including its strengths and weaknesses, market share and meaning: With a market share of around 15% in the United States, United belongs to one of the biggest and most important airlines of the country. The brand's promise of "Flying the friendly skies" was seriously hurt during the incident.

(2) The seriousness of the crisis situation in terms of how many customers were affected and whether it is a threat to the position of the brand: In the United case, only a few passengers were affected by re-accommodation. However, one passenger was severely affected by additionally being physically hurt. Since the incident went viral afterwards, many outsiders were passively affected by the incident and handling of the situation. According to Forbes (2017a), United became the "world's most hated airline in one day". In short, the fate of one passenger affected the image of the brand for many.

(3) Company initiatives such as communication: United's reaction to the incident and PR strategy were not well thought through, which drew even more negative attention to the case.

(4) Results in terms of how well the brand has recovered, restored its meaning and market share: In the case of United, the brand's image was never at its best and the incident has affected its reputation severely. However, United's market share was barely affected by the incident as many people depend on the airline's daily operations. Its share price went back to the same level as prior to the incident within a few days. In turn, this indicates a rapid crisis recovery financially.

### *Gap Identification between Identity and Reputation (Optional)*

By making use of the Corporate Brand Identity and Reputation Matrix (CBIRM) (Urde & Greyser, 2016), it gives a company the ability to identify gaps or mismatches between identity and reputation elements. Additionally, it becomes clear which reputation elements are affected the most by a scandal, thus, CBIRM gives the opportunity to think and ask relevant questions to the crisis and consider what

possible actions need to be taken in order to reduce the harm done by a scandal and restore corporate reputation. The matrix includes eight elements of reputation (**Exhibit 1**) which in turn are connected to the elements of identity through communication and are analysed crosswise (Urde & Greyser, 2016). An example follows below to illustrate how this can be done.

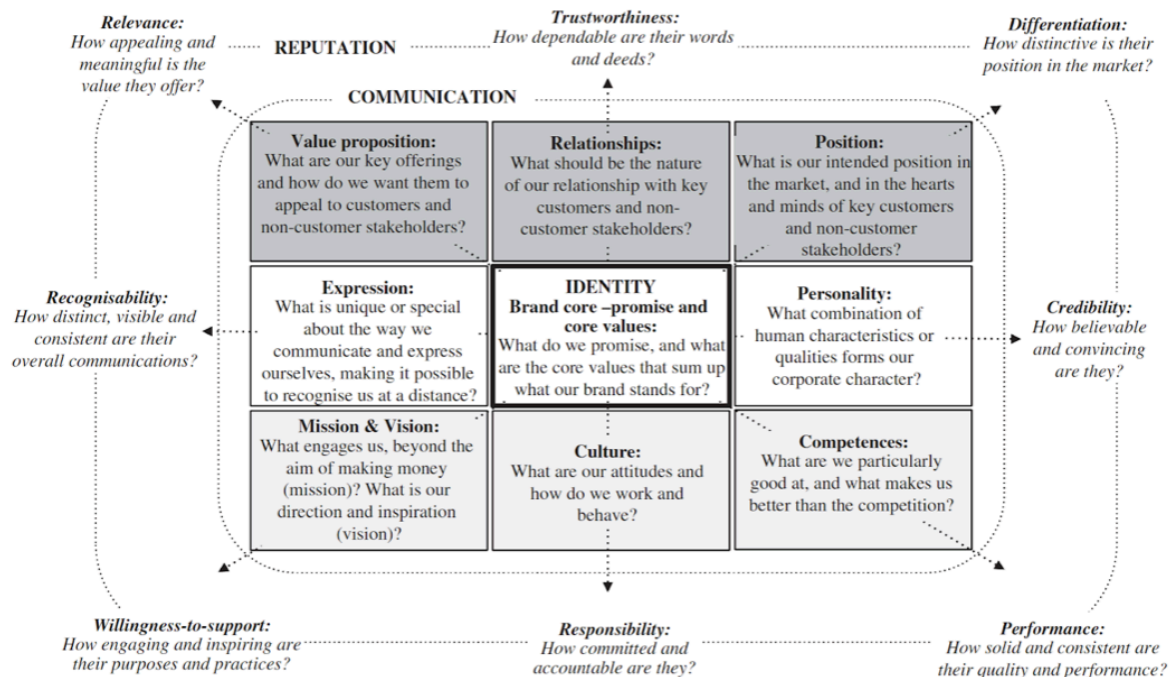


Exhibit 1 - CBIRM Framework (Urde & Greyser, 2016)

