

# SOUTHWEST TRAVEL

MARCH 2015 - VOLUME 1 ISSUE 3

## Southwest Airlines Shows Its Love To The Show-Me State: Unveils Missouri One

### Commentary: Success formula: care about employees, customers

SOURCE: Southwest Airlines Blog

Airline honors Missouri with specialty aircraft and dedicated fare sale

This release contains: 1 Related Document, 10 Photos, 3 Videos  
Southwest Airlines® (NYSE: LUV) today celebrates more than 30 years of service in the state of Missouri with the unveiling of the Airline's newest specialty aircraft, named Missouri One—a Boeing 737-700.

Southwest and state and local government leaders revealed the aircraft in Kansas City, where Southwest first began its Missouri service in 1982. The aircraft, emblazoned with an artist's rendition of the Missouri state flag, was unveiled at a ceremony this morning at the Kansas City location of Aviation Technical Services, with whom Southwest has partnered for more than 35 years. Southwest Employees, community members, and executives were on hand, including Southwest Airlines Chairman, President, and CEO Gary Kelly.

"Kansas City and St. Louis have been vital cities in our network for more than 30 years," Kelly said to an enthusiastic crowd at the unveiling. "I couldn't think of a better way to 'show' our love to our Employees, Customers, and friends in the great state of Missouri than by dedicating this high-flying salute to them!"

Further demonstrating Southwest's dedication to both the Kansas City and St. Louis com-

munities, Southwest donated \$5,000 each to Science City at Union Station and the St. Louis Science Center. The funds will help support Science City's Summer Camp, which sparks interest in STEAM (science, technology, engineering, art, and math) for children ages 6-12 through interactive, challenging, and fun activities, and contribute toward scholarships for the St. Louis Science Center's Flight Academy Camp.

"We've always valued the enduring partnership between the state of Missouri and Southwest Airlines," said Governor Jay Nixon. "As a tribute to 30 years of quality service by Southwest and Missouri's proud aerospace legacy, this magnificent plane will showcase the Show-Me State's aerospace strength around the world."

Kansas City band Lost Wax performed as attendees enjoyed local coffee from The Roasterie Coffee Company, and cheered as Kelly, Governor Nixon, and Kansas City Mayor Sly James closed the event by christening the aircraft amid fanfare. The plane then proceeded to Lambert-St. Louis International Airport for additional festivities, featuring Mayor Francis Slay.

In celebration of Missouri One, Southwest today launched a special three-day fare sale with fares as low as \$59\* one-way from both Kansas City and St. Louis to select destinations nationwide (see fare rules below). These low fares are available



Southwest Airlines CEO Gary Kelly unveils Missouri One in Kansas City. /Stephen M. Keller, 2015.

for purchase only at Southwest.com, Swabiz.com, or by calling 1-800-I-FLY-SWA, today through April 17, 2015, 11:59 p.m. PT for travel Aug. 25 through Oct. 28, 2015. Some blackout dates apply. See fare rules below for details.

#### Fare Examples:

- Kansas City to St. Louis as low as \$59 one-way
- St. Louis to New Orleans as low as \$99 one-way
- Kansas City to Dallas (Love Field) as low as \$69 one-way
- St. Louis to Atlanta as low as \$99 one-way
- Kansas City to New York (LaGuardia) as low as \$109 one-way
- Kansas City to Phoenix as low as \$144 one-way
- St. Louis to San Francisco Bay Area (SFO) as low as \$154 one-way

Southwest Airlines began service in Kansas City on Feb. 18, 1982, with six daily nonstop departures to two cities. The airline currently

operates 68 daily nonstop departures to 26 destinations from Kansas City. Southwest began service in St. Louis on March 17, 1985, with 17 daily nonstop departures to four cities. The airline currently operates 88 daily nonstop flights to 34 destinations from St. Louis.

Kansas City International Airport is Southwest's 17th largest operation in terms of daily departures. Lambert International Airport is Southwest's 13th largest operation in terms of daily departures. Combining these stations, Missouri represents the 9th largest state in the Southwest network in terms of daily departures. Together, Southwest employs more than 550 people in Missouri.

