

TRABAJO DE INVESTIGACION FINAL

LATAM Airlines Group

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Abstract

The purpose of the following final research project of the Degree in Global Communication is to develop a communication campaign for the company LATAM Airlines Group.

Using different tools and knowledge obtained throughout the career, we will develop an exhaustive internal and external analysis of the organization. Some of the mentioned tools are Ansoff Matrix, BCG Matrix, Porter's Five Forces framework, Internationalization and Green Strategies methodologies and PESTEL analysis. Moreover, we will carry out a detailed map of audiences and analyze their relationship with the company through the Linkage Model and the Situational model. Likewise, we will develop our own variable in order to prioritize the audiences that we consider most important for the campaign.

After the whole analysis of the organization, we will develop a list of issues that are currently affecting the organizational and reflect it in a general and a communicational SWOT. Based on this diagnosis, we will detect those problems that we consider critical for LATAM and we will develop a communication campaign in order to solve one of these problems, developing its own objectives, strategies, tactics and timelines.

Key words

LATAM Airlines Group – LATAM – Airlines – Aviation – Communication Plan – Global Communication

Table of contents

1. Glossary	5
1.1 Organization´s Glossary	5
1.2 Communication Glossary	7
2. Introduction	11
3. Global organization analysis	11
3.1. Micro-environment	12
3.1.1 History	13
3.1.2 Isologo and slogan	14
3.1.3 Description of product or service	16
3.1.4 Croquis of LATAM´s operations	17
3.1.5 Strategic Purpose	19
3.1.6 Strategic Capabilities	20
3.1.7 LATAM´s green strategy	21
3.1.8 LATAM´s structure	23
3.1.9 Culture	24
3.1.10 Core Business	26
3.1.11 Internationalization Strategy	26
3.1.12 Communication Background	31
3.2. Meso-environment	34
3.2.1 Generic strategy	34
3.2.2 Market	36
3.2.3 Industry and sector	37
3.2.4 Competition	41
3.2.5 Communication Background in the Airline sector	42
3.3. Macro-environment	54
3.3.1 Political Environment	55
3.3.2 Economic Environment	57

3.3.3 Social Environment	59
3.3.4 Technological Environment	60
3.3.5 Ecological Environment	61
3.3.6 Legal Environment	63
3.4. Stakeholders and publics	65
3.4.1 Public Identification	65
3.4.2 Public Inventory	92
3.4.3 Public Segmentation	93
3.4.4 Public Prioritization	95
4. Problem Statement	101
4.1 Issue analysis	101
4.2 Organizational SWOT	115
4.3 Communication SWOT	118
4.4 Problem Statement	121
5- The plan and its campaigns	125
5.1 The Communication Plan	126
5.2 The Communication Campaigns	127
5.2.1 Campaign 1: LATAM Pass Members	127
5.2.1.1 Objective 1	127
5.2.1.1.1 Strategy 1	128
5.2.1.1.2 Tactic 1	128
5.2.1.1.3 Tactic 2	133
5.2.1.2 Objective 2	139
5.2.1.2.1 Strategy 2	139
5.2.1.2.2 Tactic	139
5.2.2 Campaign 2: Media	144
5.2.2.1 Objective 1	144
5.2.2.1.1 Strategy 1	144
5.2.2.1.2 Tactic 1	145

5.2.2.2 Objective 2	157
5.2.2.2.1 Strategy 2	158
5.2.2.2.2 Tactic	158
6- Message/s	166
6.1 Key Messages: LATAM Pass Customers	167
6.2 Key Messages: Media	168
7- Timescales	169
8- Brief	172
9- Conclusion	173
10. Appendices	174
11. Bibliography	180

1. Glossary

1.1 Organization's Glossary

Board of Directors: group of representatives of the LATAM Group's shareholders.

Code of Conduct: set of principles and standards that guides the conduct of LATAM Group and the acts of its Employees or Collaborators, and other Third Parties acting on behalf of the LATAM Group.

Collaborator: interns, trainees or apprentices, and members of the Board of Directors and Officers who are not Employees of LATAM Group, according to applicable local laws in each jurisdiction.

Competitor companies: are taken to mean those that compete with any one the companies belonging to the LATAM Group with one of its associated or related companies.

Compliance: compliance represents the corporate commitment to obey and respect ethical principles, local and international legislation and the Compliance Program, which encompasses policies and standards (internal and external) that LATAM Group's Employees or Collaborators must adopt regarding all aspects of LATAM Group's business, including when engaging with the public.

Elite categories: the five superior categories (Gold, Gold Plus, Platinum, Black and Black Signature) that allow access to exclusive benefits.

Employee: any individual who has an employment relationship with LATAM Group's companies, regardless of his/her role or position, including members of the Board of Officers and any other LATAM Group's Senior Executives.

Family members: parents, stepfathers/stepmothers, brothers, children, stepchildren and wards, spouse or partners, uncles, brother-in-law and nephews, whether these are form blood ties and/or exclusively juridical relation and also boyfriends/girlfriends and/or family members who live under legal dependence on the employee.

Flying Protocols: the official procedure or system of rules required to fly in any airline company.

Frequent Passenger Program, LATAM Pass Program, program or LATAM Pass: it is the frequent passenger program of LATAM Airlines Group SA, through which it is possible to accumulate LATAM Pass Miles, Qualifying Points and Qualifying Segments, flying on all routes operated by LATAM Airlines and Associated Air Lines, as well as using the services of other associated companies; all subject to the conditions and requirements that are detailed below.

Government Officials or Government Authority: any person who works for a government entity, as well as any person treated as government authority according to the local laws of each country. For purposes of the policies and guidelines of the LATAM Group, and in compliance with local applicable law in which country, candidates for political positions or anyone associated with political parties can also be considered as government authorities. A government entity includes not only governments or national, state or municipal departments but also:

- ∉ Commercial companies belonging to or controlled by the government (such as state-owned oil company, a public hospital or airport).
- ∉ Regulatory bodies/agencies controlled or directed by the government (DGAC, ANA, Infraero, etc),
- ∉ International public agencies (have two or more member governments).

Government representative: any person that works or acts in name of a government or government entity, regardless of hierarchy level, or any executive, director or employee of an international public organization or still any person who works or acts in name of a state-owned company or public service concessionaire.

Internal information: all data, information, presentation, summary, email and list of similar that has neither been reviewed nor expressly authorized for publication or disclosure, Any type of internal information is therefore confidential and may neither be disclosure internally nor externally without prior authorization from the competent area.

Internal Policies: LATAM Group's policies and standards, which translate the work form, by adapting the routine practices to the internal rules and regulations in force to standardize the production, activities, storage and distribution of the knowledge generated.

LATAM Group: LATAM Airlines Group S.A. and all the companies related to LATAM Airlines Group S.A. throughout the world, and any other company that is part of the LATAM Group now or in the future.

LATAM Pass benefits: are all those benefits that the LATAM Pass program provides to members of certain categories, which do not require the exchange of LATAM Pass Miles for the use of these, and which are acquired by the mere fact of having said category.

LATAM Pass miles: are the unit of measure of the LATAM Pass program. They are exchangeable for tickets or other services determined by the program according to its terms and conditions. LATAM Airlines reserves the right to modify said name, unilaterally, at any time, promptly notifying the Members in the event of said change of name.

LATAM Pass program member or partner: is the person who meets the program requirements, who has completed and delivered the registration form through any of the forms established in point number 2, whose application has been accepted by LATAM Airlines and that its membership status has not been revoked or rendered ineffective in accordance with the rules of this Regulation. The program member will have an account where they will accumulate LATAM Pass Miles, Qualifying Points and Qualifying Segments. The account is unipersonal, recognizing a single owner, not admitting the possibility of additional partners.

LATAM Portal: LATAM Group's corporate intranet.

LCCs: Low-cost carriers

Social Media: websites, portals, weblogs, blogs, pages and groups such as LinkedIn, Twitter, WhatsApp, Facebook, YouTube, Instagram, Flickr, Snapchat, Tumblr, Reddit, personal websites, among other public means of communication on the Internet with the purpose of sharing experiences, ideas and opinions with the public, including chat rooms and other Internet discussion fora.

Stakeholders: all who relate with the LATAM Group, like customers, stockholders, employees, collaborators, suppliers, business partners, the society and environment.

Suppliers: natural or legal entities hired to supply products, movable and material assets to the LATAM Airlines Group, in terms of purchase orders and/or contracts made consensually between the parties.

1.2 Communication Glossary

Accident: an event which physically disrupts a system as a whole.

Audience segmentation: is the process of dividing an audience into smaller groups, with similar characteristics, wants and needs that are selected according to our communication objectives, based on the assumption that different groups of audience have different characteristics that influence the extent to which they pay attention to, understand and act on different messages.

Bounce rate: the average percentage of users who view only one page before leaving the website for the selected time period.

Channels overview: compare the growth or decline of marketing channel traffic for selected competitive set

Clipping: activity of selecting the articles or press clippings in which a particular company has appeared in the form of news.

Communication campaign: Communication campaigns utilize a purposeful promotional strategy to change knowledge, attitudes, behavior or policy in a specific, intended audience via communication, tools, tactics and techniques.

Communication plan: the road map for getting your message delivered to your audience. It's an essential tool for ensuring your organization sends a clear, specific message with measurable results.

Conflict: a process during which A balances B's forces through some kind of intentional opposition, the result of which will be to spoil B's attempts to achieve his goals or further his interests.

Corporate brand: serves to describe an organization as a whole. Its aim is to create a consistent corporate image through the interplay of corporate strategy, business activity, and brand stylistics.

Corporate Culture: refers to the beliefs and behaviors that determine how a company's employees and management interact and handle outside business transactions.

Corporate Image: the corporate image is a phenomenon perceivable by the senses that when interpreted by the subject, will generate in him a mental representation. The public generates their own mental representation, which, when complemented by it, will configure the image of the company.

Crash Management: a reactive approach to management.

Crisis: an organizational crisis is a low probability, high impact event that threatens the viability of the organization and is characterized by the ambiguity of its causes, effects and resolution methods, with the belief that decisions must be made quickly and fast.

Crisis communication: The enactment of control (at least in its appearance) in the face of high uncertainty in an effort to win external audience confidence, in ways that are ethical.

Crisis management: functions to provide accurate information as quickly as possible to organizational stakeholders.

Emergency: an event that requires immediate attention as it involves a consummate or potential disaster.

External Environment: The external environment includes everything that impacts the agency for better or for worse from outside the walls of the organization. For every company there are unique forces and trends that are related to things such as:

- changes in the political climate
- social or economic issues for a particular group of clients
- changes in technology
- changes within the local community

Incident: an event which affects a "self-contained" part of a larger system.

Issue: a trend, problem or issue that develops in the environment of the company (both internal and external) that could negatively affect it in such a way that it prevents it from achieving its objectives (daily business objectives), or favorably. They are latent problems or opportunities that surround the organizational environment.

Media: media is the communication outlets or tools used to store and deliver information or data. The term refers to components of the mass media communications industry, such as print media, publishing, the news media, photography, cinema, broadcasting (radio and television), and advertising.

Media Relations: Media relations refers to the mutually beneficial relationship between journalists and public relations professionals. One of the biggest benefits for journalists is the easy access to story ideas and sources. Public relations practitioners benefit from media relations because it secures free publicity and promotion for a client.

Media Training: a specialized form of communications training that helps media-facing individuals to anticipate reporter behavior, avoid common traps, and confidently focus on their messaging.

Monthly visits: average visits for the selected time period

Newspaper Circulation: circulation is a count of how many copies of a particular publication are distributed.

Pages per visit: the average pages per visit for the selected time period

Press Kit: a set of information that is given to journalists to make them aware of a product or service, or of a company or organization

Public Affairs: public relations practice aimed at influencing public policies for the benefit of the organization, but only through relations with the government.

Public Issue: public policy issues that affect the corporation's business in such a way that the company has the right and responsibility in the development of courses of action.

Public Relations campaign: series of activities that are planned in advance and relate to a specific goal. Their main characteristics are identifying an objective, finding the message that will help achieve that objective and communicating that message to the appropriate audience.

Public Relations Marketing: use of public relations tools and tactics to reinforce the organization's sales and marketing objectives.

Risk: the degree of probability of damage or loss determined in an established circumstance.

Risk Communication: verbal or written exchange that attempts to communicate information related to risks to public health, safety and the environment.

Spokesperson: a spokesperson is a person who speaks as the representative of a group or organization.

Stakeholders: any person, group or organization who can place a claim on an organization's attention, resources or output, or is affected by that output.

Survey: an examination of opinions, behavior, etc. made by asking people questions

Total visits: sum of all visits for the selected period

Traffic sources: distinct sources driving traffic to the website

Unique visitors: the average number of unique visitors (not duplicated across devices) to a website for the selected time period

Visit duration: the average time on site for the selected time period

Webinar: a seminar or other presentation that takes place on the internet, allowing participants in different locations to see and hear the presenter, ask questions, and sometimes answer polls.

2. Introduction

Coronavirus has put every industry at stake, making everyone readapt the business, their paradigms, their culture and their way of engaging with their publics.

One of the industries that has suffered the effects from Coronavirus has been the airline industry, which has been unable to operate in many countries and is currently progressively reopening with a whole different scenario: the general worldview of how to behave and act on an airplane has drastically changed.

This interesting yet challenging scenario was the aspect that made us choose LATAM Airlines to work in our Final Major Project. We found that the uncertainty and constant state of change that 2020 brought was a real challenge that we did not want to miss out, as it highlights the importance of strategic communication, and even more in global companies as LATAM.

We will be presenting our Final Project from an updated point of view, as we are still learning to live in pandemic times. This current and real-time analysis adds a really valuable asset to our last analysis as Global Communication Students. We truly believe on the importance of staying relevant and incorporating the challenges from the external environment to our global communication campaigns.

In this context of uncertainty, where everything is changing day by day, LATAM has been struggling to appeal to its current and potential customers, due to the fact that flying is perceived as an “unsafe” activity that might provide the proper environment to spread coronavirus. With our Final Major Project, we aim to improve this current threat and concern in two of LATAM’s strategic publics: their customers and the Media.

We consider that our Global Communication Campaign clearly adapts to this recent time and helps boosting a change of perception of current and potential customers, going from a worldview of general insecurities to a changed perception of LATAM as an organization committed to hygiene, flexibility and safety, some of the most treasured assets for customers at present times.


3. Global organization analysis

In order to develop the global analysis of the organization we are going to scan its internal and external environment. This means we are going to process both, internal and external information about events and their relationship with LATAM. The environmental scanning implies analyzing 3 environments: micro-environment, meso-environment and macro-environment.

3.1. Micro-environment

The micro-environment involves analyzing all the elements that are specific to the organization. We have included a fact sheet of the organization with brief information about the company, its legal status, the industry the organization operates in and some figures of the company that correspond to the year 2019 (Latamairlinesgroup.net 2019).

LATAM's Fact Sheet	
COMPANY NAME	LATAM Airlines Group
LEGAL STATUS	Sociedad Anónima
INDUSTRY	Aviation
FOUNDATION	2012 from the merge of LAN Airlines and TAM Airlines
HEADQUARTERS	Las Condes, Santiago de Chile
SERVICES	Airline and Cargo services
DESTINATIONS	Passengers: 145 destinations in 26 countries; Cargo: 152 destinations in 29 countries
PASSENGER OPERATIONS	More than 1300 flights per day, transporting 74,2 million passengers in 2019
CARGO OPERATIONS	903.8 thousand tons transported to 29 countries in 2019
SUBSIDIARIES	LATAM Argentina (Till June 2020) LATAM Brazil LATAM Chile LATAM Colombia LATAM Ecuador LATAM Paraguay LATAM Perú
NUMBER OF EMPLOYEES	41.719 employees from 61 different nationalities (2019)
NUMBER OF FLEETS	342 aircrafts
OPERATIONAL INCOME	US \$742 million (2019)
TURNOVER	US \$10,070 million (2019)



3.1.1 History

The historical journey of LATAM started when the two merging companies were created: LAN - *Chile's Linea Aérea Nacional* - was founded by Commandant Arturo Merino Benítez in 1929, and TAM - *Brazil's Transportes Aéreos Regionais* - was established in 1976 by Commandant Rolim Amaro (Latamairlinesgroup.net, 2019). It's important to highlight certain milestones of each company before starting their journey as a joint venture.

As regards to LAN's landmarks, The LAN (*National Airline of Chile*) airline was created by Commander Arturo Merino Benítez for the service of air transport of passengers, cargo and correspondence. After 60 years of experience, it began a privatization process through the sale of 51% of the capital of the company to national investors and a Scandinavian Airlines System. Since 1997, the airline began to trade its shares on the New York Stock Exchange, becoming the first Latin American airline to trade American depository receipts (Latamairlinesgroup.net 2019).

In 2000, it joined the Oneworld alliance, thereby creating a global reach. In the same year, it renewed its fleet with 27 new Airbus aircraft and in 2004, the company had a corporate image shift, changing its name to LAN Airlines S.A. giving uniformity to the group companies (Latamairlinesgroup.net 2019).

Regarding TAM, the company was founded in 1976 by Commander Rolim Amaro under the name *Transportes Aéreos Regionais*. Based in Sao Paulo, the company began operating regular services and in short time became the largest in Latin America. In 1990 it changed its name to TAM, which stood for *Transportes Aéreos Meridionais* (Latamairlinesgroup.net 2019).

The first international flight was made in 1998 from São Paulo to Miami, and a year later TAM operations to Paris were inaugurated. In 2006, flights to the rest of the European capitals began: Frankfurt, Milan, Madrid and London. In addition, since 2010 it has been part of the international *Star Alliance*, a global airline alliance that links five major airlines into a single network, offering a completely new type of service to the international traveler (Latamairlinesgroup.net 2019).

It was not until 2011 that both companies, LAN and TAM, signed tying arrangements related to the business combination between both companies. The following year, LATAM Airlines Group was born out of the joint operations of LAN and TAM. In 2014, TAM joined *OneWorld* alliance (Latamairlinesgroup.net 2019). From that moment, all air passenger transportation LATAM Group companies are part of the same global alliance.

LATAM Group developed a strong strategic plan for the following four years (2015-2018), with the goal of becoming one of the most important airlines groups in the world. In 2015, the new LATAM

brand was officially launched, with new colors and a new logo and in 2016 the company's new image began to be used (Latamairlinesgroup.net 2019).

In 2017, LATAM and its affiliates implemented the new travel model on their six domestic markets, aiming to provide wider access to air travel in Latin America. In 2018 the company inaugurated the first flight to Asia: Guarulhos (Brazil) - Tel Aviv (Israel). Also, the new sales model was introduced to international flights (Latamairlinesgroup.net, 2019). In September 2019, LATAM Airlines and Delta Air Lines announced a strategic agreement that establishes a US\$1.9 billion investment by Delta to acquire 20% of LATAM's equity to provide more and better options to passengers through a complementary network of connections between Latin and North America. Lastly, LATAM announced the same year its exit from the Oneworld alliance as of May 1st, 2020 (Latam.com 2020).

Nowadays, LATAM Airlines, as most of the airline industry, is facing a major crisis due to COVID-19. The pandemic brought a collapse in the global demand and subsequent financial pressures to companies. Therefore, on May 26, 2020, LATAM and its affiliates in Chile, Peru, Colombia, Ecuador, the United States and Brazil filed to carry out a voluntary reorganization and restructuring of its debt under the Chapter 11 protection law in the United States financial reorganization process. The company believes that the integration to Chapter 11 is the best option for LATAM to have access to new sources of liquidity, strengthening leadership position in the airline industry and ensuring long-term sustainability (Latam.com 2020).

Also, on June 17 LATAM Airlines Argentina cease passenger and cargo operations for an indefinite period as result of the market conditions, exacerbated by the impact of the COVID-19 pandemic and the difficulty of building structural agreements with local industry actors, which has made it impossible for the company to foresee a viable and sustainable long-term project (Latam.com 2020).

3.1.2 Isologo and slogan

LATAM's visual identity is an essential part of expressing their way of being. And most of all, a vital piece to getting through who the company is. Visual identity is responsible for the brand's consistency as it embraces the company's personality and purpose and translates them into elements visible to everyone. Below we can observe both isologos in negative and positive version (Latamairlinesgroup.net 2019).

Isologo negative:



Isologo positive:



LATAM's color palette is an extension of their Latin American soul and expression. The colors and tones chosen to compose it represent the lively, diverse, rich and multi-colored continent the organization comes from (Latamairlinesgroup.net 2019). It is the proposal of LATAM that the world sees a company exquisite and full of contrast, without the stereotypes and predictable clichés. It is possible to identify 3 colors in LATAM's logo:

- Indigo (*Pantone Reflex Blue C*), which brings out the elegance of the Brand to outside.
- Coral (*Pantone 192 C*), which shows the warmth of the company inside.
- White, a color that guarantees the gracefulness of the brand.

The complementary palette of colors is the following (Latamairlinesgroup.net 2019):

Indigos



R 45	R 35	R 27	R 21	R 16
G 52	G 22	G 0	G 0	G 0
B 206	B 166	B 136	B 103	B 79
#2D34CE	#2316A6	#1B0088	#150067	#10004F

Corals



R 255	R 245	R 237	R 179	R 135
G 102	G 56	G 22	G 15	G 10
B 102	B 89	B 80	B 59	B 44
#FF6666	#F53859	#ED1650	#B30F3B	#70A2C

*These are our brand's main colours

Lime Greens



R 204	R 175	R 153	R 118	R 92
G 230	G 215	G 204	G 157	G 122
B 153	B 95	B 51	B 40	B 31
#CCE699	#AFD75F	#99CC33	#769D28	#5C7A1F

Turquoises



R 28	R 0	R 0	R 0	R 0
G 255	G 215	G 181	G 141	G 102
B 245	B 205	B 173	B 135	B 97
#1CFFF5	#00D7CD	#00B5AD	#008D87	#006661

Purples



R 210	R 186	R 153	R 128	R 110
G 55	G 25	G 18	G 15	G 13
B 187	B 161	B 127	B 113	B 103
#D2378B	#BA19A1	#99127F	#800F71	#6E0D67

Yellows



R 255	R 255	R 255	R 255	R 255
G 255	G 255	G 255	G 224	G 200
B 170	B 119	B 51	B 22	B 0
#FFFFAA	#FFFF77	#FFFF33	#FFE016	#FFC800

Burgundies



R 188	R 140	R 104	R 90	R 72
G 2	G 1	G 1	G 1	G 1
B 47	B 35	B 26	B 23	B 20
#BC022F	#8C0123	#68011A	#5A0117	#480114

Greys



R 184	R 171	R 146	R 133	R 92	R 76	R 48
G 184	G 171	G 146	G 133	G 92	G 76	G 48
B 184	B 171	B 146	B 133	B 92	B 76	B 48
#888888	#ABABAB	#929292	#858585	#5C5C5C	#4C4C4C	#303030

Regarding to the typography, the organization has its own font family - LATAM Sans - created especially for the company (Latamairlinesgroup.net 2019). LATAM's font foundry is the following:

Extra Light + italic

for elegant and discrete titles

ABCDEFghijklm1234!@#

Light + italic

for elegant and discrete subtitles

ABCDEFghijklm1234!@#

Regular + italic

for longer texts

ABCDEFghijklm1234!@#

Bold + italic

for elegant and discrete titles

ABCDEFghijklm1234!@#

Black + italic

for more prominent titles

ABCDEFghijklm1234!@#

EXTENDED

for sub brands system and descriptives

ABCDEFghijklm1234!@#

Finally, LATAM's Slogan is #FurtherTogether, which reflects the company's mission and vision: to take dreams and people always further (Latam.com 2020).

3.1.3 Description of product or service

LATAM Airlines is the main airline group in Latin America and one of the largest in the world (Latamairlinesgroup.net 2019). It has the largest and best network in South America, adapted to different customer profiles in the passenger, domestic and international, and cargo business.

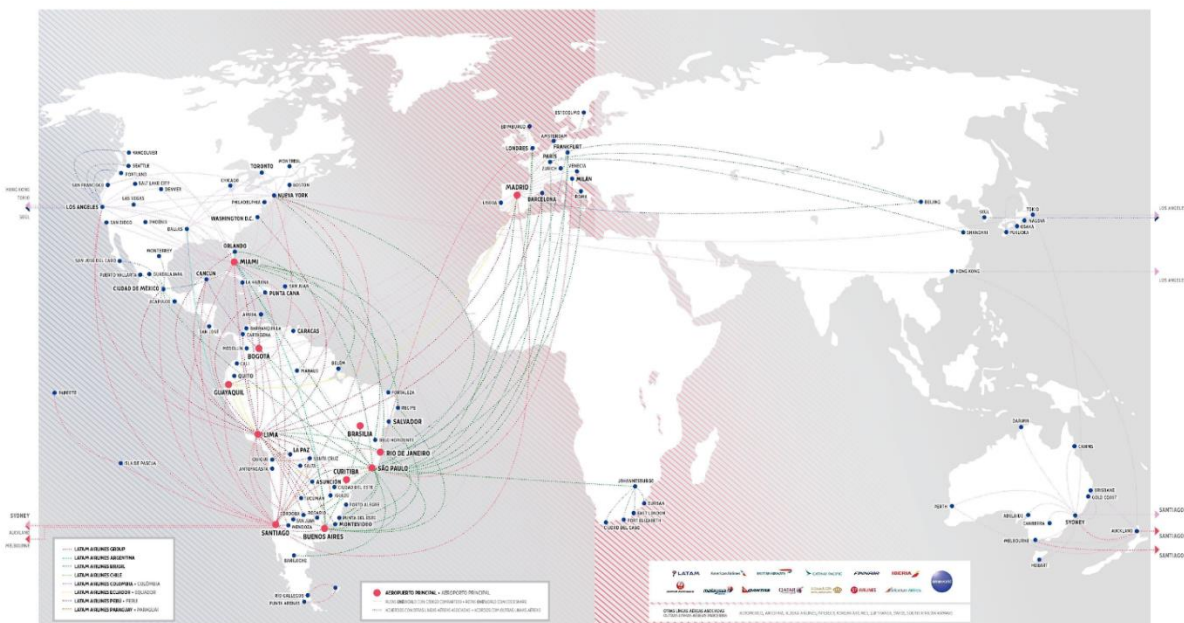
It offers air services to around 146 destinations in 26 countries and is present in six domestic markets in Latin America: Argentina, Brazil, Chile, Colombia, Ecuador and Peru, in addition to its

international operations in Latin America, Europe, the United States, the Caribbean, Oceania and Africa (Latamairlinesgroup.net 2019).