In viewing value proposition and relevance under the competition diagonal, United does not have any particular advantage in their value proposition. What their key offerings are no more than a flight with different class offerings, which most airlines have today. Though United tries to build its image and offer itself as a friendly airline by its slogan "Flying the friendly skies", such image has been severely affected by the incident, leading customers to distance United as relevant to a friendly airline. On competence and performance side, the competence of the flight attendants was insufficient to handle an incident like the drag-off, leaving the impression of United's performance to be unacceptable quality. Actions such as showing care to affected customers during the drag-off incident and training employees to handle crisis situation are possible means to alleviate and restore the reputation damage from the incident.

## **Communication Management in Crisis Situation**

### *Alternative Responses in Crisis Situation*

The incident has been well-known around the globe and has been cited as one of the most famous public relation crisis (Forbes, 2017b). There are always different ways to communicate in a crisis situation while the responses by United's CEO has been seriously criticised in this case. CEO Munoz issued a poorly executed statement one day after the viral video and followed by making one more apology over the incident when the public reaction became uncontrollable. As a result, there were intense backlash and boycott threats from the public. A drop in United's stock price and online petitions calling for Munoz's resignation have attracted abundant attentions (Desjardins, 2017; Dezenhall, 2017). In this regard, United appeared to have failed in communicating to the public appropriately and effectively. Thus, it is not enough to take action to communicate but also important to consider how to communicate when handling crisis.

By using the incident of United, it is meaningful for the audience to analyse the crisis situations (e.g. stakeholders and key issues faced by the Company), to explore possible alternatives of crisis responses and to evaluate each alternative for determining final actions. Four strategies (namely, silence strategy, accommodation strategy by adapting to public requests, reasoning strategy as well as advocacy strategy by changing public opinions) have been discussed by Roper & Fill (2012) in issue management. The alternatives can be developed based on the strategies mentioned above.

Once the communication strategy to respond to the United public relation crisis has been established, it is necessary to establish criteria for building practical corporate communication. Roper & Fill (2012) demonstrate four essential criteria for effective corporate communication which are form, style, tone and timing. Specifically, successful communication in crisis situations needs to suit to the task or the expectations of the audience, as well as to consider the communication flow, level of formality and timing in order to deliver the accurate information at an appropriate timing to diminish the impact of the incident.

### *Importance of Consistent Corporate Message*

Right after the incident, CEO Munoz made public statement for apology. However, his internal email to employees was exposed by media on the same date that he was blaming the passenger as "disruptive and belligerent" (CNBC, 2017). The inconsistent messages from CEO were widely captured and reported by media, such as Business Insider, The New York Times (Business Insider, 2017; The New York Times, 2017). Further, the CEO had to be confronted by reporter in an interview asking if he felt apology to the passenger and the reasons for the inconsistent messages (ABC News, 2017). Company reputation is closely related to CEO reputation (Roper & Fill, 2012). The public impact from inconsistent messages delivered by CEO should never be underestimated.

## *Management of Media Relation*

Media is one of the most influential stakeholder in a crisis situation. In the drag-off incident, it was surprising that almost all media were directing public attentions to United and even attacking the Company for inappropriate responses, despite that the federal law allow involuntary deboarding of passengers and there are other parties which may be possibly responsible in the situation as well (e.g. security guards at Chicago Airport or government lawmakers).

The reaction from United, in association with media, is relatively passive at the beginning of the incident. There were only public statements shown on the Company's website, which was extracted and subject to interpretations by journalists and the public. The purpose of journalism partially is to deliver interesting and timely information to society (Roper & Fill, 2012). With the inconsistent messages mentioned above and without proper explanation from the Company side, it is inevitable that all the discussion has been focused on United. Further, with the increased attention from the public and media about the incident, it is worthwhile to study how a company should prepare and manage its media relation in such crisis situation.