Missouri One joins nine other 737s in the Southwest fleet that carry unique, state-themed paint schemes: Arizona One, California One, Colorado One, Florida One, Illinois One, Lone Star One (Texas), Maryland One, Nevada One, and New Mexico One.

# Southwest CEO Says All You Need is LUV

## Commentary: Success formula: care about employees, customers

By Al Lewis // Columnist

DENVER (MarketWatch) — Southwest Airlines Co. has been profitable for 40 straight years.

Unlike every other major carrier, it has never filed bankruptcy. It has never sacked employees with layoffs, furloughs or pay cuts. It is also the airline with the fewest complaints -- just 0.25 per 100,000 passengers last year, according to the Department of Transportation.

There are plenty of theories as to how Southwest LUV, +0.05% succeeds where most other carriers fail. But Gary Kelly, who has been CEO since 2004, says it comes down to love.

"Love is part of the fabric at Southwest Airlines," he said. "Love Field is our headquarters in Dallas. LUV is our three-letter symbol on the New York Stock Exchange.

"It's a word that we're not embarrassed to use about how we feel about the company, our employees and our customers."

***"It's a word that we're not embarrassed to use about how we feel about the company, our employees and our customers."***

***--CEO Gary Kelly, on LUV***

I interviewed

Kelly for nearly an hour and then heard him speak at the University of Denver last week. His formula is so basic, yet so seldom applied: Take care of employees, employees will take care of customers, customers will take care of the company and its invest-

tors.

"People want to come work for Southwest Airlines because they have an awareness of what I'm describing here," he said. "They want to work for a great company."

Kelly is living proof that the airline industry doesn't have to be run the way it does, cutting fares to steal market share and then sticking investors, creditors and employees with all the losses in bankruptcy court.

Serial bankruptcies prove the industry has been pretty much run by jerks: Self-dealing executives, incompetent managers, overreaching union reps, hatchet men, lawyers, accountants and money-grubbing consultants. It is not an industry run on love.

If you love someone, you don't gamble away their livelihoods. "How can you say you care about your employees if you

allow your company to become unprofitable?" Kelly said. "What kind of job security do you have to offer there?"

If you love someone,

you don't charge them a fee for taking a bag on a trip. "We want you to bring a bag with you," he said. "Why should there be a penalty?"

If you love someone, you don't put them on a scale and charge them by the pound.



Southwest Airlines® LUV logo by Southwest Airlines

(This, by the way, is an idea I satirically proposed in a 2006 column to deal with both the obesity crisis and rising airline losses. Samoan Airlines made headlines earlier this year when it actually adopted this approach.) "I just think that's crazy," Kelly said. "We want the travel experience to be good ... Who wants to talk about their weight? ... Some propeller-head invented this. It's just a bad idea."

The U.S. airline industry has now consolidated into three major players, all wrung through the bankruptcy process, and each now approaching \$40 billion in annual revenues: American/U.S. Airways US:AAMRQ Delta/Northwest DAL, +0.47% and United/Continental UAL, +1.98%

Southwest, which is completing its integration with AirTran Airways, has more than \$17 billion in annual revenue. It carries more domestic traffic than each of the so-called majors and calls itself the largest U.S. airline. It still has labor unions to contend with. It still has steep fuel costs. It still has competition and all the other challenges of running an airline, but it also has love.

Jeff Potter, former CEO of

Denver-based Frontier Airlines, remembers a time when many observers thought the only reason Southwest wasn't going bankrupt was because it got lucky hedging fuel prices as oil soared to about \$150 a barrel in 2008. Southwest, however, has simply proven itself more adept at managing costs and risks, and providing better customer service, than its competitors, he told me.

"They adapt to whatever is presented, and in the airline business you're presented with a lot of challenges," said Potter, who is now CEO of Evergreen, Colo.-based aviation consulting firm, Boyd Group International.