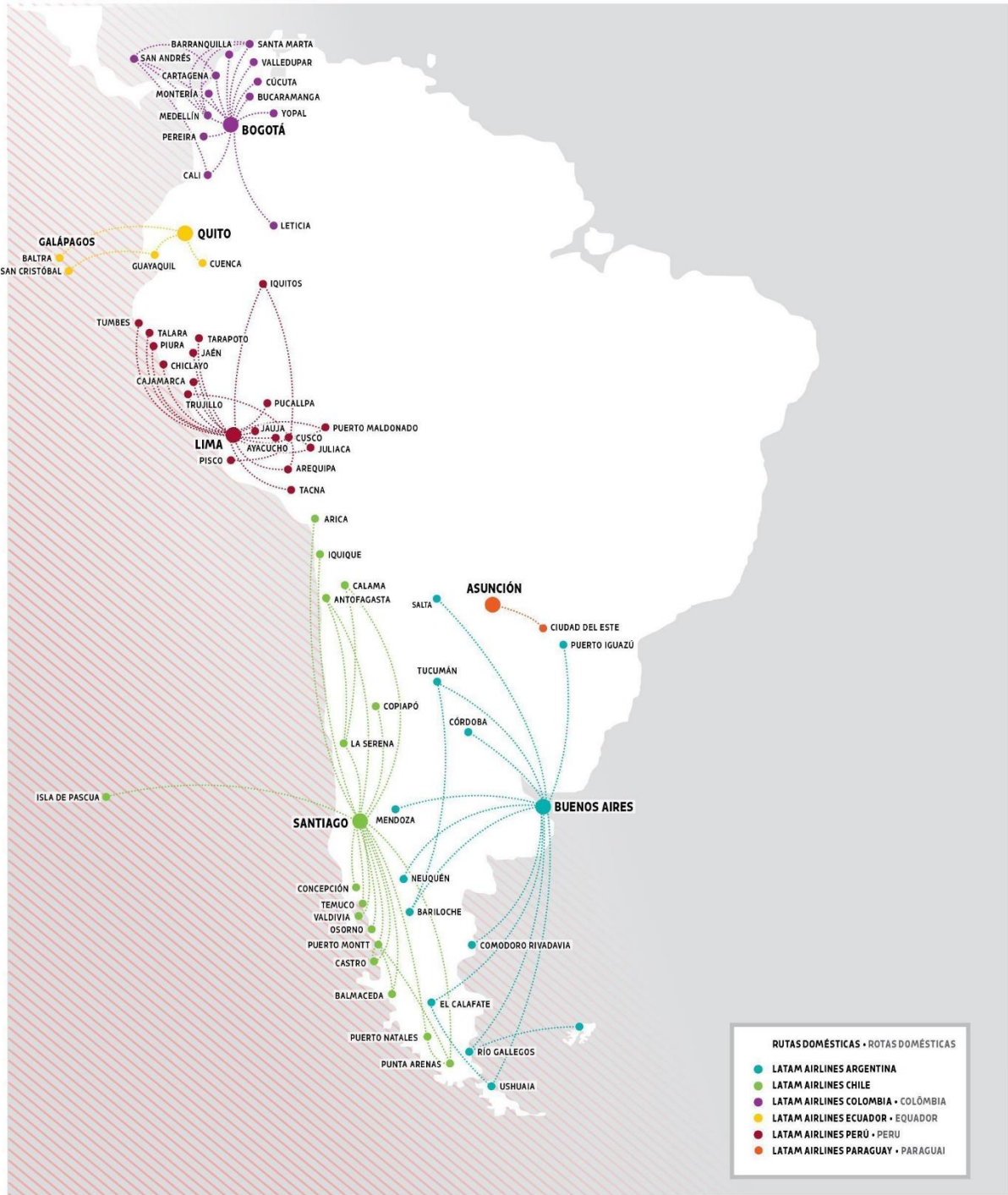
Also, it offers cargo services in 152 destinations in 29 different countries specializing in the transport of products like perishables (salmon, asparagus, flowers, and fruit, among others), pharmaceuticals, large-load cargos, high-value merchandise, hazardous materials, postal and courier cargo, as well as live animals, among others (Latamairlinesgroup.net 2019).

3.1.4 Croquis of LATAM's operations

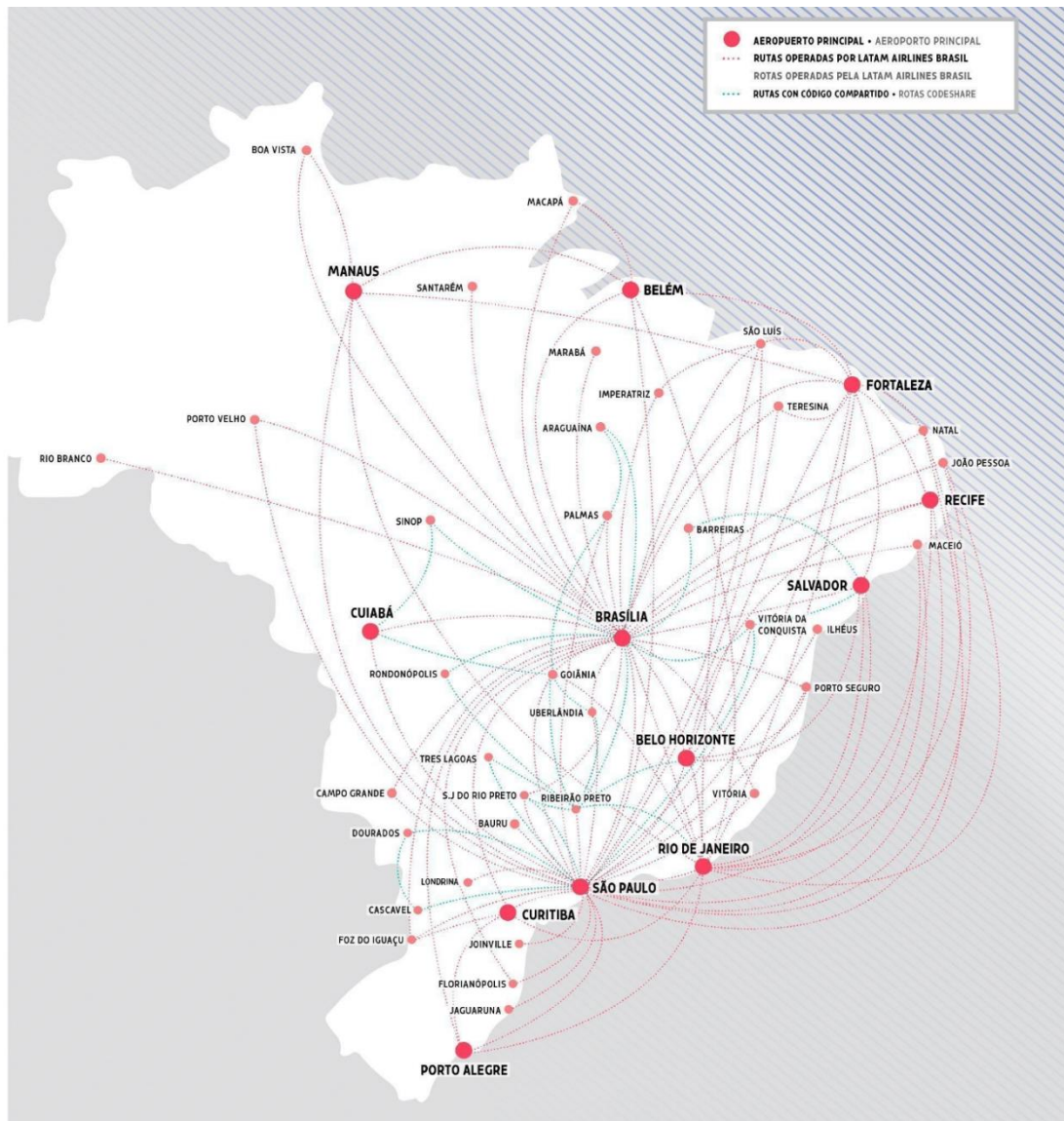
LATAM offers a wide variety of destinations, with operations in North America (Canada, United States and Mexico), Central America (Cuba, Aruba and Costa Rica), South America (Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Brazil), Europe (Germany, Spain, France, Italy, Poland, United Kingdom, Czech Republic, Russia and Portugal), Oceania (Australia, New Zealand and French Polynesia), and some other countries such as South Africa and Israel (Latam.com 2020). The next map shows LATAM's International operations over the world:



Moreover, the company is also part of the domestic flights of many countries in Latin America. The next images will show LATAM's operations in Colombia, Ecuador, Peru, Paraguay, Chile, Argentina and Brazil (Latam.com 2020):



LATAM's operations in Brazil's domestic market:



3.1.5 Strategic Purpose

Vision

LATAM's long- term aspiration is **to be among the three best airline companies in the world** (Latam.com 2020).

Mission

LATAM's mission is **"We take care that dreams reach their destination"** (Latam.com 2020). This common purpose gives direction, motivation and mobilizes the actions of LATAM's workers, with the aim of ensuring that the differentiating experience that the company wants to deliver to clients is consistent over time.

Values

To give life to this purpose, LATAM has three main values that allow employees to guide their behaviors and offer clients a memorable and differentiating service (Latam.com 2020):

- ❖ **Security.** LATAM aims to guarantee at all times the safety of the team and customers.
- ❖ **Be attentive.** LATAM cares about people's needs and emotions and resolves them with kindness and speed.
- ❖ **Efficiency.** LATAM strives to continually improve themselves focused on what is important to their customers.

Moreover, LATAM highlights their heritage as strong cultural assets that also serve as a guide for the organization (Latam.com 2020):

- Achievement and determination culture
- Involvement, hands on
- Passion: it's not only business, it's personal
- Overcoming obstacles & challenges history
- Familiarity with the business
- Committed with the product

3.1.6 Strategic Capabilities

To carry out its own business, LATAM uses **capitals** of different natures and, through its activities, transforms those inputs into **results** and **impacts**. Results are the facet more visible of the operation, the materialization of job. However, the most important value delivery for the organization comes from its ability to generate lasting positive impacts (Latamairlinesgroup.net 2019).

LATAM's strategic capabilities are directly related to their value Chain (Latamairlinesgroup.net 2019). According to the organization, the impacts of their strategic capabilities rebound on the Group itself and all their relationships, strengthening the business as well as benefiting all stakeholders.

LATAM's value proposition model could be described through the following chart (Latamairlinesgroup.net 2019):

Capitals	Results	Impacts
<ul style="list-style-type: none"> • Human Resources Employees • Industrial Capital Fleet; Maintenance Center, Hangars. • Intellectual Capital Region and business know-how, operating licenses, slot rights in airports, management systems, analytics. • Social and Relationship Capital Frequent Flyer Programs, LATAM brand, Relations with authorities and industry, Corporate citizenship actions • Financial Capital Actives, Capital, Incomes. • Natural Capital Aviation Fuel 	<ul style="list-style-type: none"> • Wide network of destinations • Financial Results • Diversity in customer base • Operational excellence • Organizational health and development opportunities 	<ul style="list-style-type: none"> • Value proposition focused on customers, based on Offering suitability for different profiles and segments Income diversification • Connectivity, based on Having high levels of Market share in various markets Leadership in the region • Security, an important driver of credibility • Eco Efficiency • Commitment with the region, based on Having an Identity and purpose closely related with the region. Providing attractiveness for the region • Strategic Debate, based on Knowledge sharing Sectoral development Anticipation of trends and risks

3.1.7 LATAM's green strategy

LATAM strongly believes that the integrated management of the economic and social environment is essential for business success. The company has a long-term commitment with sustainability among all the publics that the organization relates to. Three main lines of action make up the Group's sustainability guide and govern the identification of risks and opportunities (Latamairlinesgroup.net 2019):

- *Governance*: transparency and clear positioning, definition of commitments and objectives, roles and responsibilities in decision-making and execution of actions and monitoring of results.
- *Climate change*: identification of opportunities of management of issues (current, potential, positive and negative) and risk mitigation, with an emphasis on reducing the carbon footprint and for the adoption of eco-efficiency practices.
- *Corporate citizenship*: promotion of development socioeconomic and environmental conditions of the regions where LATAM operates, using the commitment both of the Group itself and of the other actors that are part of its value chain.

These three main aspects guide all the actions that the company does as regards Sustainability, with the aim of continuously improving and achieving better results. The action plans from LATAM Group are based on initiatives, objectives, goals and indicators focused on relevant topics related with the organization's material processes. To identify them properly, LATAM considers both current and potential impacts on operation around the different stakeholders, as well as their perception, beliefs, LATAM's vision of the future and global trends and sectoral directions in relation to Sustainability (Latamairlinesgroup.net 2019).

All detected issues are revised periodically, and the Group efforts to keep them aligned with business strategy, and the constantly changing external environment. Some of the topics that the company has been working since their first detection in 2018 are (Latamairlinesgroup.net 2019):

- **Health and security in the air and on the ground**: prevention and risk management of incidents, accidents and injuries and contingency management in both air and terrestrial operations.
- **Ethics and anticorruption**: fight against unethical or illegal practices.
- **Punctuality**: ensure that operations comply with the highest punctuality standards.
- **Economic and Financial Sustainability**: maximize efficiency and guarantee profitability in the long term.
- **Employee Development**: strategies for attracting, retaining, training and developing employees.
- **Climate Change Mitigation**: efficient use of fuels, collaboration and support in the development of biofuels and reduction / compensation of the emission of greenhouse gases.
- **Focus on the customer**: efforts to attract and retain customers.
- **Development of a network of destinations to offer increased connectivity**: being the best option in connectivity within the region

- **Relationship with authorities:** have contact with the authorities and regulatory bodies of the sector, compliance with laws and regulations.
- **Sustainable Tourism:** promote a balance between tourism activities and the conservation of culture and environment of destinations

It's also possible to use the *Shades of Green Model* developed by Robbins in order to further understand which is the level of Social Responsiveness that LATAM has. This model is a sustainability-related model that aims at classifying organizations according to how they relate with Societies, Communities, Government and ONGs. The model mentions 3 bigger paradigms that may guide any company's operations: obligation (firms that engage in social actions because of its obligation to meet certain economic and legal responsibilities), responsiveness (the organization engages in social actions in response to some social needs) and responsibility (socially responsible organization that does what is right because it feels it has an ethical responsibility to do so).

According to this model, we believe that LATAM could be classified as an organization that has some levels of environmental sensitivity, being an organization that is working on having a Stakeholder Approach on Sustainability. This means that the organization is immersed in the social responsiveness paradigm, working to meet the environmental demands of multiple stakeholders such as employees, suppliers, or the community.

3.1.8 LATAM's structure

As an international company, LATAM's organizational structure is large and complex (Latamairlinesgroup.net 2019).



The main governance body of LATAM Airlines Group is the Management Board, which has nine permanent members, elected individually for two-year periods through the cumulative vote system. The Board's main functions are to define and follow the Group's strategic guidelines. Moreover, there is a Director's Committee that also acts as an Audit Committee and is in charge of assessing the reports by external auditors, balance sheets and other financial statements. The governance structure has four committees that assist the Board providing analysis and recommendations: Strategy and Sustainability, Leadership, Finance and Clients (Latamairlinesgroup.net 2019). The Legal Affairs and Compliance, Security, Corporate Affairs, Audit, Technology and Strategic Planning departments are crossing areas as they operate throughout the whole organization.

In domestic affiliates, there is a CEO in charge of the operation of each subsidiary and part of the corporate structure replicates in the local scenario.

According to the organizational chart, we can say that LATAM's departmentalization is functional as management board is segmented by function (Legal Affairs and Compliance, Security, Corporate Affairs, Audit, Technology and Strategic Planning) and also geographical as the commercial vice presidency divides according the different subsidiaries.

3.1.9 Culture

In order to develop LATAM's cultural analysis, we have decided to use the Cultural Web methodology. This means a methodical tool that shows the behavioral, physical and symbolic manifestations of a culture that inform and are informed by the taken for granted assumptions or paradigm of any company. The cultural web methodology includes an analysis based on paradigms, routines, rituals, stories, symbols, power structures, organizational structures and control systems.

In order to better understand LATAM's culture, we have decided to interview two employees from LATAM to get a real perspective of the different formal and informal cultural elements. We have developed a questionnaire that includes all the elements:

- 1) *What things do you believe that are taken-for-granted in LATAM? Paradigm*
- 2) *Could you tell us a normal day working in LATAM? Routines*
- 3) *Could you mention activities that are essential for LATAM's culture? Rituals*
- 4) *Is there any special story, event or personality for LATAM? Stories*
- 5) *Do you believe LATAM has any cultural symbols (it could be people, acts, events)? Could you describe them? Symbols*
- 6) *Can you describe LATAM power structure? How is leadership distributed? Power Structure*
- 7) *How is LATAM communication flow? How does LATAM organize its employees? Organizational structure*

- 8) *Could you describe LATAM's control systems and reward systems? Control and Reward Systems*
- 9) *Do you believe LATAM has a more local approach on culture or there are regional elements that are shared throughout all the subsidiaries?*

As a result of both LATAM's employees' answers (full interview in *Appendix 1 and 2*), we were able to draw the following conclusions.

In relation to **LATAM's paradigms**, we were able to find a customer-oriented culture based in the premise of "making sure that people reach their destination", aspiring to offer the best service possible. This premise is especially reinforced on those employees who have direct contact with LATAM's passengers, especially corporate ones. Another aspect that was highlighted was that **routines** are oriented to reach the highest point of efficiency. Based on the idea of "Standard 0", each employee is given certain task in relation to their responsibilities and is expected to accomplish each responsibility on time.

In relation to **LATAM's rituals**, both employees mentioned that every year there was an event that aimed at awarding the best employees of each subsidiary. This celebration was done both on a local and regional level: in the case of airplane commanders, they would compete globally in order to choose LATAM's "Star Commander". The **stories** told inside the company are associated with stories of employees who were highlighted due to its performance. One of the employees interviewed mentioned that *"every month, the company summoned an employee to tell about their life story within the company and then it was published on the employee website. Also, they published, in the form of recognition, someone's story for having an exemplary attitude"*.

Concerning **power structures**, LATAM's higher executives are clearly defined and known by all members of the company, especially LATAM's CEO, regional vice presidents and each subsidiary's CEO. Roles and responsibilities are clearly established and known all throughout the organization. In relation to the **flow of LATAM's communication**, it was possible to observe that, due to the size of the organization, there were many open channels to connect with employees. Some of them are online and offline meetings, corporate emails, messages through the intranet, LATAM's app and special events. It is possible to highlight that, due to the size and different sectors that LATAM possess, specific areas of the company have differences and particularities in relation to communication. For example, one of the interviewees was able to identify that the Human Resources department segment messages according to the relevance of that information to each sector.

We were able to identify different **control and reward systems** in the organization. Some of them are performance evaluation systems, in which there are frequent meetings to better understand how the

employee is following its determined goals and responsibilities. There is also a way of recognizing and awarding employees that have outstanding performance through the “recognition portal”. Another reward system that LATAM has incorporated are productivity bonus, which were awarded in relation to the productivity evaluation of each subsidiary.

Lastly, we were able to detect some discrepancies between both interviewees in relation to **LATAM’s cultural focus** (whereas the company has a local or a regional approach on culture): whereas one of the employees mentioned LATAM as a multicultural organization that embraces cultural diversity, the other one mentioned the lack of cultural unification between LAN Hispano-American culture and TAM Brazilian one. We can observe a difference in the perception of the organization’s culture depending on the employee’s activity and area of development.

3.1.10 Core Business

As the main airline group in Latin America and one of the largest in the world, LATAM Airlines reaches 145 destinations in 26 countries. In the passenger transportation business, it operates in the domestic markets of Argentina, Brazil, Chile, Colombia, Ecuador, Peru, and various regional flights within South America, as well as long-haul flights to all five continents. Through its hubs in São Paulo/Guarulhos (Brazil), Lima (Peru), and Santiago (Chile), it boosts its network of connections throughout South America, providing access to the most varied destinations in Europe, the United States, the Caribbean, Oceania, Africa and Asia (Latam.com 2020).

In 2019, the year of LATAM’s 90th anniversary, the company achieved a record number of transported passengers: 74.2 million. Also, the cargo operation covers 152 destinations in 29 countries and transported 903.8 thousand tons in 2019 (Latamairlinesgroup.net 2019).

3.1.11 Internationalization Strategy

Internationalization Strategy could be defined as a strategy through which any firm or company sells its goods or services outside its domestic market. This type of strategy is really complex due to the various choices that it requires: it involves understanding which markets are attractive to a product or service, the different options to enter and operate in that market, the competitiveness around it, and many other factors.

In this section we are going to analyze the Internationalization Strategy that LATAM has taken over the years, focusing on understanding internationalization drivers, sources of competitive advantage, modes of entry, market selection and LATAM’s internationalization strategy.

Internationalization Drivers

Internationalization drivers can be understood as the different conditions in each industry that create the potential for an industry to become more global and, consequently, for the potential viability of a global approach to strategy. This does not only include many general and common pressures that have been decreasing over the last years, such as better international regulations, improvements in communication and transportation, and the decrease of barriers in International trade, investment and migration. It also incorporates specific drivers that are associated with the market, general costs and relationships with the government as well as competitor's actions in the international arena.

LATAM's internationalization strategy could be related to many of the drivers previously mentioned. We believe that some of the most important are cost drivers, market drivers and competitive drivers. In relation to the first type of drivers, having favorable logistics and operating in economies of scale are great reasons for LATAM's internationalization. Moreover, the presence of global customers that require the same service, with similar needs and tastes, and the transferable marketing both around the Latin American region makes internationalization even more attractive for the organization. Lastly, the high levels of competition of the Airline Sector, and the presence of huge globalized competitors is another factor that is important and adds to LATAM's internationalization drivers.

Sources of Competitive Advantage

An organization can improve the configuration of its value chain and network by taking advantage of country-specific advantages. A useful methodology to better understand the extent to which an organization may achieve competitive advantage through a home-based advantage is Porter's Diamond. According to Porter, there are four interacting determinants of national advantage in particular industries: *factor conditions, demand conditions, related and supported industries and firm strategy, structure and rivalry.*

Factor Conditions

In relation to the Factor Conditions of the Latin American region, we consider that, due to cultural proximity of the region and the company, access to human resources it's going to be really beneficial due to the high coincidences between the cultural paradigms of employees and the company's vision.

As we have mentioned previously, LATAM highlights their heritage as strong cultural assets that also serve as a guide for the organization. These are *achievement and determination culture; involvement, hands on; passion: it's not only business, it's personal; overcoming obstacles & challenges history; familiarity with the business; committed with the product.*

Some of them are deeply immersed by the culture and history of the Latin American region, such as *doing things with passion, and overcoming obstacles and challenges history.* That coincidence is a

strong locational advantage for LATAM in terms of factor conditions as it increases employee engagement.

Demand Conditions

In relation to demand conditions, the Latin American regions is one of the upcoming airlines regional markets, with huge potential of growing. Due to that, LATAM may find the Latin American region attractive to their business.

Another important thing to highlight is that the region possesses one of the most important and expanding airline markets: Brazil. This country is part of the BRICS group, which constitutes the group of those considered the most advanced countries among the States with emerging economies. In relation to the airline industry, in the year 2015 BRICS countries represented 21% of world passenger traffic, with more than 1.400 million passengers. The potential of the Brazilian market is another aspect to add into the attractiveness of the region for LATAM.

Related and Supporting Industries

Latin America Airline Industry *can* be classified as a highly competitive industry, characterized by the emergence of new “low-cost” players, increasing competition for resources, and the industry’s high fixed costs that takes competition for market share to a bigger level. Moreover, alongside the highly competitive levels of the region, the industry’s main suppliers (Airbus and Boeing) are big global players themselves, and that makes them have a lot of power over airlines. Without negotiating and having strong relationships with both companies, airlines may be unable to operate. In this perspective, both of those aspects make the Region fairly unattractive for LATAM.

Firm Strategy, Structure and rivalry.

Lastly, regarding Firm Strategy, structure and rivalry, we consider that LATAM strategy (especially the pricing strategy) aligns with the needs of the emerging Latin American airline industry, seeking to diversify their tickets in order to attract new customers and make flying more accessible for Latin American countries.

However, it’s also important to mention that the intense competition between local rivals is a situation that may be unattractive for the region. There are many national airlines that have a strong position in their domestic markets and that can be a threat for the company. This is the case of Aerolineas Argentinas in Argentina, TAME in Ecuador, Avianca in Colombia, and Gol y Azul in Brazil.

In relation to this aspect, we consider that even though the firm strategy is aligned with the region, LATAM must consider the presence of many national airlines with strong positions in their domestic markets.

Mode of Entry

Another important aspect to consider is the way the organization is going to enter the selected country. Entry modes vary in relation to two bigger variables: cost commitment, which refers to the resource commitment to that particular market, and the level of involvement, related to the extent to which an organization is operationally involved in a particular location.

In LATAM's case, the organization has developed itself from a high cost and high involvement agreement: a strategic alliance from two big players - LAN and TAM - through a joint venture, in which the two shared the ownership of a newly created business entity.

This has been a strategy that provided LATAM with many advantages, such as having high levels of investment, the risk of the strategic alliance was shared between the two partners, both companies were able to combine their complementary resources and their know-how and share their strategic capabilities and competitive advantages.

Moreover, another crucial strategy that LATAM uses in order to expand its operations are Global Strategic Partnerships. These are known as collaborative agreements where Participants remain independent following formation of the alliance, sharing benefits of the alliance and making ongoing contributions in technology, products, and other key strategic areas. In the case of the airline industry, the global strategic partnership is done through 3 bigger organizations: *One World, SkyTeam and Star Alliance*. LATAM has been part of the one-world alliance for several years, but since May 2020 the company and Delta Air Lines have signed a trans-American Joint Venture Agreement that combines the carrier's highly complementary route networks between North and South America, providing customers with a seamless travel experience and industry-leading connectivity.

These international alliances, apart from the share of resources, require a certain degree of local presence. Therefore, the three alliances must make direct investments in the countries where they have operations in order to meet the quality and service standards that allow them to compete in the market.

Even if the most common way of entering a market is done through a more sequential process in which firms gradually increase their involvement and cost commitment to new countries, it's important to point out that the nature of the industry as well as the services that it provides puts LATAM closer and similar to *born global* companies. These are known as business organizations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries and gradual internationalization (AMD LAW GROUP 2018).

Market Selection

Market Selection is crucial when deciding around internationalization: not all markets are attractive for our products or services. However, Pankaj Ghemawat has pointed out that what matters is not just the attractiveness of different countries relative to each other, but also the compatibility of the possible countries with the firm itself. In relation to this idea, he developed the Cage Framework, a methodology used in order to understand the level of compatibility between an organization and the possible countries (Janse 2020). The framework includes four variables:

- *Cultural distance*: in relation to culture, it's possible to affirm that LATAM has a great opportunity. It's possible to find a relatively homogenized culture among Latin America, with certain values and norms and dispositions shared among all countries. However, it's important to consider that there are greater differences in language: most of the countries are Hispano-American, but one of the bigger ones in terms of size and population speaks Portuguese. It's also possible to highlight the diversity of the region in terms of ethnicities and religions.
- *Administrative and political distance*. It's possible to highlight high levels of integration in relation to regional trading blocs (such as Mercosur), and positive levels of integration and coordination among the different Latin American countries. This is especially important and attractive for companies such as LATAM, an airline that operates in many of those countries and could take advantage of the lack of political hostility to develop its operations.
- *Geographical distance*. In relation to this aspect, the Latin American region could be identified as attractive for the organization due to its physical distance: all countries are interconnected and it's not really difficult to get from one to another. However, it's important to consider that there are differences in climate and environment due to the size of the continent: some countries possess hot and tropical climates, whereas others have colder temperatures.
- *Economic distance*. Regarding economic distance, Latin American countries have varied economy sizes, different levels of GDPs, as well as diverse availability in terms of natural, financial, human, infrastructure and information resources. The economic instability of the Latin American region could be a driver of unattractiveness for LATAM.