## **Summary of Learning Objectives**

Based on the discussion above, learning objectives are summarised in below:

- To analyse crisis situation
  - To analyse seriousness of a crisis
  - To identify gaps between identity and reputation in CBIRM (optional)
- To identify and evaluate possible responses in crisis situation
  - To acknowledge the importance of consistent corporate messages
  - To realise the importance of managing media relations
  - To apply corporate communication strategies
  - To establish alternative responses in crisis communication
  - To create action plan

## **Questions for Discussion**

In order to achieve the designed objectives and to engage and encourage discussion in class, following questions are designed and recommended in instructing the case:

## Main Questions

- Who should be responsible for the incident?
  - The passenger - Dr. Dao
  - United
  - Security offices at Chicago Airport
- How should United respond to the incident?
  - Immediately
  - Within a week
  - After the first week

## Assisting Questions

- Which stakeholders are involved in the case?
- What are the key issues in the case?
- Should United take all the responsibilities and blames? Why or why not?
- What are the possible alternative responses for United? Under which circumstances are the alternatives most effective?
- What can United do to prevent similar incidents?
- Why is it important to communicate consistently?
- How should United manage its relationship with media?

## Teaching Suggestions

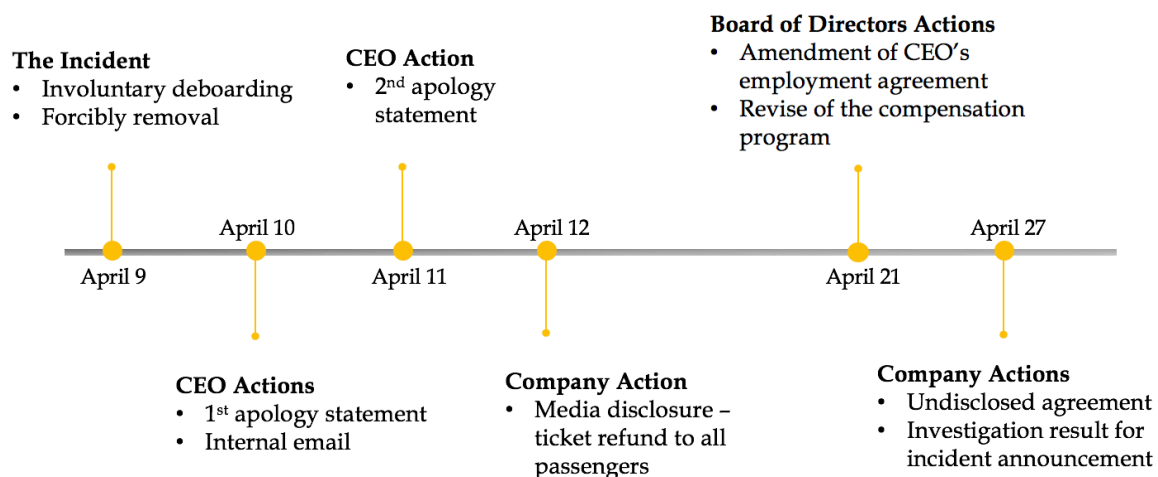
In order to create an exploratory and active case discussion, to provide a meaningful learning experience and to smooth the overall teaching process, it is important for instructors to present the case and engage the audience in an attractive way. Therefore, the aim of this section is to provide the instructors with a set of suggestions on how to achieve an interactive teaching approach.

## Presenting the Case

The presentation of the case should be clear, lively and appealing to the audience. When presenting, the instructors should speak loud, clear and with appropriate speed for the audience to acoustically understand and to pay attention throughout the presentation. Spoken words should be supported by PowerPoint slides, which display most important key points. However, it needs to be taken into account that too much text will take away the audience's attention to what is being said. Therefore, little text and many images are recommended.

Another effective presentation tool can be videos. Including those will help catching everyone's attention and creating the right mood in classroom. However, the videos should not be too long, ideally 30-60 seconds as they should not replace, but only support content (Forbes, 2017c). For this particular case, we suggest showing a video of the actual incident (the removal of passenger Dr. Dao) as the audience will later need to evaluate the situation.

For this case, presenting a timeline of the different happenings during and after the incident can help recap key progresses of the whole incident and reinforce the audience's understanding of the time span of the case (**Exhibit 2**). In general, presenting any information from different perspectives should be kept neutral as to guide possible alternatives to solve the case.



