



Delta takes its time to get Northwest merger right

By: Marilyn Adams

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Almost a year after Delta Air Lines announced it would buy Northwest Airlines and become the world's biggest carrier, fliers will soon start seeing the first outward signs that the two carriers are becoming one.

By the end of March, all the "Northwest" signs at Northwest's longtime hubs in Minneapolis, Detroit and Memphis will be replaced by Delta (DAL) signs and Delta's bright red triangular logo. And pilots, flight attendants, ticket agents and gate agents of both airlines will be outfitted alike in Delta uniforms.

But for two major airlines that have operated separately for decades with different route structures, corporate cultures and passenger policies, the hard stuff — such as merging two giant and complex reservations systems — will not happen until next year, Delta executives say.

"When airlines merge, they have to think about legal issues, communications, maintenance, real estate and so on," says consultant Jerry Glass, the former human resources chief for US Airways, which merged with America West in 2005. "Every one of those has hundreds or thousands of details that must come together."

Today, the new Delta is a mammoth carrier, with about 6,000 daily departures and 1,000 aircraft at its disposal, including the Delta and Northwest fleets and both carriers' regional affiliates. Publicly, Delta is confident that months of planning by 25 integration teams will avoid mistakes other merging airlines have made, disrupting flights and alienating passengers. But the size of both carriers and the details involved in making them run as one make some bumps almost inevitable.

"It's been pretty much a nightmare for me," Northwest frequent flier Doreen Rosimos of Marlborough, N.H., says of her three recent Delta trips.

She says she bought tickets for the Delta flights on Northwest's website, www.nwa.com, but Delta had no record of the tickets when she arrived at the airport.

"I had to truck all the way down to the Northwest desk, get it fixed, then trek back to the Delta desk to get a Delta boarding pass," she says.

Others have had a smoother experience. Bruce Dickie, a Madison, Wis.-based sales representative and Northwest frequent flier, says he has "actually experienced a few positives."

"When flying on Delta, I now get an automatic upgrade to first class," he says.

Websites separate for now

Delta officials don't plan to fully merge the two airlines' websites and ticket reservations systems until next year, when they hope to qualify for a single airline operating certificate from the Federal Aviation

Administration. Likewise for separate operations control centers that currently direct both airlines' flights 24/7 from different parts of the country.



Airport ticket counters, gates and airport clubs won't be fully integrated until next year. Painters are busy replacing "Northwest" with "Delta" on Northwest jets; it will take many months to repaint and redecorate Northwest's jetliners, unify onboard menus and seatback safety cards, etc.

"What we don't want is people getting tangled up in a mishmash," says Tim Mapes, Delta's marketing chief.

The later deadlines for the hard stuff are deliberate. When US Airways and America West were completing their merger and converting to one reservations system in March 2007, the system crashed. Automated airport kiosks failed, delaying flights nationwide and frustrating customers. It's a type of failure Delta and Northwest want to avoid.

More capacity cuts likely

The recession, and reduced spending on travel in general, are big driving factors in many of these decisions. For example, Delta announced in December plans to shrink its combined system 8% to 10% by year's end because fewer people are flying.

Last week, however, Delta said its February passenger traffic fell 9.2% from a year ago; Northwest passenger traffic fell 13.6%.

Although both airlines have been cutting flights, passenger traffic is falling faster than the airlines are shrinking — a trend across the industry. As a result, they and other big carriers probably will have to slash more capacity soon.

Still, Delta and Northwest are working to forge a new single network that will be competitive going forward. So even as Delta cuts flights, the contraction is not uniform across the system. Delta is shrinking dramatically in some places and growing in others where it's profitable to do so.

By June, joint Delta-Northwest flying capacity from New York John F. Kennedy Airport will grow nearly 5% year over year, according to flight schedules published by OAG-Official Airline Guide. Flying capacity from Delta's biggest hub, Atlanta, will increase more than 3%. The Northwest hubs at Detroit, Minneapolis and Memphis will all shrink.

Flying from Delta's Cincinnati hub — which has been shrinking for years — will fall another 25%, making it about the size of Northwest's Memphis hub.

But Delta will keep growing in New York and Atlanta, partly because it's expanding international flying from those gateways. In June, Delta launches its first non-stop flight from New York Kennedy to Tokyo Narita, a Northwest hub.

Merger raises aircraft choices

Behind the scenes, the airlines are methodically shifting planes around, putting Northwest jets on Delta routes and Delta jets on Northwest routes to better fit airplanes to passenger demand and distance.



Robert Cortelyou, Delta's senior vice president for network planning, says the addition of Northwest's fleet lets Delta choose from a bigger menu of jets seating 175 to 400 fliers. "We can move these aircraft around the globe — from the Pacific to Africa, for example — and put them in the right spot," he says.

On 13 international routes this summer, Delta will change aircraft: It will fly Northwest Boeing 747 widebodies on flights between Atlanta and Honolulu and between Atlanta and Tokyo, while putting smaller jets on flights to some European cities such as Amsterdam.

As the integration inches along, loyal Northwest and Delta fliers in small and midsize U.S. cities fret about how the merger as well as the economy will affect the flight choices they have come to depend on.

Frequent Northwest flier Dickie, for example, worries the merger will shrink the options he has from Madison, Wis. Today, there are flights on either Northwest or Delta to Minneapolis, Detroit, Atlanta, Cincinnati, Memphis and Reagan Washington National Airport.

"I can't see this number of choices lasting very long," Dickie says.