International Strategy

To summarize, we believe that the characteristics of LATAM's international strategy are closely related to all the factors that were previously mentioned. LATAM does not follow a gradual and sequential internationalization strategy due to 3 bigger factors: the nature of the airline sector, the

intangibility of the services they provide, the size of their small domestic market (in the case of LATAM, the domestic market is Chile) and its geographic location close to much larger markets (such as Brazil and Peru). The above factors influence the accelerated internationalization processes and justifies why airline companies such as LATAM are closer to "*born global*" companies, which are those that since its foundation seek to obtain benefits from operating in multiple countries.

Another aspect to highlight is that LATAM uses a similar internationalization strategy as many airlines, which are strategic alliances. The company is now alliance with Delta Air Lines which allows both companies to share resources in order to offer a wider route network, more options and more benefits in passengers trips between Latin America and North America.

Lastly, another aspect to highlight is related to the CAGE Framework: airlines meet the classic premise of internationalization as they expand internationally to geographically close locations and with cultural affinity. This can be clearly observed in LATAM's internationalization strategy, where the company has gradually expanded in countries that are part of the Latin American region.

3.1.12 Communication Background

LATAM Group counts with an extensive network and resources in order to communicate its brand, actions, decisions, policies, news and other important information on a daily basis.

The organization established in its *Code of Conduct of the LATAM Group and Internal Policies*, its commitment to protect all the information it obtains from its consumers, clients, employees and collaborators (Latamairlinesgroup.net 2019).

Moreover, the company created a "*Policy of Use of Social Networks*", establishing guidelines and standards for employees and collaborators of the company to correctly use the Social Media when they share information of the LATAM Group or that may be related to it. This policy aims to protect the name, image, brand and/or mention of LATAM in all communications or interactions that the employees and collaborators carry out in their Social Media, or in the official Social Media of the LATAM Group, if they are authorized to do so, without interfering in the respective labor and individual rights, freedom of expression among others that are applicable (Latam.com 2020).

The Policy remarks the following points:

- **Conduct in Social Media:** the name, image, and brand of the LATAM Group cannot be used for any commercial purpose, except for Employees and Collaborator who, due to their position, are authorized by the executive management of LATAM to do so.

- Confidentiality: all Employees and Collaborators of the LATAM Group must keep confidential any information owned by the LATAM Group that is in their possession.
- Comments and interactions: the LATAM Media Contact Center are responsible for clarifying all the concerns, doubts, complaints and consultations that are received through the LATAM Group's official Social Media. Therefore, the recipients of this Policy that are not duly authorized may not respond to comments, provocations or questions made by other people about the company.
- Use of Social Media in Contingencies: in the event of contingencies such as strikes, delays in flights and/or any other event that disrupts the normal course of the operation, only authorized individuals may publish and comment on the Social Media on behalf of the LATAM Group.
- Use of Social Media in Air Emergency: in the event of an air emergency, Employees and Collaborators of the LATAM Group, who are not authorized to do so, are strictly forbidden to issue judgments or comments regarding the emergency in their personal Social Media or in any means of communication.
- Communications Campaigns: the internal communication campaigns aimed at Employees and Collaborators, as well as those external communication campaigns involving Employees and Collaborators or content produced by Employees and Collaborators whose messages are published on Social Media, must be directly related to any action proposed by the LATAM Group and in compliance with all the previously indicated guidelines.

Even Though this policy is specified for social media, the general instructions apply for all means of communications.

As regards LATAM visual identity, the photographic style of images supporting communication should meet the 5 pillars of style (Latamairlinesgroup.net 2019):

1. Simplicity and instantaneity: the photographic style seeks the nature of the “photographic moment”, to represent freshness and modernity. It must be an image that could be achieved with any high-end smartphone, without retouching, but with the use of current photographic filters and applications.
2. Natural actions: acting must seek natural, relaxed situations, typical of instant language. They should transmit different vibes, from the spontaneous humor of a person traveling, to the appeal that someone who wants to impress with the part of the world he is in. The models could look at the camera and even be interacting with it, since it is typical of the "selfie" language.
3. Updated destinations: places where it is not only the classic tourist icons that contextualize, but new nerve points of the city, such as murals, sculptures or demonstrations cultural characteristics of the place that make it identifiable. This helps to show the same destinations

always, from another perspective, making them interesting again even for those who have already visited it.

4. Modern relationships: groups like friends and family should get out of the cliché of photos that there are in banks. They will have to represent the current world, where parents are the ones who capture memorable moments of their children or also children capturing incredible moments from their parents, friends in daily situations or looking to save in memory that unforgettable journey.
5. Human connection: human connection is not necessarily given in an obvious way. Not necessary to see a hug, a kiss, an accomplice laugh. They look for Images that tell little stories.
6. The protagonists: The protagonists of the images are families of all kinds, small or large, who translate their dreams into inspiring travel experiences. The images must express energy and happiness, integrating all the members of the family in memorable actions.

As seen above, LATAM's **communication** is very formal as the organization has an internal and external communication guideline that strictly determines the way in which employees and collaborators should communicate within each other and with customers and other external publics. Nevertheless, employees might have a more informal relationship and communication flow with their direct superiors. The company constantly reinforces openness in communications and free availability of superiors in the event of any problem, query or concern.

In terms of the corporate communication of the company, there are some types of communication pieces that are sent to all subsidiaries equally since it concerns the entire organization. This type of information is generally provided by the Corporate CEO, General Managers from the headquarters or the area of Corporate Human Resources. These announcements are related to important milestones such as the anniversary of the company, incorporation of new aircraft, new routes, international recognition and other achievements. In this case, the communication flow is downward and vertical to all the subsidiaries equally. For example, given the situation that the company is experiencing with COVID-19, the CEO of the whole company communicates general information to the entire holding about the situation of the company and the paths that the organization is going to take. Apart from the global communication, also the local CEO of each subsidiary provides precise information to employees about the local context and actions to take.

Within the internal communication, the information flows downward, this means from area directors to the rest of employees. Also, the communication that flows downward is vertical as employees only receive and provide information from their direct superiors from their own area. Always the communication is within the same hierarchy lane of their own working area, except higher positions which can communicate lateral or diagonal. For example, operational employees such as pilots only

receive information about the birthdays of the pilots, not from the maintenance area. Also, if any pilot detects a problem in maintenance, he should communicate the problem to its direct boss and he will then communicate the problem to the maintenance area.

Therefore, the communication networks in LATAM, this means the patterns of communication flow within the organization, is a chain because the communication flow respects the hierarchical structure. Directors of each area communicate to middle managers and then these managers communicate to the rest of employees and vice versa. In special occasions, "basic employees" can communicate with the director of their area making this communication flow a wheel pattern. Nevertheless, if not necessary, employees cannot jump the chain of command and communicate technical information with other positions or areas.

3.2. Meso-environment

In order to analyze the meso environment we are going to scan the industry and market environments in which the organizations develop its activities.

3.2.1 Generic strategy

Igor Ansoff identified four strategies for growth and summarized them in the so called *Ansoff Matrix*. The Ansoff Matrix (also known as the Product/Market Expansion Grid) allows managers to quickly summarize these potential growth strategies and compare them to the risk associated with each one, providing a simple way of analyzing four basic alternative directions on strategic development. Due to our external scanning, we were able to find two main strategies used in LATAM's business operations.

One of the strategic directions that LATAM decided to take is **Market penetration strategy**. In 2018, LATAM developed a market penetration strategy introducing their flight service to the Asian market by flying from Guarulhos (Brazil) to Tel Aviv (Israel). Also, the company launched 26 new routes in 2019, 12 of which are international. Moreover, last year LATAM signed a strategic alliance with Delta Air Lines, in order to offer passengers even more flight options and shorter connection times through a joint operation agreement. By applying this strategy, the company has been able to maintain their leadership in the Latin American Market and continuously entering new markets, offering their already existing services.

LATAM has also used the **Diversification strategy** on two different ways. Firstly, in order to promote access to air transport in existing markets for different customer profiles, LATAM has

created a diversification of tariffs. The four different types of tariffs on domestic and international flights seeks to adapt best for the customer's needs and priorities. Each "product" gives the freedom to the customer to buy additional services such as luggage dispatch, selection of seat and flexibility to change the travel date. The different tariffs are (Latam.com 2020):

- *Top*: the most flexible rate. Allows changes, choose a seat; carry 2 23 kg hold bags. each and you accumulate more Miles or LATAM Pass Points.
- *Plus*: you travel as always. You can choose your seat, carry one or two 23-kilo hold bags (depending on the route you travel on) and accumulate Miles or LATAM Pass Points.
- *Light*: You can travel with your hand luggage; you accumulate Miles or LATAM Pass Points or and you pay only for the extras that you choose.
- *Promo*: lowest rate, buying at least 30 days in advance and only with hand luggage.
- *Basic*: It is the simplest fare for flights within Chile, Peru, Colombia, Ecuador and Argentina. Does not include hold luggage. In the plane cabin you can carry a personal item (a wallet, a laptop bag, a baby bag, etc.), but not an 8 kg suitcase.

Secondly, the company has also diversified into other business related to the airline industry such as cargo transport, ground handling, cargo warehouses, airport services and passenger transport. This diversified business is highly important due to the fact that they improve resources productivity (many of the resources used for the various activities are similar) increasing the revenues and improving rentability as well.

One of the most crucial diversified businesses is LATAM Cargo, dedicated to the cargo business, and LATAM Travel, the travel brand of the LATAM Group. As regards to LATAM Cargo, the company offers various services according to different customer's needs (Latam.com 2020):

- *Alive*, a top of the line animal transportation service coordinated by highly qualified staff to assure thorough handling
- *Pharma*, a Pharmaceutical specialized temperature-controlled transportation
- *Flex*, an innovative service for shipments that allow time flexibility.

In relation to LATAM Travel, the organization provides access to tourist packages and great variety services to make full trips. It includes hotels, activities, travel insurance, car rental, cruises and much more. LATAM Travel operates in over 140 destinations in 25 countries, having more than 230 offices in 10 Latin American countries, with more than 1,000 specialized consultants who take care of all the details in LATAM Travel offices and contact center (Latam.com 2020).

The following graph shows the Ansoff Matrix of LATAM, highlighting some of the actions that the company took over time that shows the *Market Penetration* and *Diversification* Strategy.



From the crisis faced by the aeronautical industry due to COVID 19, LATAM was forced to close its operations in most of its subsidiaries. After a couple of months without flying, different countries reopened the air activity and with government permits the company started operating again under the motto "New way of flying". This strategy promotes a renewed flexibility policy with greater benefits for passengers who agree to travel despite the circumstances. The company resumed its activity under strict safety and health protocols and recommendations determined by international organizations such as the International Air Transport Association (IATA), the World Health Organization (WHO) and governments. The flexibility strategy also applies for the purchase of tickets which can be changed without fine or fare difference until May 2021, except for the months of December, January and February (Latam.com 2020).

3.2.2 Market

In order to analyze the organization's business portfolio we are going to use the BCG matrix done by the *Boston Consulting Group* (BCG). The main variables that will determine the attractiveness and balance of the business will be market share and market growth. LATAM's Latin-American BCG Matrix is the following:



LATAM’s business portfolio, which develops inside the airline industry, belongs to a market that is increasing on a year to year basis. Luis Felipe de Oliveira, director of the *Latin American and Caribbean Association of Air Transport (ALTA)*, described the market:

“Today Latin America and the Caribbean represents 8% of the global aviation market. It is larger than regions like Africa and the Middle East combined. We are an important, growing market. And we continue to travel very little, we travel only 0.4 trips per inhabitant. We believe we can double that size in the next 10 years by making much more people access to air travel” (Eldinero.com 2020).

This statement shows the clear growth and potential that Latin America’s Aviation Industry has every year. As a result, it requires high levels of investment not only because of its continuous growth, but also because of LATAM’s leadership position in the Latin American market: LATAM holds the 1st position in Brazil, Perú, and Chile’s markets, as well as a strong 2nd position on Colombia, Argentina and Ecuador’s markets. In total, LATAM is the leader airline in South America, owning 41% of the market share (Latamairlinesgroup.net 2019). Therefore, we believe LATAM’s business portfolio could be considered a star.

3.2.3 Industry and sector

Michael Porter’s analysis is used mainly to identify the attractiveness or unattractiveness of an industry or sector. Porter’s essential message is that where the five forces are high, then industries are not attractive to compete in, and when they aren’t, the industry might have some potential or it may be possible to build competitive advantages on it. The five forces developed by Porter are:

Threat of New Entrants

When it comes to the airline industry, where LATAM operates in, it is possible to affirm that there is a low threat of entry for newer competitors due to many factors: the investment and technical knowledge required for the industry are really high, it's difficult to build a strong customer base at the beginning (due to the fact that safety and trust are values that are essential on the industry but really hard to build), and it's an industry that might also have many government regulations that can create some difficulties in new entrants as well. To summarize, it's possible to say that the risk of having new entrants frequently is low.

Threat of Substitutes

The aviation industry has many substitutes that consumers can prefer for many reasons: people can switch to train, bus, ship, or any other transport. The reasons why someone would prefer another means of transport might vary from personal preferences, but convenience and price are one of the most important ones.

However, even if there is many other means of transport other than airplanes, we believe that the threat of substitutes stands in a moderate level due to some competitive advantages that the industry has over the other ways of transport: firstly, the convenient and time-saving that airlines are; and secondly, there are many destinations that may be really hard to access by other means or are only accessed through a plane ride.

Bargaining Power of Buyers

Due to the variety of buyers in the industry (individual or group travelling, leisure or business purposes), and the various options that they have to choose from, it's possible to say that the airline industry has a high level of buyer's bargaining power.

The main reason of this power is due to the low switching costs that the industry provides: even if it's the person itself or a travel agent the responsible of choosing the tickets, it's really easy for either of them choose from one airline to another, having no cost at all.

Bargaining Power of Suppliers

Supplier's bargaining power on the airline industry is really high due to three main reasons: fuel, aircraft, and labor are variables that are highly affected by the external environment. As regards to fuel, the price of aviation fuel is subject to the fluctuations in the global market for oil, which can increase or decrease depending on geopolitical and many other factors. Similarly, labor is subject to

the power of the unions who often bargain and get unreasonable and costly concessions from the airlines.

Lastly, the airline industry needs aircraft either on outright sale or wet lease basis which means that the airlines must depend on the two big companies, Airbus, and Boeing for their aircraft needs. Because of that, every airline must have good relationships with them in order to have long-term contracts and avoid conflicts with these two main suppliers.

This is the reason why the power of the suppliers is categorized as high according to the Porter's Five Forces framework.

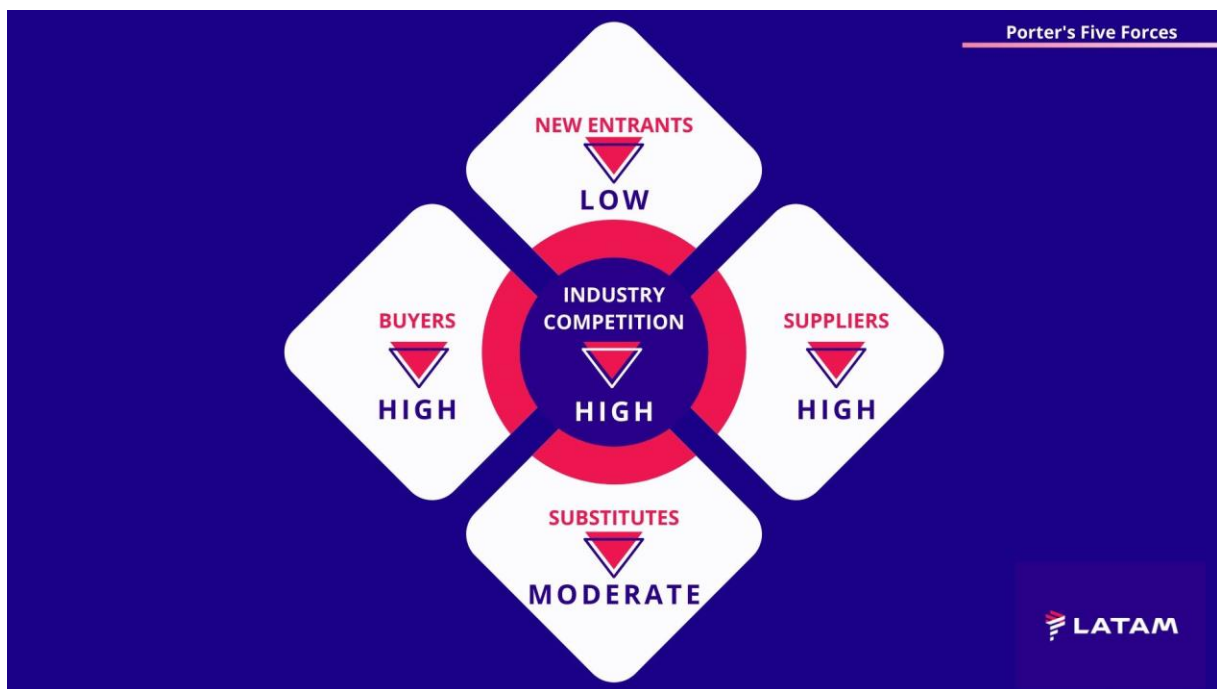
Industry Rivalry

Lastly, the rivalry in the Airline industry is really competitive due to many factors. One of them is that the industry is on a mature stage, so competitors stay in it for a long time due to the high investment that every airline company needs to do in order to enter to the business.

Another interesting aspect to highlight is that competition between airlines goes way further than other industries: they include different grounds such as price, convenience, benefits and better services. In other words, because the air travel experience for customers is remarkably similar no matter which airline consumers take, airlines are constantly threatened by the prospect of losing passengers to competitors.

Another of the points that increase rivalry in the airline industry, but mainly in the Latin American regions is the emergence of new low-cost carriers (LCC) that offer more personalized services where consumers can buy their flying experience according to their needs, challenging traditional airlines and offering tickets for a remarkably lower price. Due to this intense competition, it may be hard to sustain competitive advantage as well.

To summarize, we have developed a graphic of Porter's five forces on the Airlines Industry:



According with the exposed above, we can say that the airline industry is in the maturity stage of the **industry life cycle**. Most airlines nowadays offer the same services with low differentiation qualities, therefore the competition in the industry is high. The high competition and low differentiation allow passengers and buyers to switch between airlines constantly. The maturity of the industry is also shown in the high barriers to entry the business mentioned in Porter's analysis.

The **hypercompetition** that predominates in the sector, especially between the airlines, constantly causes changes in the structure of the industry. The deregulation and liberalization of the industry in the United States during the 70' resulted in the increase in the number of travelers and number of companies, increased competition, the entry into service of new routes, the decrease in the average price of tickets and the appearance of international alliances of airlines (FJ Quirós 2009). Arthur D. Little, consultancy specialized in the industry, defines the past 15 years as "the era of hyper-competition" characterized by growing competition for resources, airlines facing multiple pressures, from high capital replacement costs and disruptive "low-cost" business models to regulatory change, and the challenges and opportunities provided by the rapidly evolution of technology. As result of the changes in the competitive forces of the global aviation market, *full-service airlines* (FSAs) were forced to form global alliances and adopt cooperative strategies. Since late 1990s onwards the leading FSAs integrate one of the three mainstream global alliances – SkyTeam, Star Alliance and Oneworld – which by 2013 accounted for around 54% of total seats flown. These global alliances play a central role in helping airlines mitigate the negative impacts of hyper-competition as they allowed to enhance connectivity, save major costs and provide a smoother customer experience.

Despite the inter-industry cooperation (Little 2019), airlines compete in a regular basis for passenger's preference. Companies competition is based on frequency of operations, on-time performance, stage length number of daily non-stop and one-stop flights, aircraft fleets and connecting flights. Also, other factors of competition are passenger services, airline image, money spent on advertising and brand loyalty (Taneja 2012). All these factors make organizations change and adapt their own strategies to remain competitive in the complex aeronautical industry.

3.2.4 Competition

As developed in previous analysis, the airline sector is extremely competitive as companies are regularly fighting for the traveler's acceptance and preference. Even though the competition is high, LATAM Airlines has a good positioning in the global scenario and a much better positioning in the Latin American market, being the main airline group in the region.

In the domestic market (Latin American market according to the company) LATAM operates an average of 162 daily flights between the region's countries, and has the largest market share in the region, with 43.6%, followed by Avianca (19.3%), Gol (9.6%), and Aerolineas Argentinas (8.7%) (Latamairlinesgroup.net 2019). The company dominates key markets such as Chile, Peru and Brazil. Nevertheless, LATAM has a strong competition with *Gol* in the Brazilian market, *Sky Airlines* in Chile and Peru, *Avianca* in Ecuador, Peru and Colombia. In the recent years, new low-cost airlines such as *JetSmart*, *Norwegian*, *Fly Bondi* established in the regional competitive market and took part of LATAM's local market power.

However, in 2019, 58 million people traveled on domestic flights operated by LATAM. The group's domestic operations in Brazil, the largest market in South America, are the predominant in the region and allow the company to maintain its leading position in the continent. The company is also the market leader in Peru, with a 63% market share, and in Chile, with 54%. In Argentina, Brazil, Colombia, and Ecuador, it is the second largest operation (Latamairlinesgroup.net 2019).

In the international market LATAM's positioning is less recognized as it competes with consolidated and massive airlines like *China Airlines*, *Gol*, *Lufthansa*, *ANA* (All Nippon Airways) and *Air France/KLM*. However, international passenger operations, which include regional flights between South and Central America and the long-haul flights to and from the five continents, stood for 44.8% of the Group's total revenue in 2019. In the annual consolidated figure, 16.2 million people traveled with LATAM to international destinations (Latamairlinesgroup.net 2019).

In order to be more competitive and adapt to the changes in the air transport market LATAM, in 2019, made a strategic agreement with *Delta Airlines* that establishes a US\$1.9 billion investment by Delta to acquire 20% of LATAM's equity (Latam.com 2020). The agreement is an important

acknowledgement of LATAM as a leading airline group in Latin America, proving the high value of its business model. In addition to greater connectivity for clients, the agreement will provide opportunities for synergies and the exchange of good practices in other areas, such as fleet, maintenance, technology, supplier management, and others.

From the strategic alliances with world-class airlines, such as *Delta Airlines* and *Qatar Airways*, LATAM seeks to be turned into a more efficient and competitive organization, ready to face the shifts of a dynamic market that is highly sensitive to the environment.

3.2.5 Communication Background in the Airline sector

Since this research work is related to communication within an airline, we consider it extremely important to analyze previous cases within the industry. Next we will develop some studies in relation to crises of various airlines and how they applied communication to solve them. This analysis was based on related sources such as PR Journal, The Public Relations Journal, articles from Google academics and the text book "Strategic Communication in Crisis Management: Lessons from the Airline Industry" from Sally J. Ray (1999).

3.2.5.1 Scale Development for Stakeholder Responses in Crises: Centering on Stakeholders in the United Airlines Crisis

Hongmei, S. and Cheng, Y., 2020. Scale Development for Stakeholder Response in Crises: Centering on Stakeholders in the United States Airlines Crisis. *PR Journal (PRSA)*, [online] (VOLUMEN 13: ISSUE 2). Available at: <<https://prjournal.instituteforpr.org/wp-content/uploads/Stakeholder-Crisis-Response-Strategies-Scale-FINAL.pdf>> [Accessed 2 September 2020].

Organizations face crises every day. Especially in the age of digital and social media, publics could connect with each other instantly and crisis managers are expected to respond quickly and minimize any reputational damage.

United Airlines "reaccommodating" crisis in April 2017

Law enforcement officers violently dragging an Asian American passenger, Dr. David Dao, off one of its overbooked planes. After the videos capturing the event went viral, the United Airlines' poor crisis management made the crisis a complete disaster for the company, losing nearly \$1 billion in market value in a single day after the incident.

The second most read crisis story by PRWeek, the United Airlines crisis received a wide range of public attention in 2017.

Measuring Stakeholder Crisis Response Strategies

Useful strategies such as identifying circles of power within the organization, forming alliances with either marginalized groups or organizational functions who could assist them in becoming influential in the environment (Holtzhausen & Voto, 2002; Lerbinger, 2001; Spicer, 1997)

Seven main stakeholder crisis response strategies: information seeking, persuasion, consulting, threat, mobilizing, partnering, and no response:

- *Information seeking strategy* is concerned with stakeholders searching for more crisis-related information from an organization in crises. Information needs are common during risk and crisis situations to reduce stakeholders' anxiety. Stakeholders often look for, share, and discuss crisis information with friends and families, either face to face or online.
- *Persuasion strategy* refers to stakeholders' compliance-gaining actions towards fellow affected stakeholders, by selectively sharing crisis-related information with them and appealing to their emotions or values (Cammaerts, 2005, 2007)
- *Consulting strategy* is used when stakeholders attempt to resolve the problems together with the affected organization in crises. Management strategy to involve supportive stakeholders in brand building or in a labor strike crisis, or as a general public relations communication strategy. To apply this strategy to crisis communication, we anticipate that supportive stakeholders are willing to resolve the crisis, actively engage and initiate dialogues with the organization, and offer their suggestions
- *Partnering strategy*: Stakeholders who choose to partner with an organization act as ambassadors and members of an organization's crisis management team, instrumental in the success of an organization's crisis management efforts.
- *Threat --- Compliance-gaining strategy* through the use of coercion and pressure. Use a threat and punishment strategy with stakeholders to gain compliance, when stakeholders do not wish to change their positions and a problem solution is needed immediately. Activists also often resort to threatening messages to gain more power over organizations.
- *Mobilizing*, or stakeholder actions to bolster alliances with each other via the use of different media tools so as to demand organizational actions in a crisis. Activists may utilize both traditional and new media tools to spread information rapidly, and they organize internally and externally to disseminate discourse and host debates against organizations whose actions have wronged these stakeholders.
- *No response* reflects no engagement and withdrawal by stakeholders. In crisis situations, stakeholders often either desire no strategies from the organization (Stephens & Malone, 2009) or engage in passive cognitive coping behaviors (Jin, 2014). From an organizational perspective, crisis managers sometimes use similar distancing strategies when they hope to

disassociate an organization from a crisis, including excuse (organizations being unintentional), denial (organizations sharing no responsibility), and justification (external factors) (Coombs, 1995). These tools were designed to minimize an organization's perceived responsibility in a crisis

United Airlines Crisis Context

On April 10, 2017, a YouTube video went viral, capturing an already boarded Asian doctor being forcibly dragged off the United Airlines flight 3411 to make room for airlines employees (Steinmetz, 2017). United Airlines CEO Oscar Munoz quickly responded with a statement, in which he apologized for having "re-accommodated" four passengers.

United Airlines had to manage the public outcry and continued to apologize in its press releases. However, more than 40% millennials said they would never fly with United Airlines again or avoid giving it their business. United Airlines had to face massive boycott actions and lost nearly \$1 billion in market value daily after the crisis (Czarnecki, 2017). This unique crisis showcased a variety of public responses during and after the event on different media platforms, making it suitable to test our scale.

Scale development and data collection

data collection took place in August and September 2017. Participants were recruited from an online participant's pool and received \$1 for their participation. Only current and potential customers of United Airlines participated in our surveys

Results

Respondents chose all of these crisis response strategies to some degree. Specifically, the most preferred response strategy was information seeking while the least used one was no response.

