

# Airlines turned their back on Texas, and other notable business bloopers

Recently, attention has been attracted to Delta Air Lines' charging excess baggage fees to returning troops from overseas. This was a marketing blunder.

But Delta is not alone in making these kind of mistakes. Everywhere one looks there are large organizations making mistakes. Big mistakes.

One example is here in Texas. Continental and United Airlines merged. They decided to have their headquarters at United's facility in Chicago rather than the Continental office in Houston. Let's look at the data behind that selection.

They chose Illinois. It lost a congressional seat in the most recent census. It has lost a seat in each of the past four censuses. The state is in decline.

They turned their backs on Texas. It has just gained four congressional seats. The state is on the rise.

In the past decade, Houston has grown by 7 percent. Chicago has declined by 7 percent.

But surely there must be something Illinois has that Texas does not. Sure enough, there is. A state income tax.

What was the airline's



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management thinking? Why would they leave a winner to go to a loser?

The answer is poor decision making.

Another mistake is closer to home. It is the San Antonio airport addition. The new terminal has just been completed but it did not include an after-security connection to the older terminal. Thus transferring passengers from one terminal to another must exit and then reenter the body search line. It would have been simple to link the two during construction. It did not happen. Apparently the airport's architect travels only by Trailways.

Now let's go national. Pepsi has changed its logo. The old one was red, white and blue and had a flair. Attractive. The new one is red, white and blue and looks like half a sneer. Ugly. It cost Pepsi gobs of money to make the change. There was the packaging, and the trucks, and the uniforms, and even the No. 2 pencils.

But do you buy any more of their cola because of the revision? Not likely. (Maybe you did not even notice the change, which is an even bigger insult to the suits in New York.)

Here is another. Dollar stores are booming. We have three new ones within five miles of our Canyon Lake ranch. Wouldn't one think (this is rhetorical) that the largest marketer in the whole wide world would have caught on to what is happening in retailing? At least a decade ago Walmart should have seen what their customers had been trying to tell them. Yet the company has not entered this arena. Amazing.

It may be the isolation their bosses experience by being bedridden somewhere deep in Arkansas. Instead of serving the growing dollar store segment, they are engaged in insignificant marketing activities. For example, they took the giant step of choosing to take out the dash between Wal and Mart. Have you noticed their new signs? It is expensive to change that branding ... and you will have to pay for the new paint.

What the brilliant Bentonvillians could have

done is come up with their own smaller low price outlets for towns that can not support a huge store. Places like Seguin and Startzville in the U.S. and St. Nazaire and Southern Cross overseas.

They need, if they do decide to make up for the mistake of getting into the market about the time it is passing them by, a descriptive title for their low price stores. Their new brand should be representative of their original concept. A few potential names come to mind. How about: Wal-Buck or \$Mart or SamSaver?

Here is the point of this article. Big business people are not smarter than little business people. It is just that their mistakes are grander. We can find proof every day that there is not a person in the US running a billion dollar company who has an ounce more business savvy than any of you in central Texas. Those big shots do stupid things every day.

And they get lucrative stock options for doing them.

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