



Condé Nast Traveler

HOW TO
RENT A
VILLA

November 1989 \$2.50

THE
TOP
100

Best hotels,
airlines,
resorts,
cities,
cruise lines

SECOND ANNUAL READERS' CHOICE AWARDS
(Guess which American city did well!)





ALASKA THE BEST U.S. AIRLINE

Alaska Airlines is easily the top U.S. airline for punctuality, cabin service, and in-flight meals. Chairman Bruce Kennedy says the reasons for the airline's superior performance are simple:

WE GREW UP IN THE great tradition of bush carriers. Our character and culture come from the Alaskan frontier. When I address our flight attendants, I tell them to pay attention to the people they don't automatically gravitate to, to seek out the old Eskimo or the guy in grungy jeans rather than just well-dressed business people or attractive members of the opposite sex. The people who least expect attention appreciate it most. And besides, on the West Coast, the guy in jeans is probably the CEO of a software company."

FOR THE FULL STORY ON ALASKA AIRLINES, SEE PAGE 50.

Why our readers voted Alaska best U.S. airline

By Aaron Sugarman

WHEN A LOYAL ALASKA Airlines customer passed away while out of town, his widow had the airline ship the coffin with his frequent-flier card taped to the top. "She wrote us a note thanking us for always being there for her husband over the years," says Jeff Cacy, director of business-travel marketing, "and asked if we could give him one last frequent-flier credit for the trip home. She was very sincere." The airline credited the mileage.

Alaska Airlines, the top U.S. airline in our Second Annual Readers' Choice Awards (see page 140), is too small to compete route for route with the Uniteds or Deltas. Its operating costs are too high to carve out a niche as the next People Express. So Alaska Airlines sells service and personality—and it's thriving.

Flying in the face of the cost-cutting ethic inspired by deregulation, Alaska Airlines spends more money on food than its major competitors (about \$7.50 per person compared with an industry average of \$4.25). Wine served during its flights is free. The airline's planes have fewer seats and more legroom than equivalent American Airlines or USAir jets. Heavily booked flights get an extra attendant for smoother service, and customers with legitimate complaints are often given partial, or total, refunds.

Though providing such perks is costly, the airline has been a financial success since nearly going bankrupt in 1972. It has earned a profit for 16 consecutive years while bigger competitors have suffered losses or disappeared in postderegulation turbulence.

Alaska Airlines is also exploiting a lack of personality in the airline business. "Peo-

ple are tired of generic airlines," says Bill McKnight, vice president of marketing. "PSA had a smile on its planes and funny advertising, People Express a roughing-it camaraderie. But they're gone. We're the last airline with a sense of humor."

For a California promotion, Alaska Airlines plastered sunglasses on the giant Eskimo face that adorns its jets. Mexico-bound passengers are offered complimentary margaritas and Dos Equis beer along with chips and salsa instead of peanuts or pretzels.



Alaska claims to be the last airline with a sense of humor.

Alaska Airlines draws its strength and color from its singular home state. Parts of the state are closer to the Soviet Union and Japan than to the Lower 48.

"The small-town ethic still exists," says Alaska native Cacy, "and when the weather gets harsh, you have to rely on your neighbors to help you out." The airline does its share by rerouting and delaying flights to help move victims of medical emergencies from remote areas to appropriate regional hospitals.

Bruce Kennedy, the airline's chairman, who lived in Alaska for 15 years, traces the

company's roots back to McGee Airways, which began flying a single-engine Stinson between Anchorage and Bristol Bay in 1932. "We grew up in the great tradition of bush carriers," he says.

The Alaska factor is getting harder to maintain as the airline grows. Though many of its managers came up through

equivalent of about six weeks' additional pay from the program.

Kennedy also stays close to his airline's service by insisting that actual in-flight coach-class food be served to him and his senior executives during their weekly meeting.

Customer complaints are dealt with by Tim Orkins, director of consumer affairs. "We're the crisis-resolution unit. All we do is work on complaints," he says.

He receives 3,000 customer-survey forms and as many as 1,400 letters every month—and he responds to each one. Apologies are regularly accompanied by compensation, either in cash or credit toward future flights. Orkins says, "The question is: What is it worth to get somebody back after you've upset them? Our feeling is, it's worth being generous because it pays off in rate of return."

Some Alaskans grumble that the airline can afford to be generous because its fares within the state are high. But boosters laud its commitment to far-flung Alaskan communities and high-profile flights into the Soviet Far East.

In June 1988 the airline flew from Nome to the Soviet city of Provideniya, a distance of only 260 miles. Dubbed the Friendship Flight, it reunited Alaskan natives with their Soviet relatives after a 40-year separation and broke the ice curtain.

Despite being on what Kennedy describes as a "bear hug basis" with local Soviet officials, Alaska Airlines has yet to receive Soviet permission to start scheduled service into Provideniya. Undeterred by the bureaucratic delays, Kennedy now talks of flying farther into Russian territory within the next two years. □

TICKER TAPE... Fifteen major U.S. marathons are run in November, the largest being New York City's, with more than 20,000 runners.