Information was the most important need of stakeholders and that stakeholders were quite active, responding in a variety of ways to the United Airlines crisis. Stakeholders preferred to reach out to and persuade other affected stakeholders, but they also were willing to engage and have a dialogue with the organization to possibly find a solution to the problem, even in a crisis when the United Airlines was apparently at fault. They would rather not withdraw from communication about the crisis.

Theoretical and Practical Implications

Stakeholders can be a powerful party during crisis situations, adopting diverse response strategies such as information seeking, remediation, and diverting attention (Cheng, 2016b; N. Brown &

Billings, 2013; N. Brown, K. Brown, & Billings, 2015; Stephens & Malone, 2009), demonstrating the need for a validated scale of stakeholder crisis responses.

Stakeholders are not one homogenous group of message receivers of organizational crisis communication. In this study, we focused on current and potential customers of United Airlines who utilized a wide range of crisis response strategies, from information seeking to partnering and persuasion. Shifting the focus from organizations only to stakeholders helps us develop a fuller understanding of the complex communicative processes in crises.

The results of stakeholders' simultaneous preferred use of multiple response strategies, including collaborative ones, challenged the traditional assumption of passive and hostile stakeholders, which actually helped explain from a stakeholder perspective why the more accommodative organizational crisis response strategies are more effective (Coombs, 2014).

Information is the most desired by stakeholders in crisis and risk situations

Stakeholders in the United Airlines crisis in 2017 would like to search for information both face to face and online. Not only did these active stakeholders preferred to seek out crisis information, they also chose to engage with the organization and contribute to resolving the crisis, even when the organization United Airlines was found responsible for the crisis. While remaining collaborative, they did not neglect to choose to empower themselves by using persuasion and media tools to build a strong network with other affected stakeholders. They also were willing to use the threat strategy, warning the United Airlines of possible boycott and lawsuits against them. In other words, these stakeholders in both the pilot and final study were prepared for the worst and hopeful of the best from the organization in the crisis.

Today's tech-savvy stakeholders may actively persuade and mobilize fellow affected stakeholders, but they are also willing to contribute to and partner with the organization to resolve the problems and end the crisis. These findings highlight the need to identify the multiple voices of different stakeholders in crisis situations and respond to their desires and needs.

As social media have empowered stakeholders and provided a convenient platform facilitating the information dissemination and transmission in a crisis situation (Cheng, 2016a), it becomes important to monitor stakeholders' reactions in the crisis communication. This study found that the stakeholders' response strategies were multidimensional and complex, including a variety of active response strategies from constructive to destructive.

Many other companies including American Airlines are frequently challenged on social media and practitioners have to conduct day-to-day crisis management (Sims, 2018). When companies face increasingly common social media crises, this instrument can be used to gauge the effectiveness of a crisis communication campaign through longitudinally monitoring and measuring publics' responses

in different stages of crisis management, which helps crisis managers evaluate stakeholder reception of organizational messaging and strategically plan for next steps.

3.2.5.2 Giving employees bad news: How to minimize the damage

Giving Employees Bad News: How to Minimize the Damage. *The Public Relations Journal*, 12, 1993, vol. 49, no. 12. pp. 18 ABI/INFORM Global. ISSN 00333670.

The strategies used by six companies, including Boeing, Northwest Airlines and Blue Cross Blue Shield, to deliver bad news to employees are discussed. Open communication with employees is a key to minimizing the effects of bad news. Established communications systems allow for a quick turnaround of information in a highly volatile or crisis situation. Even when providing unfavorable news, internal communication plays a major role in reducing the fear and doubts of employees. They seek honest answers directly from management and not speculative stories from the newspaper.

In each case, the company has faced negative public opinion, uncomplimentary news coverage, internal shake-ups, or simply slumping profits, either recently or in the past few years.

Regardless of the messages involved, all of these organizations have gone to great lengths in efforts to share up-to-the-minute controversial news with employees. They used various communications tactics and mediums, including:

- Special editions of company-produced newspapers offering lengthy explanations of all pertinent events as well as progress reports in letter format from the president/CEO.
- Videotaped or in-person appearances by the company's chairman of the board/CEO addressing employee concerns such as the company's financial stability, job security, opportunities for career advancement and market share erosion.
- Monthly staff meetings for officers and directors during the crisis period to keep everyone abreast of the latest news. Mid-level managers are also encouraged to "be there" for employees they supervise to foster a "we're all in this together" attitude.
- Town meetings, allowing open forums between the president/CEO or managers, and randomly selected employees.
- A series of mental and physical health workshops aimed at helping employees deal with job-related stress on their lives.
- Programs to encourage employees to stay charged and professional.

Northwest Airlines Spiral of Turmoil

Northwest Airlines had a convergence of several negative events all at once, starting in the summer of 1992, said Jeff Smith, director internal communications. A federal court battle developed between Northwest and American Airlines after the latter made deep fare cuts. "In spring '92, we had no other

alternative but to ask our labor groups to begin negotiating more than \$900 million in reduced costs over three years, the lengthy process of those intense negotiations and all of the information and misinformation about the company caused a great deal anxiety internally."

"The distinction was that we acknowledged the issues," he went on. "We tried to keep our employees informed. Regardless of what the media and competitors were saying, we still had a business to run."

At one point, Northwest was the subject of some media speculation every day in business stories and TV newscasts.

Tactically, Northwest communicated with employees via an internal wire service carrying company news on-line every day. They also published a bimonthly newspaper. "We have a very collaborative group in the communications department," said Smith. "We tried to give our employees a little crash course in competitive news gathering," Smith recalled. "We didn't speculate on stories from outside media, but we suggested that these publishers run businesses to sell newspapers."

Officers and directors met with staff monthly. "We encouraged leaders to be out among line people," said Smith. The mid-level managers and crew chiefs knew it was important to encourage other employees".

Pay cuts across the board

"Negotiations took place with six different unions. Ultimately, every employee, both union and nonunion, took fairly major pay cuts averaging 11%."

How was this message communicated? "We published several special issues of the company newspaper, our best communications vehicle, which is delivered to every employee," he explained. The progressive wage reduction program was outlined in detail and potential questions answered from an employee's viewpoint. A three-page letter from the company's president/CEO was also included, which outlined the restructuring progress.

"Employees were choosing the best of what they could get, including job security and a voice in how the company is run," summarized Smith. There are now three employee representatives on the board of directors, he noted. Each employee now has a share in the company, and Northwest has promised to pay back wages employees gave up.

Northwest has a loyal, resilient culture, said Smith. Yet, "there was plenty of blame to go around, a lot of confusion, a lot of anxiety." Because of this, "in many cases we also reminded people to take care of their health. We offered a program to counsel those who were feeling particularly stressed out," he explained. "But for those who aren't resilient, nothing is going to help except good news."

In the midst of the negative media focus, Northwest's management developed a customer service campaign called "TIPS" to improve the personal service of employees as well as morale. Employees were asked to send in their own personal customer service actions that impressed customers. For example, a telephone reservationist speaking to a senior citizen might ask if he would like assistance at the boarding gate.

After the program had run for 60 days, a manual was published as a swap shop of good ideas, said Smith. "As far as the corporate culture, it distracted us from the real negative stuff happening externally," he explained. "Employee efforts kept service levels high in the most hostile of environments."

3.2.5.3 Strategic Communication in Crisis Management: Lessons from the Airline Industry

Ray, S. (1999). Strategic Communication in Crisis Management. Retrieved 31 August 2020, from <https://books.google.es/books?id=x8SDs-SFw8UC&lpg=PP11&dq=airline%20industry%20communication&lr&hl=es&pg=PP9#v=onepage&q=airline%20industry%20communication&f=false>

Airline accidents illustrate the industry's high level of vulnerability to crisis and capture the complexities of crisis management and communication.

Major air-carrier crashes are large-scale events that involve numerous stakeholders, receive considerable media coverage and are characterized by surprise, threat, uncertainty, time pressure and extreme emotions. Critical issues may result in an airline contending with accusations of blame, irresponsibility or inadequacy.

In order to survive the crisis, airlines must strategically communicate to victims or families, media, the public, other airlines, manufacturers, government agencies, stockholders, officers, employees and future customers.

Context for crisis: The Airlines industry

Major airline accidents are compelling events that capture the attention of the industry, government, media and public. Despite the industry's efforts to reduce factors that lead to accidents, such crisis are inevitable because of the complexity of modern technologies, human factors and the highly interdependent nature of the industry.

The growth of the industry combined with the lightning speed of mass communication and technology have made airline disasters larger in size, highly visible and extremely complex to manage. An airline crash results in crisis that threatens the legitimacy of the airline, its image and its financial situation. It resonates throughout the industry affecting victims and other stakeholders.

An effective communication plan becomes critical to control the crisis and manage the situation in order to protect its long-term corporate interest and public image.

Crash management distinguish from crisis management: a proactive as well as reactive approach to crisis. It involves a recognition of the physical and symbolic dimensions of a crisis prior to and following a crisis (Pauchant and Mitroff, 1992).

Crisis communication enables an organization to respond appropriately in order to maintain public confidence and minimize the damage. Situations vary, so it is impossible to prescribe a standardize communication strategy for crisis managers. But by illuminating the complexities associated with a major airline disaster managers can be better positioned to determine effective communication strategies.

Airlines crashes are viewed in terms of phases: pre-crisis, crisis and post-crisis. Each phase contains factors which impact communication efforts in the other phases. Also, a crisis cannot be understood in isolated parts, but as a system. To fully understand the crisis resulting from an airline disaster and the implications for communication, crisis managers must look at the whole picture.

The high complex, competitive and interdependent nature of the industry places airlines in a chronic crisis phase:

- The competitive nature of the industry often induces sudden markets shifts, fare wars, threatening smaller carriers and forcing them out of business.
- Financial problems leading into Chapter 11 bankruptcy.
- Top management succession may create crisis
- Mergers can also give rise to crises. Ej: Northwest and Republic Airlines merger in 1980s created labor disputes, vandalism, service problems
- Union strikes can potentially devastate an airline. Ej: American Airlines pilots union strike in 1997 over a new labor contract
- Governments dictates: obstacles such as taxation and regulations which increased labor costs, contribute to the industry's loss.
- Air piracy. Ej: Cooper took control of a flight of Northwest Airlines 727, gathered \$200.000 in ransom and disappeared with four parachutes out the rear door of the aircraft
- Flight crews experienced problems with passengers when flying. Numerous cases of flight attendants being physically or verbally assaulted by drunken or irate passengers receive media attention.

These events are generally unpredictable and have potentially negative consequences which significantly damage the public perception of an airline.

Organizational Crisis and Communication

Air-carrier crash is both a crisis and disaster, often caused by organizational inadequacies and managed not only by the airline, but by the community in which it occurs and government agencies. Also, in the air-carrier crash, not only is the airline jolted, but its effects resonate to other airlines, the aircraft manufacturer, the engine manufacturer and other industry groups.

Causes of crisis

Crisis occur as consequences of the organization's imperfection and vulnerability to its environment. The events leading up to a crisis accumulate because internal and/or external factors were overlooked or misinterpreted as a result of false assumptions, poor communication, cultural lag, and misplaced optimism (Turner, 1976).

Communication climates that discourage open communication about problems and breakdowns and disruptions of coordination often contribute to crisis (Seeger, Sellnow & Ulmer 1998). E.g: communication breakdowns between pilots and air traffic controllers as well as misunderstanding due to accent and technical jargon have contributed to numerous aircraft disasters.

Characteristics of crisis

A crisis situation can escalate in intensity, receive intense scrutiny from media or government, interrupt a company's normal operating procedures, threaten a company's image and damage its bottom line (Fink, 1986).

Crisis situations involve a high level of uncertainty with regard to cause, blame, response, public perception, resolution and other consequences.

- A lack of information creates the potential for crisis and influences the resolution of it.
- The severity of a crisis depends on the level of uncertainty and the perception
- The acquisition of critical information places the organization in a stronger position to plan and manage the crisis

Crisis Management

Provides a systematic, orderly response to crisis while enabling the organization to continue its daily business. Organizational threat is controlled and opportunities became available.

The process of crisis management involves:

- ✓ Organizational design
- ✓ Personnel selection
- ✓ Team development

- ✓ Environmental auditing
- ✓ Contingency planning
- ✓ Management of the actual crisis

Goal: return to normal operations and repair of any damage.

Planning in advance for a crisis reduces the perceived risk and uncertainty associated with a given situation, thereby allowing the organization to exert more control.

Crisis Communication

The enactment of control (at least in its appearance) in the face of high uncertainty in an effort to win external audience confidence, in ways that are ethical. (Heath, 1994).

The organization must organize and act to protect its own long-term corporate interest and public image, open and accurate communication is critical to control the crisis.

To resolve the crisis and return to normal operations, crisis management seeks to maintain or restore the organization's image and public perception.

Three responses (Wilcox, 1986)

1. Deny a crisis exists and refuse to cooperate with media and government agencies
2. Provide partial, inaccurate or delayed information
3. Establish or maintain open and accurate communication channels with external publics

Functions of communication

Crisis communication should maintain the present positive opinions about a company's image from the negative aspects associated with a crisis (Sturges, 1994)

Communication should direct stakeholder's physical responses, psychological responses and impressions about the organization. Insufficient and inaccurate information may give rise to myths, false alarms and heightened perceptions of harm. Open and accurate disclosures reduce the risk of rumors, leaks, drawn-out media coverage and the perception of dishonest.

Legal constraints of airlines may keep the company from communicating as freely as it would like. Persons, groups, events, values, beliefs, attitudes, documents, facts, images, interests and motives may place a constraint on the crisis organization's efforts in restoring the public image. Ex; following a major air-carrier crash, an airlines communication may be constrained by the National Transport Safety Board's (NTSB) investigation. Apart from respecting the characteristics to this investigation, the airline must provide an appropriate response also to its stakeholders.

Communication and culture

An organization's culture reflects the company's consistent values, basic assumptions, attitudes and norms. As culture dominates management's thinking it will directly influence managerial perceptions and actions, thus influencing crisis communication. The global nature of the airline industry, presents a direct challenge to crisis management and underscores the significance of sensitivity to cross-cultural communication differences.

Complexity crisis communication in airline industry: to effectively sustain a company's positive public image following an airline crash, communication must reflect diverse cultural values. Ex: Japan Air Lines fatal crash 1985 (520 fatalities) the company adhere to a protocol emphasizing its sense of humanity and responsibility.

- Personal apologies
- Request of forgiveness
- Admissions of responsibility
- Offers of resignation

Strategic Communication

Following a crisis event, organizations offer apologies, explanations, excuses and justifications to different audiences in effort to remove the threat to legitimacy and restore image.

The airline industry greatly depends on the travelling public's perception that it its safe. The airline is immediately perceived to be responsible for any tragedy so it has to battle allegations of blame, irresponsibility or inadequacy.

When image is threatened, the organization must engage in defense strategies by altering the public's perception of responsibility for a tragedy or impressions of the organization itself (Coombs,1995).

Strategic alternatives: to defend the organization's image

- Deny responsibility: deny any association with or responsibility for the cause of an event
 - Direct denial: simple statement denying any accountability for the event
 - Expand denial: explaining why the organization is not responsible for the event
 - Redirect blame: redirect to another source
 - Aggression: confronting or attacking the accuser
- Hedge responsibility: evade responsibility for the event
 - Excuses: extenuating circumstances or justify some action
 - Scapegoating: place primary responsibility on another
 - Pleading ignorance: state there was a lack of significant information about the situation
 - Refuting evidence: argue conflicting evidence to reduce responsibility

- Ingratiation: win stakeholder's support for the organization and reduce negative feelings
 - Accentuate the positive: organization identifies and reinforces positive aspects of it
 - Create an identification between the organization and its stakeholders: through symbols, values or institutions which have strong base of public acceptance.
 - Positive acknowledge others: approval from acknowledged recipient
- Make Amends: effort to win forgiveness for the event
 - Apologize: show regret over the event and request forgiveness
 - Remunerate: remunerate victims with money or other services
 - Right the wrong: demonstrate concern and regret by correcting the problem
- Elicit sympathy: portray the organization as an innocent victim.

When considering strategic communication options in the context of crisis, companies must remember the important of creating the perception they are in control.

Determining appropriate and potentially effective strategies involve a consideration of:

- Particular target audience
- Type of crisis
- Available evidence
- Severity of damage
- Company performance history: influences the effectiveness of the communication. Positive performance history has greater credibility among its stakeholders
- Legal issues

When choosing a strategy, companies must make sure their choices fit the damage done by the crisis (Coombs, 1995)

3.2.5.4 La crisis reputacional de LATAM Airlines y BHAirport. El aterrizaje de emergencia de un avión.

La Crisis reputacional de LATAM Airlines y BHAirport | LLYC / #EmbraceTheNewNormal. (2020). Retrieved 31 August 2020, from <https://www.llorenteycuenca.com/caso-exito/la-crisis-reputacional-de-latam-airlines-y-bhairport/>

Situation

December 2018, LATAM Brazil flight from Sao Paulo with final destination, London, needed to land in emergency in the international airport of Belo Horizonte after electric failure.

This procedure paralyzed the airport for almost 24 hours and impacted the movement of all national airlines, canceling about 150 flights to or from Belo Horizonte, one of the main Brazilian cities.

Double contingency: put at risk the reputation of the airline, in terms of flight safety, and of the airport, due to the infrastructure of its runways and actions of the rescue team.

Impact

Due to the large number of passengers and flights impacted throughout the country,

- The press and social networks addressed the situation from various angles, recording the interdiction of the runway, the withdrawal of the aircraft, the possible causes of what happened. and the commander's expertise in managing the situation.
- Throughout the five days of coverage, more than 500 reports on the incident were published.

Response from Llorente y Cuenca agency

With the action of the communication team close to the journalists, no report questioned the reputation of the company or questioned the maintenance of the aircraft or the safety of operations.

Resolution

Impact on press reports:

- 80% of the reports reported the expertise and safety of the pilot to avoid the situation,
- 10% showed the closure of the airport runway
- 10% reported the impacts on passengers.

3.3. Macro-environment

As seen above, LATAM develops its activities in the whole world but focuses its operations in Latin America. In order to understand better the politics, strategies and decisions the organization makes we are going to analyze the political, economic, socio-cultural, technological and ecological factors that affect the organization.

Due to the current pandemic context, Latin American airlines have been forced to reinvent themselves, or to go bankrupt. Jose Elias Hierro, Rut Abad Mijarra and Ostelea Wilson Hoyos, three professionals that are closely related to the aeronautical industry, have analyzed the current reality of airlines and have highlighted and defined the following keys aspects to understand the future of the sector.

The first premise that all professionals agreed on it's the fact that **COVID-19 will leave fewer routes in Latin America**. Some actions related to this major change is the reduction of local routes in each

country in order to optimize the resources towards the destinations that are profitable, as well as the disappearance of some players in the industry such as LATAM Airlines Argentina, TAME Airlines in Perú, and Avianca in their domestic market. All of this together will reduce the offer for travelling within Latin America.

Another point that professionals argued is the **fight for customer loyalty**. Due to the fact that many airlines are ceasing their operations in Latin America, the final competition among Latin American airlines, with an emphasis on LATAM, Avianca and Copa Airlines, will be to generate a sense of belonging and win fans of their brands. In this way, recovering the trust of passengers is one of the first objectives to be met and these three airlines groups will need to set the guidelines on security protocols and quality of service in order to succeed.

Another important thing to mention is that **the new way of flying has become a reality**. During this month, many taken-for-granted activities done both by the airlines and customers have been replaced for new habits. Just to name a few, airlines have changed their hygiene protocols, increasing their replacement of cabin air and the use of high efficiency air filters and preparing “*coronakits*” for emergencies. Customers, on the other hand, have incorporated the habit of arriving at the airport alone, carrying a printed boarding pass or on their mobile phones, as well as using mask at the airport.

Hoyos, Del Hierro and Abad Mijarra consider that the hunt for liquidness and having a strong, solid and frequent client portfolio is the key to the recuperation of Latin American Airlines. Based on this, the practices looked for are to **focus on the frequencies or classic courses**, which have given them more prominent benefit and long-term liquidity.

This will allow the recuperation of clients who are primarily in their original markets, since numerous of these firms started as lead aircrafts of their home countries, so they can return to these countries and reduce, while they recover financially, their intentions of expanding to new markets (Staff 2020).

3.3.1 Political Environment

The airline industry is widely impacted by regulations and restrictions related to international trade, tax policy, and competition. It's also affected by issues like war, terrorism, and the outbreak of diseases, such as COVID-19. The global nature of the industry makes it uniquely vulnerable to a multitude of elements, and politics is one of them.

International Trade is one of the political factors that most influence the airline industry: there are still various places across the world where airline transport has not been extensively exploited mainly because of government restrictions. It may be difficult for an airline company to expand into foreign

markets which are not trade partners with their respective countries. One clear example of the impact of International Trade has is the current commercial war between the United States and China, which has led to a decrease on Chinese tourists in the U.S, as well as in the average passenger load in U.S destination flights of Chinese airline companies (Political Events and Their Impact on the Air Transport Industry in 2019, 2020).

Another political aspect that can affect the airline industry is tax policies. Tax policies may influence in a positive or a negative way: as tax rates are different from one economy to another, there are some countries where airline companies have to pay more taxes in order to operate, whereas there may some other countries where the tax policies may be favorable to the airline industry, encouraging business and profitability. One current topic that relates to this is Brexit, where United Kingdom's exit from the European Union may be a difficulty on the airline industry. Oliver Jankovec, the General Director of the *Airports Council International* (ACI), a non-profit organization representing the world's airports, commented:

“The contribution of aviation to the economies of both the UK and the EU27 is largely conditioned by the full integration of their aviation markets. This means that this contribution depends not just on the freedom to fly and unrestricted market access for airlines, but also on a wide range of common rules (...). Losing this integration between the UK and EU aviation markets is akin to putting an end to a relationship which creates tremendous value and brings extensive mutual benefits” (AirsidiInternational.com, 2020).

Competition is another political aspect that can directly affect the airline industry. Due to the growth of the industry, competition has also gone a higher, with many players coming into the game. Different political moves can regulate activities of airlines, having huge implications on the sector. One clear example that had different consequences on the sector was the allowance of low-cost carriers (LCC) into the Latin American Markets. In the last decade, the advances in the airline sector, especially in the hands of low-cost airlines, have been seen in a large number of countries in Latin America, where passenger traffic on intraregional and domestic flights has gone from a few 162 million in 2006 to 320 million in 2015, according to figures from the *Logistics Development Program for Latin America* (LOGRA) of the *Corporación Andina de Fomento - Development Bank of Latin America* (Risatti 2020).

Finally, another political aspect that can have an effect on the industry are political decisions related to war, terrorism and disease outbreaks. In countries where such events are experienced, politicians can interfere with the suspension or ban of air transport. One clear example is the current situation of Coronavirus, where many countries have decided to avoid the spread of the highly contagious virus by closing their frontiers.

During the COVID-19 crisis, the political sector turned into a key actor in the sustainability of airlines. Companies sought economic and legal support from governments to help survive and overcome this unprecedented crisis. According to IATA (2020), as of mid-May, airlines worldwide received \$123 billions of government aid. Nevertheless, the aid was not equitable in the different regions. Airlines in North America and Europe have received aid equivalent to 25% and 15% of their revenues while airlines in Latin America, the Middle East and Africa received only about 1% of their revenues (IATA Economics 2020).

Apart from capital injections, support from governments have taken a variety of forms according the resources of the country. Some governments provided loans, deferred payments of taxes and reduced tax liabilities. Under the 45% reduction of globally employment supported by the air transport sector (decline 38.4 million), governments around the world also subsidized the salaries of more than 800 thousand airlines employees.

3.3.2 Economic Environment

A stable economy is one of the greatest threats and challenges for Latin America. According to a research done by the *BBVA Bank* in January 2020 the region grew only a 0.6% in 2019. It was expected to recover in 2020 in a 1.4% and a 2.1% for 2021. Apart from currency weakness in 2019, the region's economy slowed sharply to just 0.2% due to financial problems in several countries.

The research establishes that the great challenge in the region is to increase growth in a context with "limited commodity prices and idiosyncratic vulnerabilities". *Appendix 3* shows specifically the challenges that each country needs to face, highlighting inflation and monetary policies as repetitive factors in most of the countries. According to specialists, the situation would revert with a 1.8% growth due to the help of the IMF and a relative growth in Brazil and Mexico and less contractions in Argentina and Venezuela (IATA 2019).

This generic economic asset of the region plays an important role in the aviation industry. The *International Air Transport Association* (IATA) estimated that the global airline industry will produce a net profit of \$29.3 billion in 2020, improving the one in 2019 for \$25.9 billion (IATA 2019). Also, the global spend by consumers and business on air transport was expected to reach \$908 billion in 2020.

Nevertheless, these estimations and expectations completely changed with the emergence of COVID-19. The epidemic has wreaked many of the companies, which in the face of the emergency have been forced to decrease flights and temporarily cancel some routes. The cancellation of flights was influenced both by low passenger demand and by the restrictions imposed by governments to prevent

the widespread of the epidemic. As a result, airlines and other actors in the industry find themselves in a critical situation.

The US consultancy, *Bain & Company*, announces the sharpest drop in air traffic in history with a reduction of more than two billion passengers at the global level in the second quarter of 2020 and more than 4.6 billion passengers for all of 2020. In addition, for all of 2020, the consultancy estimated that global drops in demand will be between 40 and 55% (IATA 2020) and airlines could even lose \$113 billion in revenue (BBC News 2020). Also, between 5 and 10% of airlines worldwide will collapse in the coming months, even when the governments of the countries intervene and support them financially. Airbus and Boeing, the most important aircraft manufacturers, are being impacted by the pandemic and will postpone their production levels of new aircraft for future years. Also, the Airport Council International (ACI) World considers the decline in total airport revenues on a global scale to be \$39.2 billion dollars in the second quarter and more than \$97 billion for the whole year (Airport Council International 2020).

Moreover, *Bloomberg World Airlines Index* shows that five of the region's largest airlines, LATAM Airlines Group SA, Gol Linhas Aereas Inteligentes SA, Azul SA, Avianca and Volaris have seen \$12 billion disappear from their market value since the end of January. On average, its shares have fallen 78% in local currency terms when the global indicator has fallen 45% in the same period (Fieser & Andrade 2020). Additionally, IATA indicates that the crisis caused by the pandemic, which left 90% of the world's air fleet grounded for months, will increase airlines debts by 20% to a total of 550,000 million dollars by the end of year (Forbes Centro America 2020). The decision of LATAM and Avianca, the largest airline companies in the region, to avail themselves of the bankruptcy law of the United States (Chapter 11) showed the severity of the crisis.

The decline of the air transport industry in the face of this situation generates a domino effect on other industries such as insurance companies, oil production, hospitality and specially tourism. This last industry is one of the most affected by the reduction of flights and is expected that the sector as a whole could lose millions of dollars (BBC News 2020). The picture worsens when knowing by data of the *World Travel and Tourism Council* (WTTC) that the tourism industry represents 10.4% of world economic growth and generates nearly 319 million jobs, that is, 10% of employment globally.

