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# ***Air Transport World***

Including commuter/regional world

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The magazine of world airline management

## **Airline of the Year Alaska Airlines**

### **other winners**

**Comair  
McDonnell Douglas  
All Nippon Airways  
Dr. John Lauber  
Brymon Airways  
Lufthansa German  
Airlines**



# 17th Annual Air Transport World Awards

Our highest honors for airlines are our two Airline of the Year awards, one for a large international, major or national carrier, the other for a commuter/regional operator. The primary criterion for both is consistent outstanding performance over time. The awards usually go to airlines that have been innovative in their service, pioneering in their market development, consistent in their performance, providing high-quality service to both their customers and stockholders. In the case of some international airlines, it has been important that they be a credit to their home countries.

This year's winner of our Airline of the Year award in the large-airline category is Alaska Airlines. Few of our previous winners have been nominated by so many of our editors and few have met all of the criteria so well.

Alaska Airlines is one of the smaller airlines to earn this award, approaching but not quite reaching U.S. "major" sta-

## Airline of the Year

# Alaska Airlines



tus. It makes the required \$1 billion annual operating revenue if its operations are combined with its wholly owned commuter/regional, Horizon Air. The two comprise the Alaska Air Group, which is large enough for major status. But possibly this year, Alaska Airlines alone will reach the \$1 billion mark.

But Alaska Airlines already is major in many ways. Although the airline traces its origins back nearly 60 years, most of its outstanding accomplishments have occurred during the last dozen or so years. Under the leadership of Bruce R. Kennedy, the youthful chairman and CEO of the Alaska Air Group and until recently the CEO of Alaska Airlines as well, the airline weathered the challenges of the past decade, not only to survive but to become one of the industry's leaders. Throughout the tumultuous '80s, Alaska Airlines seemed to thrive while most of the U.S. industry struggled. Many did not even make it to the '90s.





Alaska Airlines did this with a combination of deft reorientation of its market emphasis and an outstanding combination of impressive customer service and deft financial management. Details of how all this was done were covered in two major *ATW* features (10/90 and 1/88). But essentially, the airline effected a major change in its service pattern away from concentration within Alaska to more emphasis south of its Seattle hub. Now, about two thirds of its operation comprises routes from Seattle southward.

Although it hasn't needed to since deregulation, Alaska Airlines meets its obligations in its name state with important and difficult operations to Alaska's more remote stations, many of which have virtually no other transportation during some parts of the year.

### Industry legend

The quality of Alaska Airlines' service is becoming a legend in the industry. For example, the carrier spends more on its passenger service than other U.S. airlines—and it shows. In 1989, Alaska spent \$7.50 per meal, while the average for majors was \$4.86 and only \$1.67 for nationals, according to an *ATW* survey. As a result, Alaska Airlines has developed a loyal and expanding clientele. Traditionally, it ranks among the leaders in having the best complaint record at DOT. Most of the time, it scores better than all of the majors. *Condé Nast Traveler* has rated its passenger service best among U.S. airlines for the past two years.

Equally impressive over the years has been its financial performance. *ATW* saluted the carrier's accomplishments in this area last year with its Financial Management award. Despite all of the challenges of the '80s and a few news ones in 1990, Alaska Airlines recorded its 18th consecutive profitable year. Its sister airline, Horizon, also scores well in this department, usually showing a profit for operation within the Group.

The combination of outstanding service and adroit financial management has enabled Alaska Airlines to embark on an ambitious fleet-renewal program that probably will fulfill its needs well into the next century. It has arranged for 20 new Boeing 737-400s and 20 Mc-



**Kennedy**

Donnell Douglas MD-90s, plus additional MD-80s that will swell that fleet to 36. It also operates seven Boeing 737-200Cs that it helped develop for its challenging operations to the Far North.

Alaska Airlines has not been shy in route development over



**Vecchi**

the years. It invited the wrath of some of the larger airlines when it developed its new markets into California. It also ventured into Mexico successfully, establishing markets to offset its seasonal imbalances in the North. And on June 17, it will begin another adventure, start-

ing service between Anchorage and two points in the Eastern U.S.S.R., Magadan and Khabarovsk. In the past decade, its moves have earned it one of the best growth records anywhere. Its compound annual growth rate was 20% for the 1981-88 years. It even maintained near double-digit growth last year, when most of the industry was suffering.

So, for all that Alaska Airlines has done for its customers, stockholders and the region in which it operates, *ATW* salutes its nearly 6,000 employees and management team headed by Kennedy and the new president and CEO, Raymond J. Vecchi, with our Airline of the Year award for 1990.

Previous winners include Singapore Airlines, American Airlines, Cathay Pacific, SAS, Japan Airlines, Lufthansa German Airlines, Delta Air Lines and Swissair.



**Alaska Airlines thrived during the tumultuous 1980s, while most of the U.S. industry struggled.**