**Exhibit 2 - Timeline for the drag-off incident**

## Leading the Discussion

A crucial part of the learning experience is the case discussion after the case presentation. Before starting the discussion, the class should analyse the case situation and instructors need to clearly define the problems in order to receive the desired outcomes from the discussion part.

This can be done by making use of the whiteboard by writing down different aspects such as “key issues”, “alternatives” and “actions” in table form, which will support the situation analyses and later discussion by capturing mentioned aspects and giving the discussion a clear structure. Besides, the audience will be able to see what has been mentioned before and what could be added to the discussion.

During the discussion, instructors should act as moderators who engage the audience by acting neutral to student answers, take track of time and guide the

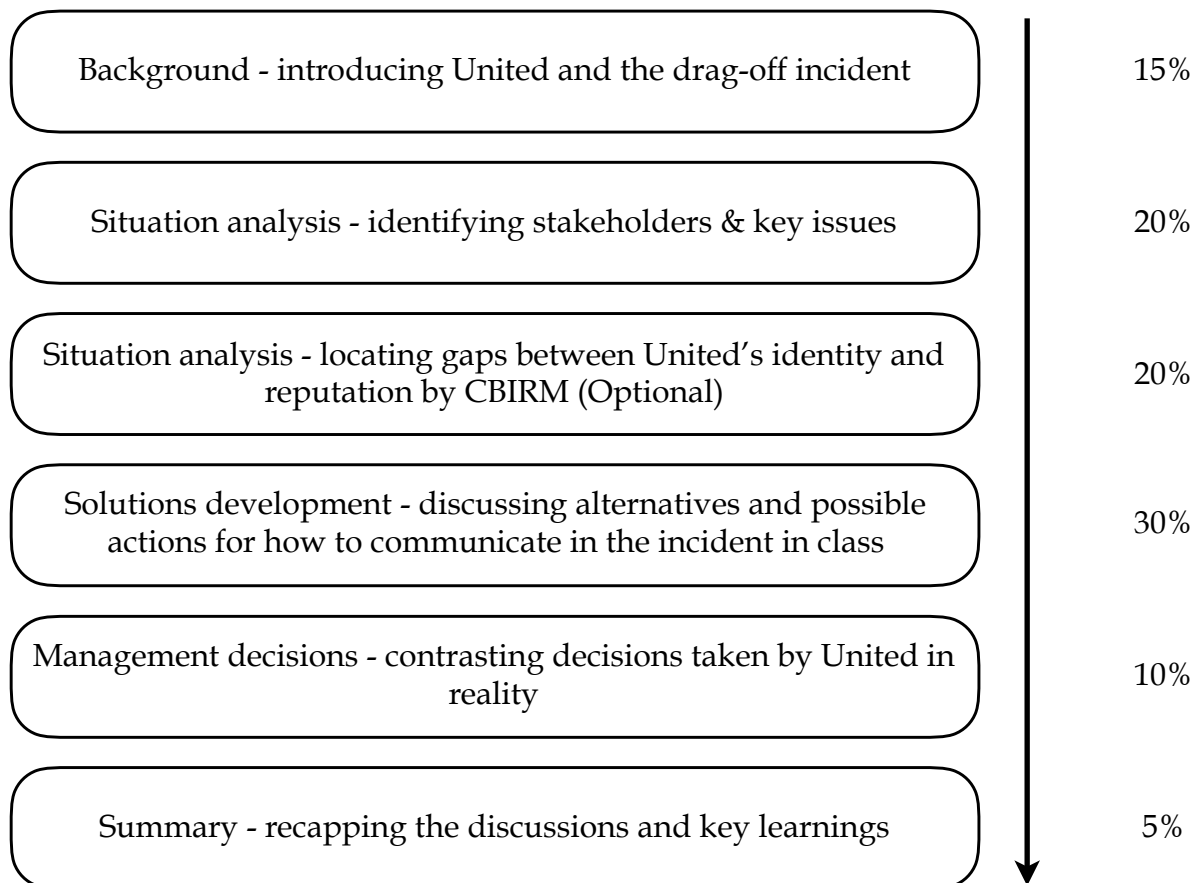


audience towards the right direction. Assisting questions can be used to keep the discussion going if needed.