According to analysis presented by the *Latin American Federation of Banks* (FELABAN), the economic consequences of the global epidemic would suppose a contraction of up to 2% in 2020 for the economy in all Latin America.

3.3.3 Social Environment

The economic and political instability that suffers Latin America, in comparison to others like Europe, North America and Asia, generates high social tensions and big uncertainty.

During the past decades, the regional economic growth has been very weak. This generated a high discontent in countries, because of the low economic and social progress. People became distrustful on political structures as they have seen high levels of corruption and impunity. To this is added the inequality and the demand for better access to basic services like education, health, transportation and pensions. All these events led to a wave of protests along the region which increased the political and economic instability (BBC News 2020).

For 2020, the forecasts for the region were not encouraging due to an extremely complex economic and political context that will have to face most of the countries. To the low economic growth is added the political uncertainty that runs through Latin America, in addition to an international context marked by a slowdown (BBC News 2020).

As consequence of this scenario, there would be growing social demands and pressures to reduce inequality and increase social inclusion. As results, large popular mobilizations have broken out the past months in countries like Chile, Bolivia, Ecuador, Colombia and recently Argentina. These massive social protests impacted the institutional stability of their countries and of the entire region. Because of this, the region became known as "the land of the saucepan" (BBC News 2020), due to the leading role that social movements acquired last year. This social situation is aggravated with the appearance of COVID-19. Some effects of the pandemic in Latin America imply an increase in economic uncertainty that will consequently affect the political and social sphere.

To this context of conflict, complexity and volatility is added the fact that COVID-19 has impacted in the cultural and social assumptions that were part of the airport customer experience. *Deloitte*, the global audit, consulting and financial advisory firm has developed a study over those airport orthodoxies that have been challenged in the current context. In relation to social aspects and trends, it is important to highlight two (Dixon 2020):

- **Passenger processing technology was key. The future may be more about facility cleanliness.** Before, efficiency and speed were keys drivers for customer satisfaction. However, in today's context airlines must focus on cleanliness. Airports are currently perceived as a dangerous place due to be a place that contains a lot people from many countries, all located in the same physical space. This new perception of risk that affects the Industry require airports and airlines to think differently about how technology can be used to transform cleanliness as dramatically as it has for security and passenger processing and to

communicate with passengers about their cleanliness programs to increase awareness and ease of mind.

- **Employee health and safety will now define a positive employee experience.** Companies know by fact that having an optimistic and motivated workforce increases customer satisfaction. As a result, airlines have been focusing on working their employee experience (including promoting a diverse culture, fostering collaboration, providing training and courses to boost employee development). Nowadays, the trend has moved from employee engagement to employee safety. To fully engage at work, frontline employees want to be reassured - through regular communication and visible changes - that they will be safe at work and that airlines are making their health and safety the top priority. This sense of security over airlines operational workforce is essential because they are the ones who contact employees, who will value the company's effort of protecting their employees and increasing the company's positive perception.

3.3.4 Technological Environment

Technology is central to the future of the air transport industry. Some of the trends predicted for airline's innovation in 2020 include the transformation of apps, parallel reality display screens, captivating entertainment options, full-body wearable exoskeletons, and artificial intelligence (AI) machine learning operations platforms. Also, it is expected that airlines and airports will introduce more biometric boarding at terminal kiosks and gates, along with other technology to speed the security process (Future Travel Experience 2020).

The commercial aviation sector has experienced a decline in 2019 deliveries due to production related issues on certain aircraft models. The fatal accidents of the Boeing 737 Max, the most popular aircraft model of the manufacturer, impacted not only the airline companies and manufacturers but also the passengers, who took distrust and fear of this means of transport. In order to improve this, Airbus and Boeing decided to improve the quality, design and technology of their aircraft. As an example, Airbus recently launched the prototype "*Maveric*", a commercial aircraft of revolutionary design with which they hope to become "pioneer of the future". The plane reduces fuel consumption by 20% compared to conventionally designed aircraft and "opens up new possibilities" in terms of propulsion systems and passenger on-board experience (Infobae 2020). This innovation responds to the demands and needs of the passengers and whole societies who expect aircraft to turn into more sustainable and comfortable.

Nevertheless, this technological progress has been affected after the new demands of the industry as a result of COVID-19. In relation to COVID-19 and Technology, the research done by the global financial advisory *Deloitte* has shown that technological developments are going to be crucial in order

to improving customer experience (Dixon 2020). Some of the upcoming trends that require a shift in technologies are:

- **Passengers don't just want self-service—they want it enabled by no touch.** The idea of offering a self-service experience for airline customers have become a trend for the future. Self-service technologies are key in order to offer a personalized, fast and efficient travel experience. However, due to Coronavirus, self-services must be transformed from physical touch to no-touch technologies, in order to reduce the risk and concerns about the infectious disease.
- **Multi-modal biometrics is the way of the future, and no-touch preferences will accelerate deployment.** In the years after 9/11, many governments focused on shoring up how they identify bad actors, in part, by implementing biometric entry-exit systems¹⁵ at air, land, and sea ports of entry, showing a strong preference for the use of facial biometrics in the implementation of biometric screening solutions. However, COVID-19 demands new inquiry into contactless travel through airports, and it also challenges the move towards capture of a single facial biometric as the solution. The pandemic is currently boosting the investigation and implementation of other biometric technologies that are not only facial biometric technologies, in order to continue offering a seamless travel experience.

Adele Berti, senior writer of *Airport-technology.com*, the only site focused on bringing the latest news about airport projects, trends, products and services for the airport sector, agrees with many of the technological trends previously mentioned, and also highlights the importance of mobile phones: “phones could not only provide information but also become a digital wallet containing your documents, boarding pass and other types of cloud-based data” (Berti 2020). Berti considers that Airports are cruising towards the age of fast processing – and the pandemic is only likely to speed it up.

3.3.5 Ecological Environment

Climate change is one of the most important topics nowadays. People are raising awareness of the importance of reducing the impact that human activity leaves on Earth, and the airline industry is no excuse. There are many ecological issues that have been increasing its importance in every airline, and the most important ones are CO₂ emissions, and cabin waste.

According to the *Airline Transport Action Group*, the global airline industry produces around 2% of all human-induced carbon dioxide emissions: worldwide, flights produced 915 million tons of CO₂ in 2019. Globally, humans produced over 43 billion tons of CO₂.

Many organizations that promote CO₂ mitigation have been publishing different reports on the most CO₂ efficient airlines, with the aim of making climate efficiency a factor of competition among the airlines. According to Niclas Svenningsen, Global Climate Action Manager at *United Nations Framework Convention on Climate Change* (UNFCCC), there are three key factors airlines need to consider if they're trying to reduce their carbon footprint: the technologies used both on the ground and in the air, flight patterns and seat occupancy (Street 2020).

However, some of the current potentially impactful options for reducing emissions, such as fueling jets with advanced biofuels, remain prohibitively expensive. Synthetic kerosene, which can be produced using huge amounts of electricity from renewable sources is still an expensive alternative, although the decrease in the price of clean electricity offers hope for the future. Though airlines have made great strides in reducing fuel use by purchasing the latest and most fuel-efficient jets and using software to further maximize fuel economy, they haven't found a route to real emissions reductions (Stone 2020).

Moreover, the high levels of CO₂ emissions are an issue that the International Civil Aviation Organization - a specialized agency of the United Nations that aims at changing the principles and techniques of international air navigation and fosters the planning and development of international air transport to ensure safe and orderly growth - is trying to solve it as soon as possible. In 2016, the ICAO finalized an agreement among its 191 member nations to address the tons of carbon dioxide emitted annually by international passenger and cargo flights. The agreement will use an offsetting scheme called CORSIA (the *Carbon Offsetting and Reduction Scheme for International Aviation*) under which forestry and other carbon-reducing activities are directly funded, amounting to about 2% of annual revenues for the sector (Gill 2020).

Cabin waste is another of the most important topics regarding the Ecological sphere on the Industry. According to the IATA, airlines produced 5.2 million tons of waste in 2017, and will produce over 10 million tons annually by 2030. This high level of waste relies on many factors, such as food, safety, hygiene, freshness and weight. There's also a concern about customer satisfaction, which leads airlines to stock more food than required on board flights.

There are many solutions that have been researched in order to reduce cabin waste. Some of them are using tools that can scrape data in order to predict behavioral patterns in flight, having travelers order meals before a flight, trying recycling solutions and packaging alternatives to minimize waste - such as using locally sourced food, with a "nose-to-tail" approach to limit waste; access to recycling on board; lightweight reusable plates and silverware; and recyclable or combustible disposable packaging - and waste management (Springer 2020).

All of these trends have not gone away during the Covid-19 context. Due to the current lockdown, airports and airlines have reduced their operation and, consequently, their carbon footprint. From an environmental perspective, there has been proof of the damage of the industry, seeing clearer skies around the biggest airports such as New Delhi and Los Angeles. According to David Taylor, Travel and Hospitality Strategy Lead Consultant at *Publicis Sapient*:

“The reality is COVID-19 may be serving almost as a dry run for what could come. Unless the industry recovers with sustainability at the forefront, it is entirely possible that climate change will cause a similar but longer-lasting disruption to global air travel. (What COVID-19 Can Teach the Airline Industry About Sustainability | Publicis Sapient 2020)”

COVID-19 should serve as a reminder and call to action for the airline industry. Despite focusing on issues like safety, cleanliness, and hygiene, which are most probably going to be the key important points in the mind of passengers in the short term, climate change and sustainability are not going away. In Publicis Sapient’s survey, 66 percent of respondents said they would be more likely to purchase from an airline that has increased its sustainability efforts, and 73 percent said they are paying attention to brands that are making a positive impact during the pandemic.

3.3.6 Legal Environment

The legal framework and institutions in Latin America are diverse as the number of countries. Each Latin American nation’s legal field is unique, with its own judicial system, a set of primary laws and legal nomenclature (Grant 2018).

Acknowledging and understanding the laws of each country is fundamental for the airlines since the aeronautical industry is one of the most regulated industries in the world. Within the activity, there are three major areas regulated (Inter-American Development Bank IDB 2020):

- **Market regulations**

Market regulations are the set of domestic and international norms governing the routes, fares, equipment, and competition between airlines, both for passenger and cargo service (IDB 2020).

The airline industry in Latin America has been historically highly regulated. However, the widespread of incorporation of open skies agreements after the Convention on International Civil Aviation or the Chicago Convention (1944) provided a "freedom of the air". Apart from the bilateral open sky's agreements around the world, there have been important regional agreements such as the Latin American Civil Aviation Commission Multilateral Open Skies Agreement which enable the expansion of flights and connectivity between Latin American States. As result of the following

agreement, airlines count with free determination of the number of frequencies that may be operated, increased traffic rights, open route schedule, free pricing and greater operational flexibility

- **Economic regulation**

Economic regulations in the industry are related to the set of rules associated with the use of airport infrastructure and related assets, such as facilities for aircraft maintenance, cargo terminals, fuel farms, passenger terminals, utility infrastructure, parking lots, hotels, and ground transportation infrastructure within and outside the airport (roads, tolls or transit facilities).

Also, the industry is highly affected by taxation policies and competition regulations within the constitutional law of each different country.

- **Technical regulation**

Due to the nature of the air-transport activity, the industry is highly regulated in safety and security matters.

The International Civil Aviation Organization (ICAO) is the most important governing body which establishes regulatory standards for safety and security. Even though, ICAO provides international rules and recommendations, the adoption of policies depends on the individual sovereign of states. In Latin American countries, the technical regulation is conducted by state level organizations like the Administración Nacional de Aviación Civil (ANAC) in Argentina.

In order to respond to international standards, the airlines must respect regulations in aspects such as maintenance, safety of the aircrafts, pilot and crew trainings, operation requirements, aeronautical licenses and ratings, among others.

Moreover, while operating in diverse markets, airlines must consider local anti-trust laws, discrimination laws, copyright and patent laws, consumer protection and e-commerce, employment laws, data protection and more. Nowadays, in order to satisfy customers, new laws are being enforced regarding how airlines should treat their passengers and how both passengers and crew must behave on the plane.

Aviation safety procedures and regulations are constantly in flux as technology advances provide new knowledge regarding safety and security practices (IBD 2020). In the case of COVID-19, the pandemic changed the vision of safety of passengers and crew, therefore new regulations were introduced in the industry not only by air-related organizations but from national governments which all actors within the activity must respect.

3.4. Stakeholders and publics

3.4.1 Public Identification

By definition, stakeholders are all those who are related with the LATAM Group. Publics such as employees and collaborators, customers and passengers, suppliers, public and regulatory entities, offline and digital media, sectoral organizations, competitors and investors are the main actors in the LATAM's value network. With all of them, LATAM maintains regular interactions, which seek to ensure the generation of value for all those involved.

Always based on precepts such as dialogue, transparency and joint evolution, LATAM interacts with its publics through different channels following systematized guidelines such as those established in the Sustainability Policy.

A detailed analysis of each LATAM audience will be provided below:

❖ **Shareholders, investors and the financial community**

In order to develop a comprehensive list of LATAM's shareholders, we decided to use the percentage of shares owed by that stakeholder in order to better understand the power that each one possesses. Moreover, we included a comprehensive list of all the members of the Board of Directors and the Director's Committee, the main governing body of LATAM airlines group. The BOD of LATAM Airlines has nine full members, elected individually by two-year terms through the voting system. Each shareholder has one vote per action and can cast all his votes in favor of a candidate or distribute them among several. This practice guarantees that shareholders who hold 10% of outstanding shares can choose at least one representative (Latamairlinesgroup.net 2019).

- LATAM's main shareholders
 - **Shareholders between 10% and 20% of the property**
 - *Costa Verde Aeronáutica S.A*
 - *Delta Airlines Inc.*
 - **Shareholders between 5% and 10% of the property**
 - *Banchile Corredores de Bolsa S.A*
 - *JP Morgan Chase Bank*
 - *Qatar Airways Investments*
 - **Shareholders between 1% and 5% of the property**
 - *Foreign Investors*
 - *BCI Corredor de Bolsa*

- *BICE Inversiones*
 - *CONSORCIO Corredores de Bolsa*
 - *Inversiones Andes S.A*
 - *INVERSIONES HS SPA.*
 - *Larrain Vial S.A*
 - *TEP CHILE S.A.*
 - *Inversiones Security S.A*
 - **Smaller Shareholders (Less than 1%)**
- LATAM's Board of Directors
- Nicolás Eblen Hirmas, *Member of LATAM's BOD*
 - Eduardo Novoa Castellón, *Member of LATAM's BOD*
 - Patrick Horn García, *Member of LATAM's BOD*
 - Ignacio Cueto Plaza, *Chairman of LATAM's BOD*
 - Juan José Cueto Plaza, *Member of LATAM's BOD*
 - Sonia Villalobos, *Member of LATAM's BOD*
 - Henri Phillippe Reichstul, *Member of LATAM's BOD*
 - Carlos Heller Solari, *Member of LATAM's BOD*
 - Giles Agutter, *Member of LATAM's BOD*
- Directors Committee
- Patrick Horn, *President of the Directors Committee*
 - Nicolás Eblen Hirmas, *Member of the Directors Committee*
 - Eduardo Novoa Castellón, *Member of the Directors Committee*

LATAM's interaction with its shareholders and other players of the capitals market is permanent. The dialogue and relationships of the LATAM Group with all categories of shareholders, institutional and private investors, financial analysts, market agents and, in general, with the financial community, is supported with transparency, respect for principles of accuracy, promptness and equal access to information, assuming the favor of a correct evaluation of the assets of the company (Latamairlinesgroup.net 2019).

The organization has a special *Investors Relations website* (Latamairlinesgroup.net) which contains updated financial information, like quarterly results, sustainability reports, annual reports, recent news, and other relevant information. The contents are available in English, Spanish and Portuguese.

LATAM communicates with investors and shareholders through the following channels:

- Website
- Publications (Annual Report and Sustainability Report, specific studies and reports)
- Investors website: Form 20F, Presentation of quarterly results.
- Conference calls
- Periodic meetings
- Emails

❖ **Customers**

In order to develop a comprehensive list of LATAM's clients, we decided to segment it according to the most profitable business units that the company has: domestic and international flights. Both make up for 87% of LATAM's Revenue (Latamairlinesgroup.net 2019). Moreover, we have decided to segment customers across the different most strategic markets of the organization, since there are many differences among them. Some of them are related to market size, the market share owned by LATAM, and the different ways that the company operates in each market.

Brazil

Brazil is the largest market for LATAM, where it holds the first position in terms of market share. Moreover, Brazil has the largest number of passengers both for international and domestic flights having an average of 95 million passengers for international flights, as well as 24 million passengers for domestic flights.

- Passenger
 - LATAM Pass Programme's members
 - Platinum
 - Gold
 - Black
 - Black Signature

Chile

Chile is the second largest market for LATAM, where it holds the first position in terms of market share. The country has an average of 15 million passengers for international flights, and 11 million for domestic ones.

- Passenger
 - Basic Passengers, *passengers that seek for affordable tickets and travel with only bag or small suitcase.*

- Promo Passengers, *passengers that seek for the promotional tickets that LATAM offers and are not members of the LATAM Pass Programme.*
- Light Passengers, *passengers that seek for lightweight travelling, with only one hand luggage.*
- Plus, Passengers, passengers that seek for travelling as always, having the possibility to choose their seat as well as having up to 2 suitcases in the flight.
- Top Passengers, *passengers that seek for the most flexible ticket, having the possibility to choose their seat, having up to 2 suitcases in the flight and offering the possibility to make changes.*
- LATAM Pass Programme's members
 - Platinum
 - Gold
 - Black
 - Black Signature

Colombia

Colombia is the second biggest Latin America market in terms of passengers: it has 29 million passengers for international flights and 16 million passengers for domestic ones. The firm holds the second position in terms of market share, and this market makes up 4% of LATAM's revenues.

➤ Passenger

- Basic Passengers, *passengers that seek for affordable tickets and travel with only bag or small suitcase.*
- Promo Passengers, *passengers that seek for the promotional tickets that LATAM offers and are not members of the LATAM Pass Programme.*
- Light Passengers, *passengers that seek for lightweight travelling, with only one hand luggage.*
- Plus, Passengers, passengers that seek for travelling as always, having the possibility to choose their seat as well as having up to 2 suitcases in the flight.
- Top Passengers, *passengers that seek for the most flexible ticket, having the possibility to choose their seat, having up to 2 suitcases in the flight and offering the possibility to make changes.*
- LATAM Pass Programme's members
 - Platinum
 - Gold
 - Black
 - Black Signature

Peru

Peru is the fourth largest market for LATAM, where it holds the first position in terms of market share. Another important aspect to highlight is that Perú has around 14 million passengers for international flights and 12 million passengers for domestic flights.

➤ Passenger

- Basic Passengers, *passengers that seek for affordable tickets and travel with only bag or small suitcase.*
- Promo Passengers, *passengers that seek for the promotional tickets that LATAM offers and are not members of the LATAM Pass Programme.*
- Light Passengers, *passengers that seek for lightweight travelling, with only one hand luggage.*
- Plus, Passengers, *passengers that seek for travelling as always, having the possibility to choose their seat as well as having up to 2 suitcases in the flight.*
- Top Passengers, *passengers that seek for the most flexible ticket, having the possibility to choose their seat, having up to 2 suitcases in the flight and offering the possibility to make changes.*
- LATAM Pass Programme's members
 - Platinum
 - Gold
 - Black
 - Black Signature

Argentina

Argentina accounts for 6% of LATAM's revenues, and it currently holds the second position in terms of market share. Argentina's market has around 16 million passengers for international flights and 11 million passengers for domestic ones.

➤ Passenger

- Basic Passengers, *passengers that seek for affordable tickets and travel with only bag or small suitcase.*
- Promo Passengers, *passengers that seek for the promotional tickets that LATAM offers and are not members of the LATAM Pass Programme.*
- Light Passengers, *passengers that seek for lightweight travelling, with only one hand luggage.*
- Plus, Passengers, *passengers that seek for travelling as always, having the possibility to choose their seat as well as having up to 2 suitcases in the flight.*

- Top Passengers, *passengers that seek for the most flexible ticket, having the possibility to choose their seat, having up to 2 suitcases in the flight and offering the possibility to make changes.*
- LATAM Pass Programme's members
 - Platinum
 - Gold
 - Black
 - Black Signature

Ecuador

This market holds 2% of LATAM's revenues. The company is on the 2nd position in terms of market share. Ecuador has an average of 3 million passengers for international flights and 4 million passengers for domestic flights.

➤ Passenger

- Basic Passengers, *passengers that seek for affordable tickets and travel with only bag or small suitcase.*
- Promo Passengers, *passengers that seek for the promotional tickets that LATAM offers and are not members of the LATAM Pass Programme.*
- Light Passengers, *passengers that seek for lightweight travelling, with only one hand luggage.*
- Plus, Passengers, *passengers that seek for travelling as always, having the possibility to choose their seat as well as having up to 2 suitcases in the flight.*
- Top Passengers, *passengers that seek for the most flexible ticket, having the possibility to choose their seat, having up to 2 suitcases in the flight and offering the possibility to make changes.*
- LATAM Pass Programme's members
 - Platinum
 - Gold
 - Black
 - Black Signature

Offer a quality experience to all clients in the different stages of interaction with the brand is a permanent objective of LATAM. This includes careful management since the passenger buys the ticket until his experience on board, considering aspects such as safety, facility of purchase and check-in, punctuality, appearance and cabin comfort, interaction channels and service and entertainment options, including other aspects. Using a transversal vision, the Group operates simultaneously in the

various working dimensions to offer the best products and services and meet the demands of the different profiles and needs.

❖ **Employees and collaborators**

LATAM counts with approximately 41.000 employees worldwide from around 61 different nationalities (Latamairlinesgroup.net 2019). In order to develop a comprehensive list of LATAM's employees, we decided to segment it according to LATAM's regional organization chart, which aims at giving a broad perspective of how LATAM is organized and how each subsidiary is structured. Moreover, we would like to mention in this category two mixed publics that closely related with Employees: The Board of Directors, the BOD's Committee and employee's family members.

• **Executive employees**

- Ceo LATAM, *Enrique Cueto Plaza*
- Clients VP, *Paulo Miranda*
- Finance VP, *Ramiro Alfonsín*
- Commercial VP, *Roberto Alvo*
- Operations and Maintenance VP, *Hernán Pasman*
- Legal VP, *Juan Carlos Menció*
- Human Resources VP, *Emilio del Real*
- *Strategic Planning Regional Director*
- *Digital and IT Regional Director*
- *Security Regional Director*
- *Corporate Affairs Regional Director*

• **Subsidiaries**

○ **Sales Employees: LATAM's Offices**

▪ **Brazil**

• *North*

- *Belém. Aeroporto Internacional Val de Cans*
- *Manaus. Aeroporto Internacional Eduardo Gomes*
- *Porto Velho*
 - *Aeroporto Internacional Jorge Teixeira*
 - *LATAM Travel – Centro. Rua Joaquim Nabuco 2651*

○ *Northwest*

- *Fortaleza*
 - Aeroporto Internacional de Fortaleza - Pinto Martins
 - LATAM Travel - Santos Dumont. Avenida Santos Dummont 2626
- *Imperatriz*
 - Aeroporto de Imperatriz Prefeito Renato Moreira
 - LATAM Travel – Juçara. Rua Paraíba 466
- *Natal.* Aeroporto São Gonçalo do Amarante
- *Salvador.*
 - Aeroporto Internacional Deputado Luís Eduardo Magalhães
 - LATAM Travel - Salvador Shopping. Avenida Tancredo Neves 3133
- *São Luís.* Aeroporto Marechal Cunha Machado
- *Teresina.* Aeroporto de Teresina Senador Petrônio Portella
- *Maceió.* Aeroporto Internacional de Maceió - Zumbi dos Palmares
- *Recife.* Aeroporto Internacional de Recife-Guararapes
- Midwest
 - *Brasilia*
 - Aeroporto Internacional Presidente Juscelino Kubitschek
 - LATAM Travel - Asa Sul. CLS 307 - Bloco C
 - *Campo Grande.*
 - Aeroporto Internacional de Campo Grande
 - GrandeLATAM Travel - Euclides da Cunha. Rua Euclides da Cunha 1133
 - *Cuiabá* - Aeroporto Internacional Marechal Rondon de Cuiabá.
 - *Goiânia.*

- Aeroporto Internacional Santa Genoveva – Goiânia.
 - LATAM Travel - Rio Verde. Rua Nizo Jaime de Gusmão 1192
- Southeast
- *Barueri.* LATAM Travel - Alphaville Alphasquare. Avenida Sagitário, 138
 - *Bragança Paulista.* LATAM Travel - Bragança Garden Shopping. Rodovia Alkindar Monteiro Junqueira, 1013
 - *Campinas.* LATAM Travel – Cambuí. Rua Coronel Quirino 1273
 - *Cotia.* LATAM Travel - Shopping Granja Viana. Rodovia Raposo Tavares Km. 23,5
 - *Indaiatuba.* LATAM Travel - Indaiatuba Centro. Rua 24 de Maio 1044
 - *Jundiaí.* LATAM Travel - Maxi Shopping Jundiaí. Avenida Antonio Frederico Ozanan 6000
 - *Mogi das Cruzes.* LATAM Travel – Mogi. Avenida Vereador Narciso Yague Guimarães 970
 - *Rio de Janeiro.*
 - Aeroporto Internacional Antônio Carlos Jobim (Galeão)
 - LATAM Travel – Copacabana. Rua Nossa Senhora de Copacabana, 680
 - *São José do Rio Preto.* Aeroporto de São José do Rio Preto. Avenida dos Estudantes, 3505.
 - *São Paulo.*
 - Aeroporto de Congonhas.
 - LATAM Travel - Itaim Bibi Rua Joaquim Floriano 251
 - LATAM Travel - Shopping Anália Franco. Avenida Regente Feijo 1739
 - LATAM Travel - Shopping Pátio Paulista
 - *Sete Lagoas.* LATAM Travel – Centro. Rua Jose Duarte de Paiva 376

- *Sorocaba.* LATAM Travel – Vergueiro. Avenida Barão de Tatuí 497
- *Vitória*
 - LATAM Travel - Praia do Canto. Rua João da Cruz, 250
 - Aeroporto de Vitória. Av. Roza Helena Schorling Albuquerque, S/N – Aeroporto
- *Belo Horizonte*
 - Aeroporto Internacional Tancredo Neves
 - LATAM Travel – Savassi. Rua Alagoas 1354
- *South*
 - *Balneário Camboriú.* LATAM Travel - Balneário Shopping. Avenida Santa Catarina, 01
 - *Curitiba.*
 - Aeroporto Internacional Alfonso Pena
 - LATAM Travel - Shopping Muller. Avenida Cândido de Abreu 127
 - *Florianópolis.* Aeroporto Internacional Hercílio Luz
 - *Foz de Iguazú.* Aeroporto Internacional de Foz de Iguazu
 - *Londrina.* Aeroporto de Londrina Governador José Richa
 - *Navegantes.* Aeroporto de Navegantes
 - *Porto Alegre.* Aeroporto Internacional Salgado Filho
- **Chile**
 - *Santiago*
 - Cerrillos. Plaza Oeste. Avda. Américo Vespucio N° 1501, Local BS-108 Boulevard Financiero, Cerrillos.
 - Las Condes. Apumanque. Avda. Manquehue Sur N° 031, Local 20-22, Las Condes.
 - Mall Parque Arauco. Avda. Presidente Kennedy N° 5413, Local 503, 1 nivel, Las Condes.
 - La Florida. Mall Florida Center. Avda. Vicuña Mackenna N° 6100, Local 2089, 2do. Piso, La Florida.