Southwest reported record revenues for the first quarter of this year, but profits slipped. "I'm nervous. I'm very cautious," Kelly said, regarding his outlook for the economy in the months ahead. He suspects federal budget cuts and higher taxes are softening consumer spending. He also doesn't expect jet fuel prices to decline. It was 30 cents a gallon when he joined Southwest in the 1980s. Now it's more than \$3.20. But on the plus side, he expects prices to stabilize here, making the operations of all airlines more predictable. He also expects

the economy, despite its sluggishness, to continue growing.

The rest of the industry, meantime, is doing something Southwest is not: Earning as much as \$3 billion a year in bag fees, according to some estimates. That's a figure that should infuriate the traveling public. See which airlines

charge the highest fees.

"They do get angry and they come over to Southwest," Kelly said. "Our market share has gone up 2 percentage points since all this nickel and diming started in 2008."

For running a profitable airline where "Bags Fly Free," Kelly

made more than \$4 million in compensation last year.

By contrast, Tom Horton, CEO of the company that owns bag-charging American Airlines, expects a \$20 million severance package for dragging his airline through bankruptcy court, slashing thousands of jobs since the

November 2011 filing.

A federal bankruptcy judge recently denied this amount, calling it excessive, but the judge also noted the airline can pay Horton whatever it wants once it emerges from bankruptcy. Isn't that how it goes? Where is the love?

# Celebrating 20 Years of Low Fares Online

## Dive into 20 facts that cover the company's history on the web

By: Alyssa Kaplan

March 16, is Southwest.com's 20th birthday! Explore the history of our website and enjoy these 20 fun facts to celebrate 20 years of low fares online:

1. The first version of Southwest.com was created by nine dedicated Employees over a span of nine months.
2. When the first version launched, Southwest Airlines became one of the first airlines to have a website.
3. Southwest's website has allowed our Customers to book ticketless travel online since 1995!
4. In February 1997, Southwest first offered Rapid Rewards members double flight

credits to incentivize Customers to book travel through Southwest.com.

5. Southwest's website has been officially called Southwest.com since August 1, 1997.
6. Also in August 1997, Customers had the ability to receive instant travel and entertainment information from more than 20,000 destinations via Southwest.com
7. Southwest.com first gave Customers the opportunity to receive e-mails with sales and promotions in July 1998.
8. In September 2000, Southwest.com had already generated more than one billion dollars in passenger revenues for that year, which was about 30 percent of the airline's total passenger revenues. This



# SOUTHWEST.COM

*The popular domain is celebrated 20 years later.*

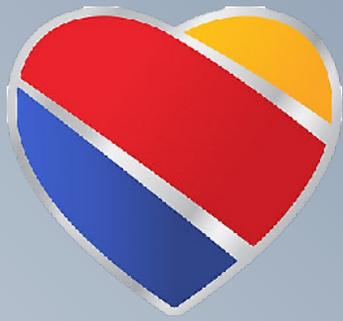
- made Southwest.com one of the largest e-commerce websites in the world.
9. In April 2001, Jupiter Media Metrix released a report revealing that Southwest.com was the busiest airline web site in February of that same year. In that month alone, Southwest.com reached 2.9 million unique visitors.
10. In April 2001, Southwest.com was named the top ranking website for customer satisfaction by Nielson/NetRatings and Harris Interactive.
11. Southwest Airlines Customers have had the ability to check their flight status the site since 2001.
12. That online check in that you know and LUV? It's been a feature on Southwest.com since January 2004!
13. In October 2005, Southwest began selling electronic giftcards on Southwest.com.
14. DING! A desktop application that allowed Customers to book flights was also a

- first within the airline industry. DING! was first introduced in 2005.
15. Southwest Airlines flights have been exclusively sold on Southwest.com since June 2006.
16. The "Southwest Shortcut" feature on Southwest.com was the first online tool to help Customers with flexible travel dates to find the lowest fares.
17. During 2014, 82 percent of Southwest Customers checked in online or at a kiosk.
18. Last year, 80 percent of passenger revenues were booked via Southwest.com, swabiz.com, or AirTran.com.
19. More than 18 million people currently subscribe to Southwest's weekly opt-in Click 'n Save e-mails.
20. Southwest.com isn't just to book flights! You can also reserve hotel rooms, car rentals, and entire vacation packages for when you just Wanna Get Away.