In the end of the discussion, the case should be summarised and key learnings should be reflected on. This can either be done by students or by the instructors themselves.

## Time Plan

A time plan (**Exhibit 3**) is necessary to ensure audiences' understanding of case background, achieving learning objectives and managing discussion effectively. In order to be adaptable and flexible for different teaching time duration, a time plan has been developed with approximate percentage of time allocated for each part of discussion.



**Exhibit 3 - Teaching time plan**

The United drag-off incident of itself is an interesting case, which offers multiple and meaningful discussion angles, in particular how to identify relevant issues in the crisis and how to communicate during a crisis situation. Depending on the available teaching time, the case can be shortened to cover debate of key issues and communication management only or it can be extended to include discussion of gaps

between identity and reputation. To illustrate, in a two-hour teaching schedule, background introduction would be around 15 minutes. Situation analysis and gap analysis would take around 25 minutes each. Then solution development would need around 40 minutes to encourage active thinking and discussion. Finally, management decisions and summary of discussion and key learnings would take around 15 minutes in total.

## Discussion Plan

In order to respond to the crisis in a timely manner and to identify relevant issues, key stakeholders who were involved and parties which should be responsible in the incident are first explored and discussed so that tailor-made action plans can be formed in the later stage. Furthermore, for the purpose of organising discussion systematically in class and managing the discussion pace, a discussion plan (**Table 1**) is developed and pre-prepared below. It includes three sections namely “Key issues”, “Alternatives”, and “Actions” which are presented as follows.

Key issues	Alternatives	Actions
<p><b>Brand elements:</b></p> <ul style="list-style-type: none"> <li>Inconsistency between identity and image (brand promise of "Flying the friendly skies" was seriously hurt)</li> </ul> <p><b>Seriousness of crisis situation:</b></p> <ul style="list-style-type: none"> <li>Damage in customer perception</li> <li>Significant attentions and pressures from the public and media</li> </ul> <p><b>Company initiatives:</b></p> <ul style="list-style-type: none"> <li>Internal mismanagement (e.g. lack of procedures for handling crisis situation)</li> <li>Unclear involuntary deboarding policy/procedures to the public?</li> <li>Lacks of employee loyalty/morale (leaking internal emails from CEO Munoz to journalists)</li> </ul> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>Damage in customer perception</li> <li>Damage in reputation</li> <li>Whose fault? How much blame should be taken?</li> </ul>	<p><b>Silence strategy</b></p> <ul style="list-style-type: none"> <li>Not react at all</li> <li>Buffering</li> <li>Distance from the issue</li> </ul> <p><b>Accommodation strategy</b> through internal adaptation</p> <ul style="list-style-type: none"> <li>Take the blame and apologise</li> <li>Compensation</li> <li>Change internal policy and procedures to handle the similar situations</li> </ul> <p><b>Reasoning strategy</b></p> <ul style="list-style-type: none"> <li>Explain law regulations</li> <li>Reach agreement with Dr. Dao</li> <li>Engage Federal Department of Transportation to communicate the involuntary deboarding</li> </ul> <p><b>Advocacy strategy</b> by change public opinions</p> <ul style="list-style-type: none"> <li>Insist nothing has been done incorrectly through the presentation of legal procedures they have followed</li> <li>Engage Federal Department of Transportation to communicate the involuntary deboarding is allowed by law</li> </ul>	<ul style="list-style-type: none"> <li>Take responsibility for actions where the Company could improve</li> <li>Reach agreements with Dr.Dao</li> <li>Create an emergency/incident handling procedure for future</li> <li>Make involuntary deboarding procedures more transparent</li> <li>Upgrade incentives for deboarding with certain limit</li> <li>Train staff on how to deal with such situations</li> <li>Train pilots about how to take actions in these incidents, where the well-being of passengers should be prioritised</li> <li>Invest in United's own security onboard</li> <li>Set procedures for when additional staff can be taken in (e.g. not after passengers are onboard, latest 2 hours before departure)</li> </ul>