- Providencia. Mall Costanera Center. Avda. Andrés Bello 2425 local 1218
 - Pudahuel. Aeropuerto Internacional Arturo Merino Benítez (SCL)
 - La Reina. Mall Plaza Egaña. Av. Larrain 5862, La Reina. Local S-1044, nivel 0.
- *Iquique*
 - Calle Anibal Pinto. Calle Anibal Pinto 699
- *Antofagasta*
 - Arturo Prat. Calle Arturo Prat 445
- *Viña del Mar*
 - Mall Marina Arauco. Av. Libertad 1348.
- *Isla de Pascua*
 - Atamu Tekena. Av. Atamu Tekena esquina Av. Pont
- *Concepción*
 - Mall Plaza Trébol. Avda. J. Alessandri 3177 Local BS 184-188
- *Temuco*
 - Avenida Alemania. Avenida Alemania 585-B.
- *Punta Arenas*
 - Mall Espacio Urbano. Av. Eduardo Frei Montalva 01110, Nivel 1- local 3
- **Ecuador**
 - *Quito*
 - Aeropuerto Internacional Mariscal Sucre
 - Centro Comercial Quicentro Shopping. Av. Naciones Unidas y Shyris
 - *Guayaquil*
 - Aeropuerto Jose Joaquín de Olmedo. Av. De las Américas.
 - Mall del Sol. Av. J. Orrantia y Av. Tanca Marengo
 - *Cuenca*
 - Bolívar 9-18 y Benigno Malo.
 - *Manta*
 - La Quadra. Plaza comercial La Quadra, Local #6 Vía principal Barbasquillo.
 - *Galápagos*

- Santa Cruz (Puerto Ayora). Av. Charles Darwin
 - **Perú**
 - *Lima*
 - Callao. Aeropuerto Jorge Chávez
 - Cercado de Lima. Centro Comercial Real Plaza / Centro Cívico. Av. Garcilaso de la Vega 1337, Tienda 1001
 - Jesús María. Centro Comercial Real Plaza / Salaverry. Av. Felipe Santiago Salaverry cuadra 24.
 - San Miguel. Centro Comercial Plaza San Miguel. Av. La Marina 2000 Tienda 236-A, 2do piso
 - Surco. Centro Comercial Jockey Plaza. Av. Javier Prado Este 4200 Tienda 202, 2do piso.
 - Surquillo. Centro Comercial Open Plaza Angamos. Av. Tomás Marsano 961, LC 10
 - *Arequipa*
 - Cerro Colorado. Aeropuerto Internacional Alfredo Rodríguez Ballón. Av. Aviación Km. 1, Urb. Zamacola
 - Centro Comercial Mall Plaza Arequipa. Avenida Ejército 793 primer nivel B-1005, Cayma - Arequipa
 - *Cusco*
 - Aeropuerto Internacional Alejandro Velasco Astete
 - Centro Comercial Real Plaza Cusco. Av. Collasuyo Local 2964, 1er piso.
 - Cusco - El Sol (Oficina). AV. El sol 840, Cercado - Cusco
 - **Colombia**
 - There aren't any offices in Colombia.
 - **Argentina**
 - There aren't any offices in Colombia.
- **Operations Employees:** 13.538 total employees (32,4%)
 - Command Crew
 - Cabin crew
 - Aircraft Dispatchers
 - Training Department

o **Management:** 6,966 total employees (16,7%)

- Financial
 - Assistant managers
 - Managers
 - Senior Managers
 - Directors
- Human Resource
 - Assistant managers
 - Managers
 - Senior Managers
 - Directors
- Public Relations
 - Assistant managers
 - Managers
 - Senior Managers
 - Directors
- Marketing
 - Assistant managers
 - Managers
 - Senior Managers
 - Directors
- Legal
 - Assistant managers
 - Managers
 - Senior Managers
 - Directors
- Digital and IT
 - Assistant managers
 - Managers
 - Senior Managers
 - Directors
- Operational Safety
 - Assistant managers
 - Managers
 - Senior Managers

- Directors
- o **Maintenance Employees:** 4.911 total employees (11,8%)
 - Mechanics
 - Technicians
- o **“Supporting Areas”**
 - Ramp personnel
 - Aircraft provisioning
 - Catering
 - Furnishing: pillows, blankets, headphones.
- o **Traffic personnel**
 - Checkin
 - Ticketing
 - Bagage claim
- **Outsourced collaborators**
 - o Fuel company
 - o Intercago: ramp service, towing track, buses, papamovil.

As presented in the organizational chart, the organization counts with a general executive board for the whole holding and then, in each subsidiary, the structure is reproduced. Therefore, LATAM counts with a Commercial Vice President, for example, and LATAM Brasil, Chile, Peru etc have its own commercial director. This repeats with all the areas in the company.

Regarding the geographical distribution of LATAM’s employees, the total number of collaborators (41,729 employees in 2019) are structured in the following way (Latamairlinesgroup.net 2019):

- Brazil: 21,533 employees (51,6%)
- Chile: 10,641 employees (25,5%)
- Peru: 3,965 employees (9,5%)
- Argentina: 2,295 employees (5,5%)
- Colombia: 1,461 employees (3,5%)
- Ecuador: 751 employees (1,8%)
- United States: 251 employees (0,6%)
- Others: 793 employees (1,9%)

As the percentages show, the largest number of employees are in Brazil and Chile, the most important and attractive markets for the company.

Nevertheless, this number of employees changed in the last semester due to the economic consequences of COVID-19 in LATAM's operations. As LATAM Argentina cease operations in the country, more than 1700 employees were fired and in LATAM Brazil at least 2,700 crew members were dismissed (Infobae.com 2020). LATAM Colombia, also recently communicated to its workers about the petition that it formalized before the Ministry of Labor to carry out the collective dismissal of 523 employees (Aviacionnews.com 2020).

The final restructuring of the company will only be seen in a few months or a year, when the company stabilizes and the true impact of the pandemic in LATAM is measured.

The company seeks to offer its employees a value proposal and ensure their attraction and commitment to the organization. To implement LATAM's mission to connect people and destinations, the organization believes that employees are one of the key investments. People management uses structured training practices and professional promotion, as well as an attractive package of benefits, which seeks to align with the transformations of the labor market. The dialogue and the closeness between employees and human resources are fundamental in order to ensure commitment and purpose in the execution of business strategy. Also, there are opportunities for development and career advancement through internal, horizontal and vertical movements as the results to employee's evaluation process. The organization efforts to simplify processes and eliminate duplicate functions and responsibilities through staff turnover. The turnover rate in 2018 reached 14.2% (Latamairlinesgroup.net 2019).

LATAM communicates with employees through the following channels (Latamairlinesgroup.net 2019):

- Internal Communication
- Committees
- Surveys (perception, organizational climate, satisfaction)
- Performance appraisal
- Internal standards and regulations
- LATAM News: weekly instance in the which leaders present to their teams relevant information of the Group.
- Expanded LATAM News: periodic meeting that vice presidents lead to deliver information related to business context
- 1 to 1 Meetings: directed meetings between the employee and the leader, where alignments that strengthen the process of individual development.

- Recognition Platform: allows the leader publicly to acknowledge outstanding behavior of a member of any team. Employees can also recognize colleagues in the area, as well as professionals from other sectors.

❖ Suppliers

In 2019, the supplier network of LATAM was made up of 15.3 thousand providers, from different segments, sizes and countries, the majority, based in South American countries. Of the total of suppliers, 13% are considered critical and represent 41% of the purchasing volume of the Group, which totaled US \$9,203,565,892. The company segments suppliers between technical purchases (products and services directly related to the operation of business) and non-technical purchases (linked to intermediate activities), which include 21 categories of products and services (Latamairlinesgroup.net 2019). For LATAM, technical purchase suppliers have strategic importance in their value chain network, as those are suppliers that provide the company with goods that are difficult to substitute and those whose interruption of the supply may affect LATAM's operations.

➤ **Technical Purchase** suppliers:

- Aircraft manufacturers: Airbus and Boeing
- Aircraft accessories, spares and components: Pratt & Whitney, IAE International Aero Engines AG, Rolls-Royce plc
- Engines: General Electric Commercial Aviation Services Ltd.
- Seats: SICMA
- MRO components: Air France and Lufthansa Technik
- Inflight entertainment: Zodiac Inflight Innovations, Panasonic and Thales.
- Reversers: Goodrich
- Fuel suppliers: Raízen, Petrobras, Air BP Copec, World Fuel Services, AirBP PBF, YPF, Terpel, Repsol, CEPSA and Vitol.

➤ **Non-technical Purchase** suppliers: airport providers, administration, sourcing and catering, infrastructure, hotels and uniforms, marketing, professional services, technology and systems, and ground transportation.

The Group seeks to work with reputable suppliers for sustainable delivery of the material or service awarded. As a result, the company tries to establish proper, transparent and confident relationships with all its suppliers. A matrix identifies the potentially most relevant economic, social and environmental risks in each of the 21 supplier categories. The company tries to ensure the health financial situation of companies, their ethical conduct, compliance with labor and human rights standards, as well as fiscal, sectoral, health and environmental issues (Latamairlinesgroup.net 2019).

Also, LATAM relies on the provider network to identify and develop new solutions for on-board waste management. They introduce a program called "Recycle your Trip" in which the company works together with the providers, who are continually checking the packaging to enable the recycling of 100% of the products offered to passengers (Latamairlinesgroup.net 2019).

The organization created an own supplier portal where each supplier has its account and can check purchase orders, review the queries of tickets and more. Also, LATAM communicates with suppliers through the following channels (Latamairlinesgroup.net 2019):

- Publications (Annual Report and Sustainability Report)
- Satisfaction surveys and improvement groups
- Tender processes
- Call Center
- Report channels
- Web platform

❖ **Community**

LATAM has a "Citizenship Corporate Strategy" which is aimed at building bonds with different communities in the region based in their core business: tourism. Through different programs that are currently active in different countries of South America, such as "I take care of my destiny", "Solidarity Plane", "Flying Cooks" and "A Day in LATAM" the company uses its expertise and its business capacity to generate positive impacts in society and the environment (Latamairlinesgroup.net 2019).

The main focus of LATAM's relationships with the community is through the concept of sustainable tourism: the company works with local communities, public and private entities, organizations and other groups in order to promote social development and conservation. In relation to that focus, we decided to segment LATAM's community based on the relationships that the organization has built over the years with different communities over the region.

➤ **Argentina**

- Piedra del Águila, Neuquén Province.
 - NGO's
 - Asociación Conciencia
 - Fundación Vida Silvestre
 - Local Mentors
 - Secondary Schools

- CPEM N°59
 - CPEM N°32
 - Piedra del Aguila Municipality
 - Neuquén's Tourism Ministry
 - Local entrepreneurs
 - Villa El Chocón
 - Neuquén's Tourism Ministry
 - Local entrepreneurs
 - Strategic Partners
 - Metanoia Consultancy Group
 - Asociación Conciencia
 - Fundación Buena Vida
 - Greener Hotels Programme
 - Argentinian Tourism Hotel Association (AHT).
- Chile
 - Huilo Huilo
 - Strategic Partners
 - Huilo Huilo Foundation
 - Fundación Chilenter
 - Local artists and artisans
 - Local Schools
 - Complejo Educativo Tierra Esperanza
 - Escuela Francisco de Asís
 - Centro de Conservación del Huemul
 - Torres del Paine
 - Torres del Paine National Park
 - NGO AMA Torres del Paine
 - Tores del Paine Legacy Fund
- Perú
 - Jaén, Ayacucho and Jauja
 - Fundación Pachacutec
 - Jauja's Educational Management Unit (UGEL)
 - School Nuestra Señora del Carmén
 - Gastrosalud Institution
 - Pachacamac
 - Strategic Partners

- SISISAN de Pachamac Association
 - KANI Social Enterprise
 - SISISAN female artisans and entrepreneurs
 - SISISAN's artisans families
- Colombia
 - Santa Marta
 - Strategic Partners
 - DirecTV Generation
 - NGO Tras La Perla
 - Nearby Schools
 - Pescaíto neighbourhoods
 - Volunteers
 - Colombianitos Foundation
 - NGO ACDI/VOCA
 - San Andres
 - Strategic Partners
 - Flower Hills School
 - Instituto Industrial
 - Coralina - Corporation for the Sustainable Development of the San Andrés Archipelago
 - Trash Busters
 - Sol Caribe Hotel
 - Tourism Programme of the Gran Colombiano Polytechnic University
 - Local public and private schools
 - Volunteers
 - Governorate of San Andrés
 - Bogotá
 - Local entrepreneurs
 - IDIPRON (Instituto Distrital para la Protección de la Niñez y la Juventud)

❖ Government

LATAM as an international corporation relates with different entities of each national government in which the company operates:

- Executive power:
 - Presidents
 - Argentina: Alberto Fernandez

- Brazil: Jair Bolsonaro
- Chile: Sebastián Piñera
- Colombia: Iván Duque Márquez
- Ecuador: Lenín Moreno
- Peru: Martín Vizcarra
- Ministries of each country
 - Chief of the cabinet of Ministers
 - Transport
 - Economy
 - Safety
 - Employment
 - Tourism
 - Innovation and Technology
 - Environment
 - Infrastructure
- Secretaries: Transportation Planning Secretariat - Regulatory Body of the National Airport System
- Legislative power: national legislators and local legislators
- Airport Authorities

❖ Unions

LATAM has a Network of Unions from all countries in which operates called "LATAM Network Red Sindical" with the support of the International Transport Workers Federation. Nevertheless, some specific unions are (Latamairlinesgroup.net 2019):

- Asociación del Personal Aeronáutico (APA) - Argentina
- Asociación del Personal Técnico Aeronáutico (APTA) - Argentina
- Asociación de Tripulantes de Cabinas de Pasajeros de Empresas Aerocomerciales (Atcpea) - Argentina
- Asociación de Pilotos de Líneas Aéreas (APLA) - Argentina
- Unión de Aviadores de Líneas Aéreas (UALA) - Argentina
- Unión de Personal Superior y Profesional de Empresas Aerocomerciales (UPSA) - Argentina
- Federación Nacional de los Trabajadores en Aviación Civil (Fentac) - Brasil
- Sindicato de Trabajadores de LATAM (SINDILAN) - Chile
- Sindicato Interempresa Nacional de Trabajadores de Latam - Chile
- Sindicato de Tripulantes de Cabina Latam (STCLA) - Chile
- Sindicato Único de Técnicos Aeronáuticos de LAN Perú (SITALANPE) - Perú

❖ Sectoral Organizations

LATAM maintains a permanent dialogue with sectoral organizations and public and regulatory bodies seeking to define strategies and paths that can benefit not only the organization but all aviation industry (Latamairlinesgroup.net 2019).

- JAC Chile (Junta de Aeronáutica Civil)
- Nuevo Pudahuel – Chile
- Municipalidad Isla de Pascua – Chile
- Anac Argentina (Administración Nacional de Aviación Civil)
- Anac Brasil (Agência Nacional de Aviação Civil)
- SAC Brasil (Secretaria Nacional de Aviação Civil)
- Infraero Brasil
- Aerocivil Colômbia (Aeronáutica Civil – Unidad Administrativa Especial)
- Cnac Ecuador (Consejo Nacional de Aviación Civil)
- DGAC Perú (La Dirección General de Aeronáutica Civil)
- IATA (International Air Transport Association)
- ALTA (Latin American and Caribbean Air Transport Association)
- Amcham Chile (American Chamber of Commerce)
- Idea (Instituto para el Desarrollo Empresarial de la Argentina)
- Jurca (Cámara de las Compañías Aéreas en Argentina)
- Abear (Associação Brasileira das Empresas Aéreas)
- Abraba (Aliança Brasileira Para Biocombustíveis de Aviação)
- Atac (Asociación del Transporte Aéreo en Colombia)
- Arlae (Asociación de Representantes de Líneas Aéreas en el Ecuador)
- Aetai Perú (Asociación de Empresas de Transporte Aéreo Internacional)

LATAM communicates with public and regulatory agencies through the following channels (Latamairlinesgroup.net 2019):

- Publications (Annual Report and Sustainability Report)
- Meetings and working groups
- Reports
- Websites and social networks
- Press releases
- Email and telephone contacts
- Compliance Programme

❖ International Organizations

Over the years, LATAM has built a relationship with different aviation international organization:

- OneWorld Alliance
- Skytrax
- Cirium

❖ **Competitors**

The organization has multiple bilateral agreements that improve cooperation with the different market players. To do so, LATAM has fluent communication and negotiation with competition. The company has bilateral agreements with the following companies (Latamairlinesgroup.net 2019):

- British Airways
- Iberia
- Qantas
- Swiss
- Qatar Airways
- Cathay Pacific
- Japan Airlines
- ANA
- Lufthansa

According to the different regions in which LATAM operates, we can find different competitors.

Within South America, LATAM's direct competitors are:

- Avianca
- GOL
- Aerolineas Argentinas
- SKY
- Azul
- JetSmart

❖ **Media**

As a global organization, LATAM establishes different channels of communication and permanent bonding with the media of each country in which it operates. The company performs coordinated, transparent and defined actions in order to achieve articulated and reliable relationships (Latamairlinesgroup.net 2019).

LATAM relates and provides information to traditional media especially with graphic and digital media, news agencies, industry specific media and journalists, travel bloggers and influencers with a lifestyle that matches with the company profile.

In effect, the Group has a press room in its website where journalist or press media, can access to the company's update releases, declarations and email contact.

Also, LATAM establishes a relationship with communication media through (Latamairlinesgroup.net 2019):

- Interviews (individual or press conferences) and disclosure events
- Press releases
- Social networks
- Fam and press
- Visits to maintenance base
- Telephone and email

Print media

- Newspaper: newspapers with the most circulation in the most important city of each country
 - o Argentina - Buenos Aires
 - Clarín (210,770 copies average weekly – June 2020)
 - La Nación (81,408 copies average weekly – March 2020)
 - El País (25,782 copies average weekly – June 2020)
 - o Brasil
 - Veja (1.111.968 copies average weekly 2018)
 - Época (340.195 copies average weekly 2018)
 - Isto É (300.000 copies average weekly 2018)
 - o Chile - Santiago de Chile
 - El Mercurio (123.687 copies average weekly 2018)
 - Las Últimas Noticias (93.271 copies average weekly 2018)
 - La Tercera (77.478 copies average weekly 2018)
 - o Colombia
 - Q'Hubo (450,000 copies average weekly)
 - ADN (370.000 copies average weekly)
 - El tiempo (230,000 copies average weekly)
 - o Ecuador
 - El Comercio (142,642 copies average weekly)
 - El Universo
 - Metro Ecuador
 - o Paraguay
 - ABC Color (37.620 copies weekly)

- Última Hora (16.161 copies weekly)
 - La Nación (2.951 copies weekly)
- o Perú - Lima
 - El Trome (2.655.328 copies average weekly)
 - Ojo (815,577 copies average weekly)
 - El Comercio (410,069 copies average weekly)
- Industry specific magazines
 - o Avion Revue Internacional (24 releases per year)
 - o Airlines.Magazine - IATA (6 releases per year)

Audiovisual Media

- Tv Programmes: 3 most important tv programmes according audience share
 - o Argentina
 - TN - Todo Noticias (22,6% audience share)
 - Telefe News (15,1%)
 - América TV (8,7%)
 - Tv Pública (2%)
 - o Brasil
 - Red Globo (36,9%)
 - SBT (14,9%)
 - Record TV (14,7%)
 - o Chile
 - MEGA News (29%)
 - ChileVisión News (28%)
 - Canal 13 News (24%)
 - o Colombia
 - Canal Caracol (42%)
 - Canal RCN (29,62%)
 - City TV (13%)
 - o Ecuador
 - Televistazo (14,20%)
 - Enlace Nacional (13%)
 - El Noticiero (12,5%)
 - o Paraguay
 - Telefuturo - Día a Día (20,76%)
 - SNT-C9 - La Mañana de Cada día (15,09%)

- LaTele - Noticias Paraguay (11,72%)
 - o Perú
 - América Televisión (22,98%)
 - Latina (16,38%)
 - ATV (10,84%)
- Radio programmes: 3 most important radio programmes according audience share
 - o Argentina- Buenos Aires
 - Radio Mitre - Cada Mañana (19,5% audience share)
 - Radio 10 - Mañana Sylvestre (14,6%)
 - Continental - Buen día Continental (12,4%)
 - o Brasil
 - Rede Jovem Pan - Jornal da manhã (5,5%)
 - Rede Gaúcha Sat - Gaúcha Hoje (5%)
 - Rede Ban FM - Ban Bom Dia(3,7%)
 - o Chile - Santiago de Chile
 - Corazón FM - El vacilón matinal de la Corazón (9%)
 - Radio Imagina - Panorama Imagina (7,8%)
 - BioBio La Radio (6,1%)
 - o Colombia
 - Olímpica Stereo - Temprano es más bacano (21%)
 - Caracol Radio - 6AM Hoy por Hoy (13%)
 - RCN La Radio - RCN Noticias (6,12%)
 - o Ecuador- Quito
 - Francisco Stereo - Pulso Informativo
 - Radio Quito - Noticiero Ecuadoradio
 - Radio Canela - Radiación Temprana
 - o Paraguay - Asunción
 - ABC Cardinal - La Primera Mañana
 - Radio Farra - Salvando la Mañana
 - Radio Uno - La Mañana de Uno
 - o Perú
 - RPP (6.298 average weekly audience)
 - La Karibeña (3.996 average weekly audience)
 - Moda (3.746 average weekly audience)

Digital Media

- Digital Newspapers

- o Argentina
 - Infobae (1.39% of digital audience)
 - Clarin.com (0,97% of digital audience)
 - LaNación.com.ar (0,69% digital audience)
- o Brasil
 - Globo.com (8,027,644 visits monthly)
 - UOL (5,632,303 visits monthly)
 - Portal Abril (1,005,306 visits monthly)
- o Chile
 - Emol.com (27% of market weekly visits)
 - Biobiochile online (26% of market weekly visits)
 - ahoranoticias.cl (23% of market weekly visits)
- o Colombia
 - Pulzo.com (20,448,752 visits monthly)
 - Canalrcn.com (18,970,123 visits monthly)
 - Minuto30.com (18,600,000 visits monthly)
- o Ecuador
 - Elcomercio.com (10,900,000 visits monthly)
 - Eluniverso.com (7,747,407 visits monthly)
 - Ecuavisa.com (3,700,000 visits monthly)
- o Paraguay
 - Abc.com.py (12,665,484 visits monthly)
 - Paraguay.com (2,480,000 visits monthly)
 - Ultimahora.com (1,900,000 visits monthly)
- o Perú
 - Elcomercio.pe (20.900.000 visits monthly)
 - Rpp.pe (11.900.000 visits weekly)
 - Peru.com (11.400.000 visits weekly)
- Online Aviation Magazines: aviation online magazines who released publications on LATAM
 - o Aviación Digital
 - o Aviaciónonline.com
 - o AviationPros.com
 - o Aviation Today
 - o Avión Revue
 - o Airline92.com

- o Airlines.IATA.com
- o Air Cargo News
- o ALN News - IATA Publication
- o Business Traveller
- o FlightGlobal
- o Hispaviación
- o Panrotas.com.br
- o SimpleFlying.com
- o Travel Weekly
- o Vadeaviones.com

LATAM contracted “*Lemmonet*” a marketing and publicity agency in order to related with influencers with the objective to increase brand awareness in Latin America. The influencers’ platform allows LATAM to collaborate with influencers on multiple verticals, amplifying product launches and driving ticket sales.

- Influencers or content producers:
 - o @memebouquet - Argentina
 - o @merakio - Argentina
 - o @natyfranz - Argentina
 - o Anitta - Brasil
 - o @nocedanielle - Brasil
 - o @belen_soto - Chile
 - o @ladanicastror - Chile
 - o Benjamín Vicuña - Chile
 - o @nitanzorrón - Chile
 - o @andreagudelo - Colombia
 - o @danidonado - Colombia
 - o @felipezuluagac7 - Colombia
 - o @tutivargas - Colombia
 - o @barbaranajas - Ecuador
 - o @andreswiese_r - Perú
 - o Alejandra Chavez - Perú
 - o @jorgetalaveraca - Perú
- Travel bloggers
 - o @lulufernandez - Argentina
 - o @aventureiros - Brasil

- o @rociotoscanoactriz - Chile
- o @vale_caballero - Chile
- o @pchujoy - Perú
- o @viajeros_360 - Uruguay
- Travel photographers
 - o @jacktheartist - Argentina
 - o @diegoweisz - Argentina
 - o @matitorres - Chile

News Agencies

- o BBC en español - Internacional
- o Reuters - Internacional
- o Agencias Nova - Argentina
- o Latin America News Agency - Argentina
- o Télam - Argentina
- o Agência Brasil – Brasil
- o ANDINA - Perú

3.4.2 Public Inventory

According to Grunig and Hunt's **Linkage Model** we can segment LATAM's stakeholders regarding each public's relationship with the organization.

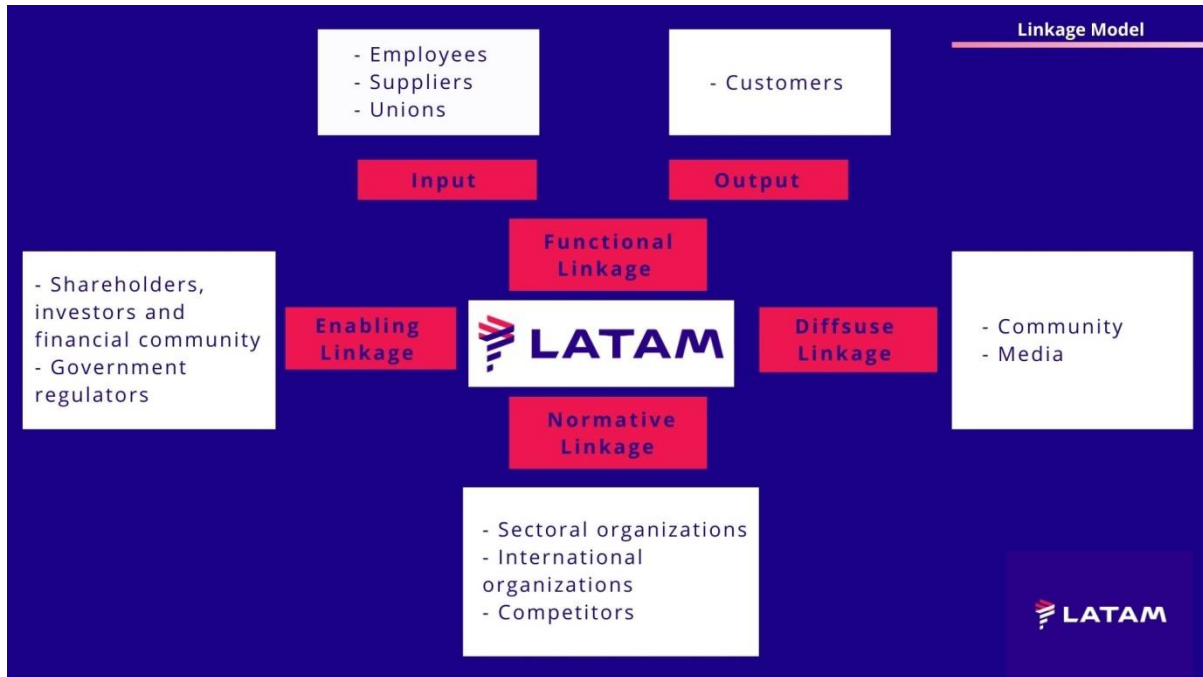
To start, **enabling stakeholders** are those who have some control and authority over the organization and enable it to exist. LATAM's enabling linkage include shareholders, investors, and the financial community and government regulators which are fundamental for the airline to operate.

