To: Mr. Douglas and Mr. Devenney, Alabama Airlines Founders

From: Theo Hargis

Date: May 1, 2020

Subject: Alabama Airlines Phone Reservation System Recommendation

***Executive Summary***

For Alabama Airline’s current caller demand, the reservation system configuration with only operator will result in high wait times and over-utilization. These effects are compounded when taking into account the increased demand expected from the advertisement campaign. Without change in both cases, the airline faces the potential for drastically lower customer satisfaction rates due to high wait times, and poor customer service resulting from the lack idle time for the operator. I recommend that two agents be employed under current conditions as well as after the advertisement campaign is underway. This will reduce waiting times, thus increasing customer satisfaction and improving the level of service, producing more positive reviews from customers and goodwill to the Alabama Airlines brand.

***Benefits of Recommended System Configuration***

This recommendation ensures that

* Under current demand, as seen in **Table 1**, average waiting time will be reduced to almost zero minutes from eight. While the utilization rate is significantly decreased to 50%, I believe that the extra operator is worth the cost because customers will be immediately serviced instead of waiting eight minutes on average, even up to half an hour in some cases. This may result in customers not willing to wait for service, and instead they turn to a competing airline.
* With the increased demand brought by the ad campaign, as seen in **Table 2**, the average wait time remains under one minute, compared to over 23 minutes with only one operator, which is unacceptable from a customer’s standpoint. The 57% utilization rate is low, but the labor costs associated with employing two operators are far exceeded by the loss of potential revenue from customers who will not stand the wait and turn to competitors for better customer service.
* Due to the higher idle time between calls, operators will feel substantially less rushed when speaking with customers as there are far less customers waiting in the queue. This reduction in stress and increased break time will improve the overall level of service provided by the operators, thereby increasing customer satisfaction.

While this recommended system configuration may increase labor costs associated with employing two operators for the night shift, I firmly believe that the benefits of high customer satisfaction will significantly outweigh the costs. I believe that lower waiting times and higher-quality service will lead to increased customer retention and brand loyalty for Alabama Airlines. I advise the Airline to do more research into the patterns of brand loyalty in the airline industry to see if this is a leading factor in many customer’s decisions of who to fly with. I highly recommend this system configuration plan as I believe it will lead to long-term benefits in customer loyalty and goodwill for the Alabama Airlines brand, giving them a significant boost in customer service reputation in the airline industry.

**Table 1:**

**1 Agent vs. 2 Agents under Current System**

A screenshot of a cell phone

Description automatically generated

**Table 2:**

**1 Agent vs. 2 Agents with Ad Campaign**

**A screenshot of a cell phone

Description automatically generated**