Table 1 - Discussion plan

The section “Key issues” will summarise the understanding of the major challenges to United from the students’ point of view. This section would encourage students to objectively determine what issues exist. It aims to help students identify relevant problems and verify their understanding. “Alternatives” section is for identifying and evaluating different ways to address the discussed key issues. It will engage the students to brainstorm and to evaluate all the options available that could potentially solve the issues. “Actions” is the decision making section where several factors could be taken into consideration when evaluating the different alternatives such as the impact on the organisation and its stakeholders, the effect on public relations, costs, involved risks and opportunities, and ethics of actions. Then the instructors will invite students to consider implementing the actions through long-term and short-term plans. At the same time, the instructors will motivate the students striving their best to assess and suggest relatively satisfactory solutions.

By conducting the discussion plan, the instructors can achieve an interactive communication with students. More importantly, students could also deepen and enrich their problem solving and decision-making skills through applying the discussing plan framework.

## Reflection

The United case caught great amount of public attention right after it happened. Media intensively reported on the development of the case, however, almost all of them were negative about how United handled the crisis, which made it an excellent lesson to learn for the class.

The team found the first challenge was to maintain a neutral view when discussing the case internally given general public opinions were against United and some airline companies even used the incident as a parody on social media to promote that they are more friendly airlines than United. As instructor of the case, the team considers it is vital to encourage discussions in class and to motivate thinking, rather than to take a side or quick conclusion. In order to achieve this purpose, the team incorporates information and views from diversified perspectives (e.g. news reports, relevant regulation and company policies) for being objective and showing a more comprehensive picture to the class. Additionally, this is also to have the class considering the incident as management of United rather than as public audience.

The team also found the change of role from students to instructors a challenge. The traditional tasks for students are often associated with how to solve problems. Yet, as an instructor, the team found the task focus shifted from problem solving to effective teaching. Giving straight answers would simply not provide meaningful learning take-away for the class. The intention is not for the class to memorise answers, instead, the team hopes stimulate discussions and thinking so that the class could understand and master the use of relevant knowledge and be able to apply no matter what situations they may encounter when they are in the real business world. The team has had many discussions about how to design the case study effectively,

such as what information to supplement to class, when to discuss management questions, what the focus of discussion should be.

Furthermore, the United case is interesting in the sense that it can be applied as case study in multiple business management areas. The example areas include how to assess crisis situation so that seriousness of crisis would not be misappropriately estimated, what are alternative strategies for crisis communication and when those strategies are most applicable, and what gaps exist between United's identity and reputation and how the Company can restore/recover reputation damage from the incident. Although there are many possible learning dimensions in the case, the team realises the importance of time management. Instead of discussing every possible learning areas and teaching only superficial knowledge to the class, the team considers the teaching has to be with focus so that in depth discussion could be conducted. In this case, the team mainly concentrates on crisis situation analysis and alternative strategies for crisis communication.

Besides facing and addressing various challenges mentioned above, the team has achieved several learnings. First of all, the team has reinforced understanding of knowledge about crisis management. In order to bring up relevant discussions in class, the team has reviewed and revisited relevant crisis management books and articles many times to be familiar with applicable theories in United's case before teaching to class. Moreover, the team has reflected upon different methods for holding discussion in class. Though free discussion in class without any structured framework may encourage free thinking, it is not suggested in this case study for the purpose of effectively use of time. Therefore, the team has proposed a discussion plan by focusing the thinking and discussing areas on key issues, alternative solutions and action plan. The team considers the method is effective when the class is quiet and needs direction on how to evaluate a situation and address relevant problems or when there is time constraint on discussion. The team further realises that time would always be a limitation when addressing issues in real business world. Therefore, the discussion framework would not only be applicable in university class discussion, but also be helpful for real business situations. Another key learning for the team is that discussions and practices help with better performance. When preparing the case study, the team actively and openly discussed and practiced how to organise and present the case and how to act as better moderators when instructing a case, which has helped the team to identify areas which may possibly go wrong or to sharpen the thinking which could improve performance.

To conclude, the team believes that the United case study can be a meaningful and powerful tool for instructing and learning multiple business management areas. Further, the case study does not only help the team improve technical knowledges, it also trains the team's soft skills (e.g. how to handle challenges, how to be moderators). The team is proud to present the case to the class.

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