Functional stakeholders are those essential for LATAM to operate and carry out its activity. Publics are divided between **input**, those who provide labor and resources to the airline to success such as employees, suppliers and unions; and **output**, those who receive the service, in this case customers.

Diffuse stakeholders are those publics who do not have frequent interaction with the organization and involved with it in special occasions like crisis. These linkages include media and community and other special interest groups.

Lastly, **normative stakeholders** are associations or groups with which LATAM has a common interest. In this case, sectorial and international organizations and the competition share similar values, interests, or problems regarding the aviation industry.

In the following graph we have included LATAM's stakeholder segmentation according to the Linkage Model.



3.4.3 Public Segmentation

Also, LATAM's stakeholders can be segmented according to the **Situational Theory** form Grunig and add Hallahan's modifications. Both the Situational theory (Grunig & Hunt 1984) and Five Public theory (Hallahan 2000) are used to prioritize stakeholders according to their situation in terms of awareness, involvement and knowledge. Stakeholders then fall into categories: active, aware, arouse, inactive or non-public.

Active stakeholders will have more priority over aware, aroused, and inactive publics because their urgency is greater. These publics are highly involved with the organization and knowledgeable of it. The fact that they are knowledgeable is a risk for any organization as any issue related to active stakeholders could put them into spotlight. We have identified different LATAM's publics that belong to this category: Investors, Shareholders, Employees and Unions. These publics have high levels of involvement with LATAM due to the impact that the company's operation has in them, and they also have high levels of knowledge due to being part of the organization itself.

Aware Stakeholders are publics that are highly knowledgeable of the organization but barely involved. In this category we were able to identify several LATAM's publics, such as sectorial organizations, international organizations, and media. The publics mentioned have a great deal of information on the organization due to the organization's diverse interests in them. For example, LATAM is involved in many sectorial organizations and international associations in order to define

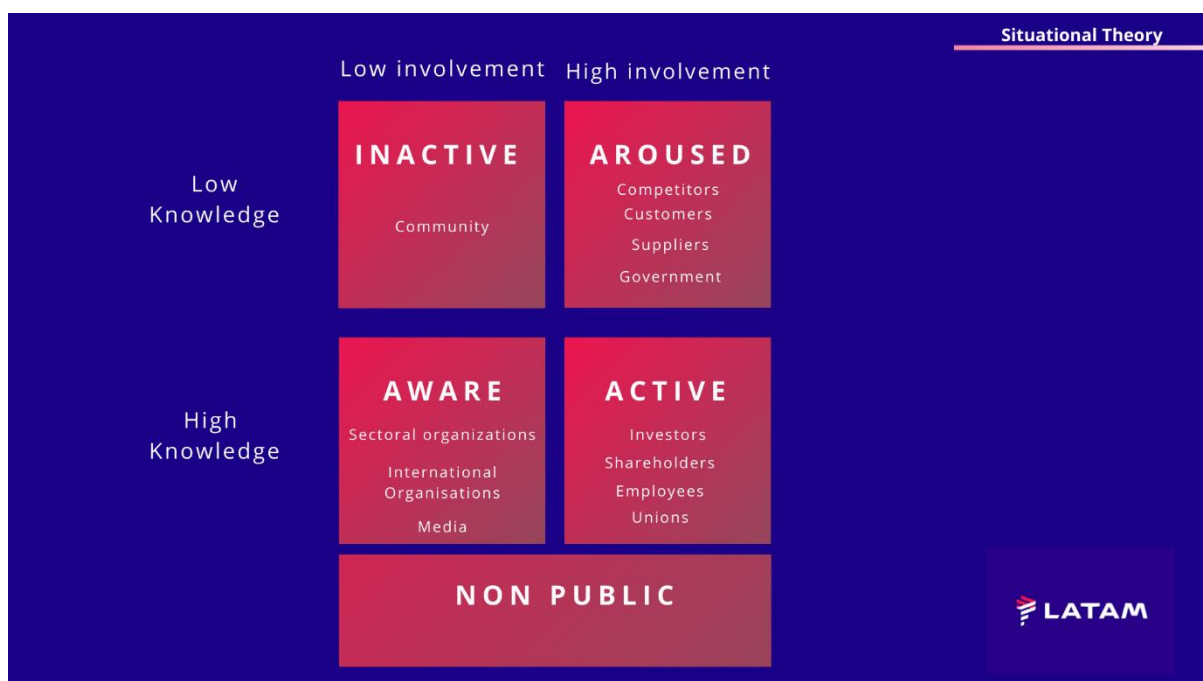
strategies and paths that can benefit not only the organization but all aviation industry. On the other hand, the company is also related with Media in order to convey their key messages and communicate the organization's recent news overall. However, as this publics are not internal publics of LATAM, it's possible to affirm that they are not highly affected or involved in their operations.

Aroused Stakeholders are publics that are highly involved with the organization but not really knowledgeable. In this third category we were able to identify diverse LATAM's publics, such as competitors, consumers, suppliers and the government. These publics don't have a great deal of information on LATAM. However, all of them are highly involved with the group: some of them could be affected by the organization's operations - such as Competitors and Consumers - and some other can directly affect LATAM's operations with their decisions - such as Government's policies and regulations and Suppliers operations-.

Inactive Stakeholders have both low knowledge and involvement with the company. In this category, we were able to identify all the publics that are categorized as Community, as they do not have real access to LATAM's information, and they may not have a deep involvement with the organization at all.

Lastly, **Non-publics** are defined as stakeholders that have neither knowledge nor involvement. In this category we were not able to find any publics due to the relevance of LATAM's operations and involvement with every key stakeholder.

In order to visualize the exact positions on the Hallahan's and Grunig & Hunt mixed model we have developed the following graph.



3.4.4 Public Prioritization

Managing relationships with stakeholders requires not only identifying and segmenting them but determining where they are positioned with respect to the organization. In order to prioritize publics, we are going to develop our own and specific model that adapts to the needs and qualities of LATAM's target audiences. We consider this model is extremely useful as it will help us establish the priority that LATAM should give to each of its publics according to its statute for the organization. The results of the following prioritization model will determine the most important audiences for LATAM and highlight those publics that are fundamental for our communication plan.

To start, the LATAM model will encompass certain characteristics of the Salience Model developed by Ronald Mitchell, Bradley Agle and Donna Wood (1997). With this model the authors identified that the salience of stakeholders depended on the perception of three key attributes: their power, its legitimacy and urgency.

Stakeholders have power when they can influence organizational decisions and when they can force an organization to do something that it wouldn't have done otherwise. Public power can be coercive, based on the use of physical force, violence, or prohibition; utilitarian, based on the use of material or financial resources or normative, based on the use of symbolic resources (Mitchell, Agle, Wood 1997). In LATAM's case, as it is a multinational and complex company there are many publics which have power over the organization and affect the course of the business strategy.

On the other hand, stakeholders with legitimacy are those who have a legal, moral or claim that influences the organization's behavior, direction, process or outcome. Stakeholders establish a link with the organization and contribute resources in it, being legitimate because, in return, they expect (and can demand) a certain behavior (Mitchell, Agle, Wood 1997). The authors define the power and legitimacy as core attributes, and their combination constitutes authority. As LATAM affects and is affected by many audiences, we consider of highly importance to determine the legitimacy of each public, if they have, so as to identify the importance of that public to the organization.

Finally, stakeholders have urgency when two situations arise: when stakeholder demands require immediate attention and when they are critical. Given the complex context in which LATAM is operating, identify stakeholders with high or low urgency allow the organization to classify and prioritize its responses and actions. This point is important as urgent publics tend to attract the attention of other publics and can affect the image of the company. Nevertheless, according to the theory, urgency alone cannot determine the hierarchy of a stakeholder.

Moreover, in order to further adapt the previously explained model to LATAM, we decided to prioritize LATAM's stakeholders according to the impact they have on LATAM. Considering the

nature of the business and the global breadth of the company, we consider it of great importance to segment all the public of the company according to the consequences that they cause in it. The incorporation of these elements into LATAM's public prioritization model is crucial, as the different types of impacts are closely related to some of the most important complexities related to the airline industry.

Public's impact can be divided on three: those stakeholders who have an economic impact on LATAM and affect some financial aspect of the company; those stakeholders who affect the daily operational activity of LATAM, and those stakeholders which have less impact on the activity of the company but with their actions may affect the reputation of LATAM.

In relation to the economic impact, despite airline companies becoming increasingly financially reliable, investors still see the industry as risky. For this reason, it is crucial for communicators to understand the importance of sales, and in turn, their monetary impact on the airline. This is the reason why we believe that understanding which publics an economic impact on LATAM can have is crucial.

Regarding the operational impact, we decided to include it due to high levels of complexity and regulations that the industry is characterized for. Understanding rules, laws and regulations, as well as which publics might affect the accomplishment of those norms is fundamental as well.

Lastly, we decided to incorporate the reputational impact, due to the intensities of crises and threats that permanent affect the airline industry. For airlines, crises range from all erroneous responses and scandals, in addition to tragedies that not only result in decreased trust, but lives lost. Having a clear identification of which publics may have an impact over LATAM's reputation is crucial to understand their perceptions and build relationships based on trust and transparency.

In the following chart we can observe each public's prioritization according to the model developed above:

Publics	Public's Prioritization					
	Atributes			Impact		
	Power	Legitimacy	Urgency	Economic Power	Operational Power	Reputational Power
Shareholders	X	X	X	X		
Customers	X	X		X		X
Employees		X		X	X	X
Suppliers	X			X		
Community			X	X	X	X
Government	X	X			X	
Unions	X	X				
Sectoral Organizations						X
International Organizations	X					X
Competitors					X	
Media		X	X			X

Considering the crisis that LATAM is going through, we will carry out a specific segmentation of the media since it is a strategic public for the company when it comes to relating with other audiences affected by this crisis. Media has been a crucial public when communicating and informing the actions the organization has and continues to carry out.

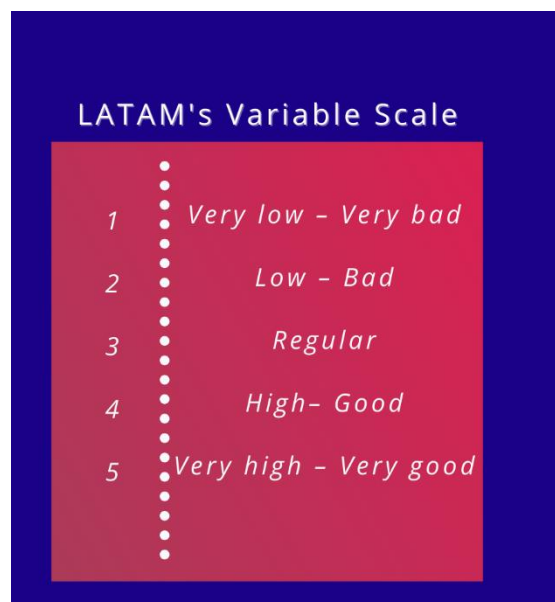
In the case of Argentina, the employees and customers found out of the company's shutdown through the news. Despite not being the company's intention, the media was the source of first-hand information for most of LATAM'S key actors and turned to be the "voice" of the company until the decision was officially communicated. In a few minutes, the issue was covered by most of the country's media, to a lesser or greater extent, generating an incredible stir of opinions about the company.

For this reason, we consider of great importance to define both in a quantitative and qualitative way how much importance do each specific media has over in relation to this situation. In order to segment the different media according to the following variables:

- *Media coverage of the crisis as consequences of COVID-19.* This variable aims at evaluating the type of coverage that each specific media did over the topic, on a scale from Very Bad and Negative coverage to a Very positive one.
- *Reputational impact of the specific media in the company.* This second variable would consider the degree to which each media is able to damage LATAM's reputation in relation to the segmentation variables previously used in our Segmentation (media share).

- *Relevance of the media for the company.* In this third variable we would aim at defining the relevance of each media according to both the media share and the position taken by the media in relation to the situation.
- *The capacity of the media in influencing the public opinion.* This fourth variable is aimed at defining the degree to which each media can impact in public opinion.
- *Capacity of the media to reproduce LATAM's strategic messages.* The last variable is related to the extent to which each media has a positive approach to the organization and has a positive view in relation to LATAM's situation nowadays.


The scale used for all the variables would be the following:



Each media will have a total score and according the range of scores in which it finds, its status will be defined. The idea behind this total is to demonstrate the need of understanding which type of media are the most relevant for LATAM, as well as which are publics that have a positive perspective over the situation or a negative one.

- Printed Media

Publics		Public's Prioritization					TOTAL
		COVID-19 Crisis Coverage	Reputational Impact	Relevance of Media for LATAM	Influence Capacity on Public Opinion	Diffusion Capacity of LATAM Key Messages	
Printed Media	NEWSPAPERS						
	<i>Clarín</i>	5	4	4	4	4	21
	<i>La Nación</i>	4	4	4	4	4	20
	<i>Diario Perfil</i>	2	3	3	3	2	13
	INDUSTRY MAGAZINES						
	<i>Avión Revenue International</i>	1	1	1	1	2	6
<i>Airlines Magazine IATA</i>	2	1	2	1	3	9	



- Audio-visual Media

Publics		Public's Prioritization					TOTAL
		COVID-19 Crisis Coverage	Reputational Impact	Relevance of Media for LATAM	Influence Capacity on Public Opinion	Diffusion Capacity of LATAM Key Messages	
Audiovisual Media	TV PROGRAMMES						
	<i>TN Todo Noticias</i>	5	5	4	4	2	20
	<i>Telefé Noticias</i>	4	4	4	4	4	20
	<i>TV Pública</i>	2	3	2	3	1	11
	<i>LN+</i>	5	5	5	2	3	17
	RADIO PROGRAMMES						
	<i>Radio Mitre - Cada Mañana</i>	5	5	4	4	4	22
	<i>Radio 10 - Mañanas</i>	2	3	3	4	2	14
	<i>Sylvestres</i>						
	<i>Radio Continental - Buen Día Continental</i>	3	3	3	3	2	14

- **Digital Media**

Publics		Public's Prioritization					TOTAL
		COVID-19 Crisis Coverage	Reputational Impact	Relevance of Media for LATAM	Influence Capacity on Public Opinion	Diffusion Capacity of LATAM Key Messages	
Digital Media	DIGITAL NEWSPAPERS						
	<i>Infobae</i>	5	5	5	4	4	23
	<i>Clarín.com</i>	5	5	4	4	3	21
	<i>LaNación.com</i>	5	4	4	4	3	20
	ONLINE INDUSTRY MAGAZINES						
	<i>Aviación Digital</i>	1	1	1	1	2	6
<i>Aviación Online</i>	4	2	2	1	2	11	
<i>ALN News</i>	5	2	3	2	3	15	

The results of our analysis have led to different key insights. The first one is that both physical and digital newspaper are the ones that have the most strategic importance for the company. Given the public relevance of the topic, newspapers made an extensive coverage about LATAM's withdrawal of Argentina's operations providing information about its causes, its consequences and analysing the impact of the company's decision.

Another aspect that we found relevant is the fact that the LATAM crisis is a very relevant topic for many publics of LATAM, but specially LATAM's customers that have already bought tickets and are unaware and worried of the outcomes of this situation. Printed and digital media provide a support for people to go back and look for this type of information, whereas audio-visual media don't. Moreover, their circulation is far more massive than Industry Magazines.

Also, newspapers, as traditional media, have more power of influence in the public opinion as they are sources for other types of media, and they allow to reproduce in a more objective and precise way the key messages of LATAM given that the information is written.

The information that these newspapers provided about LATAM's exit from the Argentinean country also impact the way in which the general public see and think about this topic. Considering that the closure of operations of a company of the magnitude of LATAM has a very negative impact on the country, the information provided by the print and digital newspapers with higher circulation will influence the image that these publics create about the company.

Therefore, we consider LATAM should establish a good relationship through constant communication with the print and digital newspapers as they are crucial for the positive impact of the company's actions on the rest of the publics.

4. Problem Statement

4.1 Issue analysis

In order to comprehensively address all the scopes of the public relations themes, we will analyze those PR issues that affect all audiences of the organization. We decided to develop a list of issues according the issue itself, the area to whom it belongs (Social, Corporate and Business, Operational, Political, Economic, Ecological), the stage of that issue in the Issues Life Cycle, the publics that are affected, the issue's impact on LATAM as well as what are the actions that the company is taking in regarding that issue.

Issue n° 1	LATAM's business could be affected due to deterioration in the aviation caused by exogenous events that affect travel behavior or increase costs, such as the outbreak of any disease, weather conditions and catastrophes natural, wars or terrorist attacks.
Category	Corporate, Business and Social
Life Cycle	Actual
Publics affected	Shareholders, Customers, Employees, Suppliers, Media
Impact	The demand for air transport is impacted by events such as adverse weather conditions or natural catastrophes, disease outbreaks and pandemics such as the current Coronavirus, terrorist attacks, war or instability political and social. Situations like these in one or more of the markets where LATAM operates have a significant impact on their business, financial situation and the results of operations. This is a current problem for the company that has affected LATAM's operations and continuity globally.
LATAM's Actions	In each situation, LATAM only makes flights as long as they have the authorizations of the respective governments and aeronautical organizations involved, respecting all measures and rules established by these institutions.

Issue n° 2	Breaking strategic alliances that directly affect the core business.
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Category	Corporate & Operational
Life Cycle	Potential Stage
Public Affected	Shareholders, Unions, Sectoral and International organizations, Competitors
Impact	If any LATAM's strategic alliances or business relationships deteriorates or if any agreement is over, the business, financial situation and operating results could be adversely affected.
LATAM's Actions	Deep understanding within the organization that financial and operational results can be affected if any commercial relationship or strategic alliance is deteriorated.

Issue n° 3	Changes in the regulatory environment in countries where LATAM operates.
Category	Corporate and Business
Life Cycle	Emergent
Publics affected	Shareholders, Employees, Suppliers, Government, Unions, Sectoral and International organizations, Competitors.
Impact	LATAM's business, financial condition, operational results and price of preferred shares are affected by changes in policy or regulations at federal, state or municipal level in the countries the company operates.
LATAM's Action	In order to establish positive relations with government and regulatory agencies LATAM communicates continually providing information through: <ul style="list-style-type: none"> • Publications (Annual Report and Sustainability Report) • Meetings and working groups • Reports • Websites and social networks • Press releases • Email and telephone contacts • Compliance Program

Issue n° 4	High levels of competition in the airline industry.
Category	Corporate
Life Cycle	Actual

Publics affected	Shareholders, Suppliers, Sectoral and international organizations, Competition.
Impact	New or existing airlines could enter LATAM's market and compete primarily on levels of rates, frequency and reliability of service, brand recognition, passenger amenities (such as frequent flyer programs) and availability and convenience of other passenger services or load.
LATAM's Action	LATAM has multiple bilateral agreements that improves cooperation with the different market players and establishes fluent communication and negotiation with competition.

Issue n° 5	Instability and political unrest in Latin America
Category	Corporate and Business
Life Cycle	Actual
Publics affected	Shareholders and financial community, Suppliers, Government, Unions, Employees
Impact	LATAM is subject to a wide range of risks associated with its operations in Latin America: unstable political or social conditions, lack of well-established and reliable legal systems, exchange controls and other limits on ability to repatriate their profits, changing legal or regulatory requirements.
LATAM's Action	Given the various political and social conflicts that occurred Latin America in past years, LATAM took a series of measures to lessen the impact on their passengers and business, like refunds, flight and frequency changes in countries with higher conflicts.

Issue n° 6	High levels of dependence on two main suppliers: Boeing and Airbus
Category	Corporate and Business
Life Cycle	Potential
Publics affected	Suppliers, Competition

Impact	<p>To December 31, 2019, LATAM Airlines Group accounts with a fleet of 263 Airbus and 79 Boeing aircraft. Risks related to Airbus and Boeing include:</p> <ul style="list-style-type: none"> • Failure or inability to obtain on time aircraft, parts or related support services of part of Airbus or Boeing, due to high demand, delays in aircraft deliveries or other factors. • Interruption of fleet service due to lack of unscheduled or unscheduled maintenance needs anticipated for these planes. • Adverse public perception of a manufacturer due to security issues, negative publicity or other problems, real or perceived, or in the event of an accident.
LATAM's Actions	<p>The incidence of one or more of these factors could limit LATAM's ability to use planes to generate profits, respond to higher demand gives or otherwise limits their operations and adversely affect the business. In order to avoid that, The Group seeks to establish proper, transparent and confident relationships with all its suppliers.</p> <p>The organization created an own supplier portal where each supplier has its account and can check purchase orders, review the queries of tickets and more. Also, LATAM communicates with suppliers through the following channels:</p> <ul style="list-style-type: none"> • Publications (Annual Report and Sustainability Report) • Satisfaction surveys and improvement groups • Tender processes • Call Center • Report channels • Web platform

Issue n° 7	Collective actions by employees could cause operational disruptions and impact adversely LATAM's business.
Category	Corporate and Business, Operational
Life Cycle	Potential
Publics affected	Employees, Unions, Government, Media
Impact	The actions perpetrated by these groups, such as strikes, abandonment of functions (walk-outs) or stoppages could seriously affect LATAM's operations and adversely agree on their operational performance and financial, as well as LATAM's image.

LATAM's Actions	<p>The company seeks to offer its employees a value proposal and ensure their attraction and commitment to the organization. As for employees that work on LATAM's corporate operations, the company set salaries according each country's laws, employees receive diverse non-financial compensations such as confirmed tickets, discounts for tickets, short Fridays, home office once a week, and jeans days.</p> <p>Also, there are opportunities for development and career advancement through internal, horizontal and vertical movements as the results to employee's evaluation process. Moreover, there is a huge monetary and time investment in professional and behavioral training in order to support employees.</p> <p>LATAM communicates with employees through the following channels:</p> <ul style="list-style-type: none"> • Internal communication • Periodic meetings (Breakfast with executives and LATAM News) • Committees and extended committees • Surveys (perception, organizational climate, satisfaction) • Performance appraisal • Internal standards and regulations <p>Regarding the operational workers, that are often group in the Airline Union, the company communicates through the intranet and corporate email in a daily basis.</p>
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Issue n° 8	Some of LATAM's competitors have external support, which could affect their position before the competition.
Category	Corporate and Business, Political
Life Cycle	Current
Publics affected	Shareholders, Competition, Government
Impact	<p>Competitors could count with external sources of support, such as their governments, which are not available for LATAM. This support could include, among others, subsidies, financial support or tax exemptions. Competition's benefits could put LATAM at a disadvantage before them and adversely affect their operations and financial performance.</p> <p>For example, <i>Aerolíneas Argentinas</i> has had historically a strong government subsidy.</p>

LATAM's Actions	<p>LATAM maintains a permanent dialogue with sectoral organizations and public and regulatory bodies seeking to define strategies and paths that can benefit not only the organization, but all aviation. LATAM communicates with public and regulatory agencies through the following channels:</p> <ul style="list-style-type: none"> • Publications (Annual Report and Sustainability Report) • Meetings and working groups • Reports • Websites and social networks • Press releases • Email and telephone contacts • Compliance Program <p>Moreover, the Group participates through memberships in representative entities that promote strategic debate initiatives and joint construction of solutions and collaborates in the discussion of public policies and regulations that affect the sector.</p>
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Issue n° 9	LATAM's main shareholders could have interests that differ from those of other shareholders.
Category	Corporate and Business, Economic
Life Cycle	Potential
Publics affected	Shareholders
Impact	As LATAM has different Groups of Investors there is a risk that some groups have interests that align with those of majority shareholders, but they differ from other shareholders.

LATAM's Action	<p>LATAM's interaction with its shareholders and other players of the capitals market is permanent. The dialogue and relationships of the LATAM Group with all categories of shareholders, institutional and private investors, financial analysts, market agents and, in general, with the financial community, is supported with transparency, respect for principles of accuracy, promptness and equal access to information, assuming the favor of a correct evaluation of the assets of the LATAM Group.</p> <p>The organization has a special "Investors Relations website" which contains updated financial information, like quarterly results, and other data, such as detail of the corporate governance structure.</p> <p>LATAM communicates with investors and shareholders through the following channels:</p> <ul style="list-style-type: none"> • Website • Publications (Annual Report and Sustainability Report, specific studies and reports) • Investors website: Form 20 F, Presentation of quarterly results • Conference calls • Periodic meetings • Email
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Issue n° 10	Increased public's concern about emissions generated during air travel.
Category	Ecological, Operational
Life Cycle	Emerging
Publics affected	Customers, Community, Media, Suppliers
Impact	<p>This issue may have a great impact on the organization since consumers might choose or prefer other means on transport, or even decide to turn against the company. Some of the key topics that are involved in this issue are:</p> <ul style="list-style-type: none"> • Efficient use of fossil fuels • Development support of biofuels • Reduction compensation of greenhouse gas emission

LATAM's Actions	<p>Commitment to good performance environmental is an increasing factor relevant in the relationship with customers and society in general, and LATAM is aware of that. For LATAM, being sustainable means connecting its passengers with their destinations on the five continents, maintaining a balance between economic development, social progress and environmental protection, creating value for all your stakeholders. That commitment translates into concrete initiatives, covered by the sustainability strategy of the Group, <i>Together, more sustainable</i>, which guides the ton of business from the integrated vision between the economic, social and environmental spheres.</p> <p>Some of the milestones that LATAM have achieved and communicates as core part of their business are:</p> <ul style="list-style-type: none"> • 1% of reduction of the footprint carbon net total in comparison with 2012. • Save of 60.6 million gallons of fuel • 14% more efficient in use fuel in comparison with 2012. • 2% less emissions CO2e per passenger transported. <p>Moreover, in 2019, for the sixth consecutive year, LATAM Airlines Group was chosen as one of the three airline World's most sustainable lines by category World, the most important in the Sustainability Index of Dow Jones.</p>
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Issue n° 11	Increased public's concern about cabin waste generated during air travel
Category	Ecological, Operational
Life Cycle	Emerging
Publics affected	Customers, Community, Media, Suppliers
Impact	This issue may have a great impact on the organization due to the fact that the ecological aspect is currently on the eye of customers, and it might make them prefer another more sustainable company, or even decide to turn against it.