© 1996, Southwest Airlines Co.

*A flashback to the 1996 look of the company's online page. / Southwest.com*



# Southwest Airlines Is Top Airline In Forbes® List of Best Employers for 2015

## How we got here and what this means

SOURCE: Southwest Airlines

Southwest Airlines in Top 20 of America's Best Employers Southwest Airlines® (NYSE: LUV) announced today that the airline ranked as the top airline employer, and one of the top 20 best employers overall, according to Forbes' inaugural list of America's Best Employers for 2015. Southwest was in the top 20, coming in at #18 out of 500 companies to make the list.

"I am honored to share this recognition with all of our People at Southwest," said Gary Kelly, Southwest Airlines Chairman, President, and Chief Executive Officer. "We're so fortunate to have Employees who consider their work a calling. This is a testament to them, and their passion for our common purpose—to connect People to what's important in their lives. Our People are an inspiration, and it's a blessing and a joy to be part of the Southwest Airlines Family."

Forbes and Statista.com created the list through an online survey distributed to 20,000 workers in the United States. The survey asked employees how likely they would be to recommend their employer, and other employers in their industry, to someone else. The respondents mirrored the gender, age, region, educational level, and ethnicity of the overall U.S. workforce. The responses were compiled to rank the 500 employers represented in the list of America's Best Employers, including Southwest Airlines.

ABOUT SOUTHWEST AIRLINES CO.

In its 44th year of service, Dallas-based Southwest Airlines (NYSE: LUV) continues to differentiate itself from other air carriers with exemplary Customer Service delivered by more than 46,000 Employees to more than 100 million Customers annually. Southwest operates more than 3,400 flights a day, serving 94 destinations across the United States and six additional countries. Southwest service to Puerto Vallarta, Mexico, begins in June 2015; and subject to government approvals, service to Belize City, Belize begins in October 2015.

Based on the U.S. Department of Transportation's most recent data, Southwest Airlines is the nation's largest carrier in terms of originating domestic passengers boarded. The Company operates the largest fleet of Boeing aircraft in the world, the majority of which are equipped with satellite-based WiFi providing gate-to-gate connectivity while over the United States.

That connectivity enables Customers to use their personal devices to access streaming music provided by Beats Music or to view video on-demand movies and television shows, as well as nearly 20 channels of free, live TV compliments of our valued Part-

ners. Southwest is the only major U.S. airline to offer bags fly free® (first and second checked pieces of luggage, size and weight limits apply), and there are never reservation change fees, although fare differences might apply. In 2014, the airline proudly unveiled a bold new look: Heart. The new aircraft livery, airport experience, and logo, showcase the dedication of Southwest Employees to connect Customers with what's important in their lives.

From its first flights on June 18, 1971, Southwest Airlines launched an era of unprecedented affordability in air travel described by the U.S. Department of Transportation as "The Southwest Effect," a lowering of fares and increase in passenger traffic whenever the carrier enters new markets. With 42 consecutive years of profitability, Southwest is one of the most honored airlines in the world, known for a triple bottom line approach that contributes to the carrier's performance and productivity, the importance of its People and the communi-

ties they serve, and an overall commitment to efficiency and the planet. The 2013 Southwest Airlines One Report™ can be found at Southwest.com/citizenship.

Book Southwest Airlines' low fares online at Southwest.com or by phone at 800-I-FLY-SWA.

*"This is a testament to them, and their passion for our common purpose—to connect People to what's important in their lives."*

*--CEO, Gary Kelly*

**SAVE UP TO 50% ON SALE** **SPRING HOTELS**

**Rapid Rewards Premier Card** **earn 25,000 points**

**SAVE UP TO \$100** **Las Vegas flight+hotel packages on sale**

**BAGS FLY FREE**