LATAM's Actions	LATAM Chile launched officially <i>Recycle your Trip</i> in July 2019. The program consists of recycling of packs of products marketed by <i>Mercado LATAM</i> , which sells 30 food and beverage options at affordable prices on domestic flights from LATAM Chile, LATAM Colombia, LATAM Ecuador and LATAM Perú. About 40% of packaging is recyclable, according to the study carried out by the Group. In 2019, more than 20 tons of waste were recycled in LATAM Chile. By 2020, more are projected 55 tons in Chile alone, together with the launch to the program in Argentina, Colombia, Ecuador and Peru. In 2021, the initiative will be extended to Brazil.
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Issue n° 12	Punctuality depends on coordination of various equipment: airport care, supply, luggage dispatch, cleaning and crew. The delay in any of these factors affects the entire flight schedule.
Category	Operational
Life Cycle	Actual
Publics Affected	Customers, Employees, Suppliers
Impact	For passengers, the arrival time guarantee of a flight is essential and a decisive factor in satisfaction.
LATAM's Actions	<p>LATAM adopted a monitoring model daily, which directly involves management and teams, with prompt identification and correction of risks and deviations in schedules. The company improve in aspects like:</p> <ul style="list-style-type: none"> • Adjustment of itineraries to define the best one's schedules and minimize the risk of delays, particularly in saturated airports • Coordination between the check-in teams, boarding and ground handling to ensure agility throughout the process flow • Review of procedures to streamline stages of closing the airplane doors, communications with the control tower and accommodation of hand luggage, among others • Assignment of crews on flights consecutive short duration, no need team rotation.

Issue n° 13	Be perceived as a non-safety company.
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Category	Corporate and social
Life Cycle	Potential
Publics affected	Customers, Suppliers, Employees, Media, Government
Impact	Passenger, employees, communities and operating infrastructure safety is the number one priority for LATAM. If the company is perceived as a non-safety airline it can affect its operations and reputation.
LATAM's Actions	<p>Apart from aligning with international safety standards of the sector, LATAM has its own Security Management System that gathers tools and programs to act proactively, monitor their performance, identify risky situations and react quickly to minimize them. The company performs a series of periodic audits, which are divided into three types:</p> <ul style="list-style-type: none"> • IOSA Audit (IATA Operational Safety Audit) • Frequent internal audits, which evaluate the maturity of the processes implemented in the Airports and Maintenance areas. • Internal operation diagnostics in areas critics, such as Engines and Fuels, which check if the activities are being executed according to processes established.

Issue n° 14	Be perceived as a corrupt and unethical company.
Category	Corporate
Life Cycle	Potential
Publics affected	Shareholders, Employees, Customers, Suppliers, Government, Community, Media
Impact	Being perceived as a corrupt organization damages reputation of the company and fines and penalties can endanger operational activities.

LATAM's Actions	<p>LATAM's commitment to best practices of corporate governance and compliance concerns everyone working in or collaborating for the holding. The company promotes a series of instruments and initiatives to direct internal conduct based on ethics, transparency, compliance and integrity, as well as to ensure improving accountability processes and to combat illegal acts, such as corruption, bribery, antitrust and money laundering. Some of them are:</p> <ul style="list-style-type: none"> • Compliance Program: covers different elements such as the commitment of senior management, the development of specific policies, identification and risk management, monitoring and control processes, training and communication. • Relevant Information Management Manual: regulates the disclosure of operations, voluntary blocking periods for the purchase and sale of LATAM shares, the mechanisms for disclosure of relevant information and procedures to prevent leakage of confidential information by part of its employees and executives. • Crime Prevention Manual: defines the roles and responsibilities in LATAM to prevent crimes, contemplated within the Chilean law. • Ethics Channel: platform that receives complaints on violations of internal laws and regulations, work irregularities, discrimination, harassment moral and sexual, fraud, corruption and bribery, among others.
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Issue n° 15	Fragile economic and financial sustainability of the company due to bad economic conditions in Latin America.
Category	Corporate and Business
Life Cycle	Actual
Publics affected	Shareholders, Customers, Employees, Suppliers, Media
Impact	The challenging market conditions generated by the devaluation of local currencies and the social uprisings in Latin America affect the economic sustainability of the company.
LATAM's Actions	LATAM takes part and drives the main discussions that affect the aviation sector through participation in various forums and business entities.

Issue n° 16	Current pandemic context has led the industry to adapt their protocols and find “new ways to fly”.
Category	Corporate, Business and Social
Life Cycle	Actual
Publics affected	Customers, Employees, Suppliers, Media, Sectoral Organization, Government
Impact	The current COVID-19 context has disrupted the previous airline protocols and customs, establishing the need of reinventing the Industry for it to be safer and avoid being a means of contagion or risks for customers and employees.and employees.
LATAM’s Actions	LATAM has been developing their own protocol for customers to feel secure when travelling with the company. The new norms include full communication pre-flight about the protocols and recommendations to each passenger, full signaling and reporting protocols over the airport, self-bag drop, simplification of the gastronomic offer to avoid manipulation, steaming and deep cleaning during and after each flight, among many other preventive measures. LATAM has a special space on their web in order the further explain the whole protocol as well as answering any inquiry from customers.

Issue n° 17	LATAM’s operations have been deeply affected by the current COVID-19 pandemic, forcing the company to reduce its size and leave markets.
Category	Corporate, Social, Business, Operational
Life Cycle	Crisis
Publics affected	Shareholders, Customers, Employees, Suppliers, Media, Government
Impact	The challenging conditions imposed by COVID-19 has led to an uncertain environment for the organization, forcing it to leave markets and needing to downsize. In some countries, LATAM has not been able to operate for over 4 months.
LATAM’s Actions	The organization has required financial assistance from Governments and has tried to reach agreements with unions in order to be able to keep all employees. However, it’s has been difficult to keep operating in every market due to the local different political positions among each one.

Issue n° 18	Discrepancies between members from the Board of Directors could create difficulties in the decision process of LATAM's business direction.
Category	Corporate and Business
Life Cycle	Potential
Publics affected	Shareholders, Employees
Impact	The relevance of the BOD as well as de Director's Committee in LATAM's direction is crucial. LATAM CEO responds to both of them in order to decide the future of the organization. However, if there are tensions among them that could create difficult scenarios for LATAM.
LATAM's Actions	LATAM's interaction with the BDOD and Director's committee is permanent. The organization, through constant dialogue, promotes transparency, accuracy, promptness and equal access to information for all its director members. Within the <i>Investors Relations website</i> the organization provides the most updated financial and business information such as annual reports, sustainability reports, quarterly results, corporate governance structure, monthly traffic figures, recent news and more. This information aims to provide the best resources for the management board in order to make the best business decisions.

Issue n° 19	Cultural clashed between LAN Hispano-American culture and TAM Brazilian culture.
Category	Corporate, Business, Social, Cultural
Life Cycle	Actual
Publics affected	Customers, Employees
Impact	We have detected some discrepancies and cultural differences that have been around since LATAM's merger. These cultural clashes can be negative both for employees and customers, since they could potentially create a bad working environment as well as increasing the level of confusion of LATAM's employees.

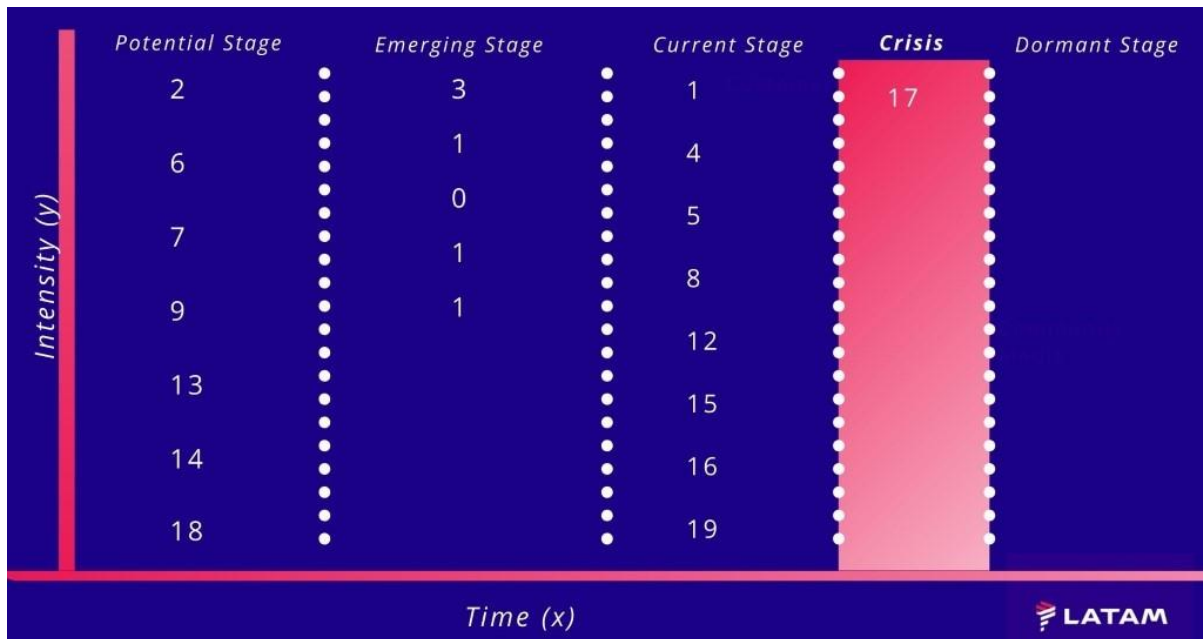
LATAM's Actions

In 2012, when the merger between both companies occur, the new organization provided 1,567,604 hours of training to 35,478 employees. This meant that 64% of the workforce was under training to homologate new policies, values and objectives. Also, the competencies required for all members of the organization were identified, creating the new "Model of Competencies for LATAM Airlines Group". The company developed a series of methods and techniques to strengthen the cultural skills of the employees that were key to achieve an own identity and a single model of culture for the new organization.

During 2015, LATAM announced a new corporate culture, which defined the central values that inspire the job of the staff, thus establishing a common identity within the organization and facing the client. Also, in this period the Company designed and implemented workshops of corporate culture "Building LATAM: Our Purpose", targeted to people that work at the call center areas, sales, airport and onboard service—over 30,000 employees—, as well as introductory courses for new employees from these areas.

In the following years the company continued training its employees in specific topics such as management, leadership, safety, and efficiency. No reference is made in the company's annual reports of 2016, 2017, 2018 and 2019 on issues related to the new corporate culture and identity.

We have also included a graph that includes on what stage of the Issue's Life Cycle is each issue mentioned before.



As a result of this graphic, it's possible to say that the company has many issues to address before any Crisis Strikes, and LATAM must also supervise all the Potential and Emerging Stages Issues in order to do an effective Issues Management.

4.2 Organizational SWOT

In order to identify LATAM's communication problematics we are going to deeply analyze the organization's general and communication SWOT. In other words, we are going to establish LATAM strengths, weakness, in an internal perspective, and opportunities and threats, present in the external context of the organization.

Strengths

- LATAM is one of the largest airline's groups in the world and the most important in Latin America: holds the 1st position in Brazil, Perú, and Chile's markets, as well as a strong 2nd position on Colombia, Argentina and Ecuador's markets.
- LATAM has leading market share across markets with positive passenger growth dynamics.
- LATAM has the most developed network in South America.
- LATAM signed a strategic alliance with Delta Air Lines in 2019 allowing offering passengers more flight options and shorter connection times.
- LATAM provides different tariffs according the different customer profiles and needs.
- LATAM Pass is leading frequent flyer and loyalty programs in Latin America with over 38 million members. It is the first Latin American airline group and Fourth in the world in Frequent Flyer Program members.
- LATAM has a rich and diverse group of employees, with more than 64 nationalities.

- LATAM has been awarded 5 times on the *Dow Jones Sustainability Index*, a global index widely regarded as one of the world's foremost sustainability indices. The DJSI World Index benchmarks the sustainability performance of leading companies based on environmental, social and economic performance, including forward-looking indicators.
- LATAM has the fleet of most modern aircraft in South America due to its constant renewal of aircrafts.
- LATAM has a highly awarded performance. Some of the last awards the company has received are:
 - 1st place on AOG On Time performance - World's most punctual airline in 2018 in the Category "Mega Airlines"
 - 1st place on Skytrax: Best Airline in South America

Weaknesses

- LATAM's strategic suppliers have high levels of negotiation power.
- LATAM develops with high levels of Buyer's bargaining power within the industry.
- Given the scale of expansion and different geographies, the company needs to invest more in technology to keep up with technological trends in the industry and competitors.
- LATAM is highly dependent over strategic and commercial alliances.
- The Industry where LATAM operates in is very competitive both regionally and locally.
- The industry where LATAM operates in is really risky in relation to air crashes and can have a tough impact over the company operations.
- LATAM is highly affected by unions, which have a lot of power and can directly interfere in the company's operations.
- LATAM has a labor-intensive business with very specialized professionals that are really difficult to retain, such as pilots, flight attendants, maintenance technicians and other personnel.
- LATAM's loss of Argentinean market resulted in the dismissal of thousands of employees and a negative impact on the overall operation of the company.
- The dismissal of LATAM employees in all subsidiaries is affecting its image.

Opportunities

- LATAM belongs to the air transport industry which is essential for global business as it generates economic growth, creates jobs, and facilitates international trade and tourism.
- Aviation is one of the most important businesses in the world.
- Latin America and the Caribbean represent 8% of the global aviation market.
- Flight travel infrastructure continues growing as countries are creating and improving airports and aircraft facilities.

- During recent years, the shift of service-based economies with high consumer spending promotes further development in air travel.
- There is a low threat of entry for newer competitors to markets due to the high and expensive requirements.
- The “new way of flying”, as consequence of COVID-19, can provide diverse opportunities to the company to turn into the best airline in providing service with the new industry requirements.

Threats

- As result of COVID-19, the severe travel restrictions as well as drop in demand among travelers resulted in cancelation of flights.
- The future of LATAM and the whole industry after COVID-19 depends on the availability and support of government assistance, consumer’s confidence in travelling and economic conditions after the pandemic.
- Social, political and economic problems in Latin America generate significant uncertainty in airlines, airports and the rest of the industry.
- The airline industry is widely impacted by regulations and restrictions related to international trade, tax policy, and competition. Also, by issues like war, terrorism, and the outbreak of diseases.
- Sensitivity to business cycles. LATAM, as every other airline company, is really sensitive to the changes on economic activity (local, regional and on a worldwide level), so when a crisis strikes and customer suffer from a decrease in disposable income, the organization’s financial results are highly affected.
- Sensitivity to currency and fuel fluctuations. LATAM is highly sensitive to fluctuations in the exchange rate against the dollar, the national currencies of the markets in which it operates, as well as the depreciation of local currencies. Likewise, the high volatility in fuel prices also significantly affects the company's results.
- Strong regional competition and the recent appearance of new players with a Low-Cost model.
- Narrow profit margins in the industry.
- Loss of markets operation, such as Argentina, as consequence of COVID-19 regulations and political conflicts.
- Weak consumer confidence in taking flights due to rising unemployment, low income, and the perceived risk of catching COVID-19. 55% of respondents to IATA’s June passenger survey don’t plan to travel in 2020.
- Changes in the legal environment regarding safety regulations in the industry after COVID-19.

4.3 Communication SWOT

So as to analyze LATAM’s communication SWOT, we considered specific factors defining the communication environment in which the organization operates. We have decided to use the Communication Swot Analysis proposed by Francesco Lurati and Alessandra Zamparini, both professors of the Faculty of Communication Sciences of *Università della Svizzera italiana (USI)* in Lugano, Switzerland (original figure in *Appendix 4*).

Factors		Strengths	Weaknesses
<i>Internal</i>	Communication Excusión	<p>LATAM’s communication supports the strategic, aspirational and long-term vision and business objectives.</p> <p>LATAM has been able to unify their communication Tone of Voice.</p> <p>LATAM has a strong position in the Latin American market, having strong key messages (“the largest airline in Latin America”, “the greatest network in Latin America”) to communicate.</p> <p>LATAM has a strong communication of their Sustainability Strategy.</p> <p>LATAM has an attentive and efficient social media communication, aligned with the core values of the organization.</p> <p>LATAM has the system One Voice, a tool to protocol all messages addressed to the final customer at any point of contact.</p>	<p>LATAM does not have one official language: the company communicates in Spanish, Portuguese, and English.</p> <p>In some social media like Instagram, LATAM has only one corporate profile and in others social media like Twitter and Facebook, it has a specific profile for each subsidiary.</p> <p>LATAM operates and communicates in a whole region with many countries that have many differences on language and culture.</p> <p>LATAM’s large workforce which is spread over large geographic areas requires continual communication and monitoring.</p>

		<p>LATAM has well established and concrete external and internal communication guidelines.</p> <p>LATAM's communication direction flow is well understood and respected by employees.</p>	
	<p>Relationships</p>	<p>LATAM communicates through specific channels to its different publics.</p> <p>LATAM has a special corporate site to communicate with investors, shareholders and all the financial community.</p> <p>LATAM communicates through its intranet (Portal LATAM) with employees and other collaborators.</p>	<p>LATAM has different profiles of people with different needs within one public.</p> <p>LATAM has a broad group of investors and shareholders that might have discrepancies on the future path of the organization.</p>

	Identity	<p>LATAM's values support the fulfillment of the mission.</p> <p>LATAM has a strongly identified as being a Latin American company.</p> <p>LATAM has a strong visual identity that supports the origin of the company and its individuality.</p>	The merger between LAN, Chilean company, with TAM, Brazilian company, led to a mixture in cultures.
	Reputation	LATAM, through an open and constant communication, created a strong and positive image among its publics.	LATAM's information leaking, such as the close of operations in Argentina, affected the reputation among internal publics as the information was first provided by media.
Factors		Opportunities	Threats
<i>External</i>	Competitor's Communication (<i>Communication Execution, identity, reputation, relationships</i>)	LATAM has a positive imagen in comparison to many competitors in the Latin American market.	<p>LATAM has strong communication competitors in every country, such as Gol Linhas Aéreas, Aerolíneas Argentinas and Avianca in the case of Argentina.</p> <p>Low-Cost airlines are increasingly strengthening their communication position, mainly in Social Media Platforms.</p>

	Social, Cultural, Political, Ecological, Technological and Economic trends and topics.	<p>The strong trends of E-commerce and Social Media Marketing can be a great opportunity for LATAM if it can ensure strong online presence on different social networking sites.</p> <p>New sustainability trends regarding climate change are a great opportunity for the company, as it's already working on a Sustainability Policy since 2017.</p> <p>The COVID-19 pandemic brought new communication forms between companies and its publics.</p>	Difficulty of communicating in the Latin American Context: social, political and economic problems in Latin America generate significant uncertainty in airlines, airports and the rest of the industry.
	Stakeholder's characteristics	New "low-cost" strategies that airlines are implementing might bring a new market segment of passengers for LATAM.	Stakeholders interest needs and relationships with the organization change as consequence of the COVID-19 crisis.

4.4 Problem Statement

We have decided to develop 4 different problem statements, in order to diagnose different circumstances, conditions, problems and opportunities that LATAM should focus on. From the six, we have developed one that is directly considering the global context that attains all countries worldwide: COVID-19.

1. Build trust with strategic publics both within and outside the organization by providing information regarding to LATAM's inactivity.

As we have explained in the PESTEL, the Industrial Analysis and Issues Identification diagnosis, the airline industry is one of the most affected by COVID-19, due to the lockdown that many countries have imposed. As result of the industry crisis, in May, LATAM and its affiliates in Chile, Peru, Colombia, Ecuador, Brazil and the United States entered the Chapter 11 protection in the United States law in order to reorganize and restructure its debt. Also, in June, LATAM Airlines Argentina cease passenger and cargo operations for an indefinite period. These actions affected all publics throughout the organization, such as clients that have already bought their tickets, employees that are

not being able to work or some completely lose their jobs, as well as shareholders that have seen their incomes affected. As consequence, LATAM was affected not only in its economy but also in its image as a solid international organization.

Communication's actions are crucial for LATAM in order to keep strong and stable relationships with all their publics, despite the difficult context. Giving information to reduce public's uncertainty is one of the pillars of any Crisis Management, and these circumstances are no exception. Through an effective communication management, LATAM could maintain the solid and trustworthy relationships that has built over the years.

This first problem statement could be classified as an awareness-type of problem statement, as it is trying to reduce the feeling of uncertainty within the different publics involved by reaching them and providing information about the near future, in order to increase LATAM public's morale.

2. LATAM's external communication it is not specific for each different market in which it operates.

As have previously developed in our communication SWOT analysis, this problem can be clearly observed in LATAM's communication through social media, where the majority of the content is provided in Portuguese or Spanish without personalizing and considering customers, employees and other public's and market's needs, interest and relationship with the company.

This problem is closely related to the poor cultural fusion between LAN, the Chilean company, and TAM, the Brazilian company. In its external communications and other cultural manifestations, we can observe a clear predominance of the Brazilian culture and language over the Hispanic-Latin American culture. Even though, some social media such as Twitter, and website information is specified according to its subsidiary, LATAM usually communicates from an organizational perspective in which the Portuguese appears first.

We believe that this is a clear communication problem, that – if improved – could help LATAM have a more local approach to their publics as well as having a better tactic in every local market.

This problem can be considered an image-style problem as the poor diversified messages of the company affects its image with the publics of each market in which the company operates. For instance, it's difficult for customers who don't speak Portuguese to feel identified with the organization's messages.

3. LATAM has failed to communicate it's new Low-Cost strategy for domestic flights in Chile, Colombia, Perú and Argentina.

As we have developed in the PESTEL analysis and in our SWOT analysis, and Issues Identifications Diagnosis, the low-cost strategy has become a strong trend in the Airline Industry and a threat for LATAM. According to different studies, personalization will be one of the main drivers for success on the following years. This trend has been appearing in the Latin American industry from a few years now, and has materialized in low-cost airlines, which try to personalize and adapt the travelling experience according to each customer's needs and demands. Customers only pay for what they really need. Even if LATAM has been already working on offering a wider variety of flying experiences to their clients, this may lead to a problem if the company fails to appeal, reach and focus on this new market segment.

We believe this is a communication problem because a strong communication plan that aims at rising awareness of this new low-cost strategy could definitely support its new sales strategies and engage with new customers.

This problem can be classified as an image-type, as it is closely related to the perception that customers have on LATAM. LATAM has built a strong identity around these main core attributes: efficiency, safety and high quality. However, it still has failed to be identified as an accessible airline.

4. Latam should increase their communication and actions over Sustainability in order to adapt to current social concerns.

As we have developed in our previous analysis, Sustainability is one of the main trends that will be crucial for the industry's development on the near future. According to Andy Stone, consultant on policy and communications issues with energy sector advisory firms, climate change can alter the rules for the airline industry:

“The air industry's climate problem hasn't escaped public attention. (...) In Sweden, the birthplace of *flygskam* and of climate activist and airline-avoider Greta Thunberg, air ridership is in fact on the decline. Dutch airline *KLM* has suggested that travelers bypass flying for shorter trips and, in 2020, Germany will increase the tax on air tickets while simultaneously lowering the tax burden on railway passengers”.

Even though the company is trying to keep up with this Sustainability drift, there's no public knowledge about the company's promising action over this. We consider that communication is key for this problem statement because the company is already looking over this trend and trying to

reduce their carbon footprint. Communication over Sustainability could be an aspect that could differentiate LATAM from its competition, add value to LATAM's reputation as well as helping the company get closer to its vision.

This problem statement can be classified as a behavior-type, as LATAM would try to change an attitude or opinion towards the organization. Even if this trend is still emerging in the Latin American market, it would be a great opportunity for LATAM to gain this positioning.

5. Due to the changes in the industry as consequence of COVID-19, LATAM has the need to communicate the new business strategy based on the concept "*The new way of flying*"

As we have previously mentioned, this problem statement is related with the current situation of the airline industry. Being unable to operate normally due to the highly contagious virus that has led to a global pandemic, airlines had to transform their previous ways of operating to new protocols based on hygiene and social distancing.

In the case LATAM, the company has taken many actions in relation to this new flying paradigm such as helping customers that are going to fly with special recommendations, disclosing information about their security and hygiene protocols, sharing stories from repatriates' flights that LATAM has done over the last months, and sharing what LATAM's partners are doing in relation to the pandemic.

This problem statement is quite integral and strategic: it could be understood as an awareness-type of problem statement due to the fact that LATAM need to raise awareness and knowledge over their actions related to the new paradigm brought by covid-19; however, it's also related to perception because a successful or unsuccessful communication plan over this topic could increase LATAM's positive image or impact negatively over LATAM's reputation.

We believe that this could be an interesting focus for our project due to the relevance and importance of communicating this type of information nowadays. The airline industry is facing great challenges and changes, and this would be a great opportunity to take advantage of them and develop our campaign.

We consider of great importance the problem statement number three and five.

In relation to problem statement number three, due to the new trends in the airline industry, in 2018, LATAM changed its business model to compete with low cost airlines. The company divided its tariffs in four different types of fares for domestic and international flights. The objective of the company was to promote access to air transport for the different customer profiles and adapt to their needs and priorities.

In August 2019, due to the increase of low-budget passengers, the airline launched a new "Basic" tariff, the simplest fare for flights within Chile, Peru, Colombia, Ecuador and Argentina markets, and which does not include hold luggage but still the passenger can participate in the LATAM Pass program. According to Claudia Garuti, sales manager of LATAM Chile "The objective is to provide more options, diversity and personalize offers, to reach a greater number of passengers who, perhaps, before did not see the option of traveling by plane as something viable and now with 'Basic', yes.". With this new model LATAM introduced itself into a new market of passengers increasing its competitiveness and capabilities. Nevertheless, the company did not communicate strongly this new business model. LATAM just uploaded the new model of tickets in the web and some newspapers made a review on the company's innovation.

A communication campaign for customers could be very positive and useful for the company to access this new market of passengers. Also, LATAM could improve its image as an efficient, safety, high quality and now accessible company. All these aspects are fundamental for LATAM when it comes to communicating its low-cost model in the face of the competition. We believe that our communication campaign is crucial for LATAM in order to reach new passengers and other involved publics like media, travel agencies, suppliers, government and shareholders in a creative, effective and strategic way.

In relation to problem statement number five, the current COVID-19 context has disrupted the previous airline protocols and customs, establishing the need of reinventing the industry for it to be safer and avoid being a means of contagion or risks for customers.

We believe that COVID-19 has led to a huge opportunity in developing a communication campaign over a topic that is occurring in current time, and that is leading to strategic changes in the airline industry that have never happened before. As we mentioned before, the current pandemic has led to major changes and it would be interesting to be able to share LATAM's new way of flying through a communication plan. Taking into account that the new way of flying changes the direction of the company, all publics are affected. However, we believe that a campaign targeting customers and employees with a strong media presence is essential for LATAM to effectively communicate its key messages and maintain its positive reputation.

5- The plan and its campaigns

In relation to the previous diagnose that we have carried all through the Final Project, we consider that the problem statement in which we are going to establish our communication plan and campaign is

that **due to the changes in the industry as consequence of COVID-19, LATAM has the need to communicate the new business strategy based on the concept “The new way of flying”.**

This problem statement can be defined as an awareness-type of problem statement, due to the fact that the main focus is to inform over the current state of the airline protocols as well as LATAM’s effort to provide their customers with safety and flexibility.

We believe that focusing in this problem statement is key due to the strategic importance and the relation to the current COVID-19 context. Both aspects make this problem an interesting and appealing problem statement to work on.

5.1 The Communication Plan

As mentioned before, the current pandemic has led to major changes in the world in general and had a critical impact in the airline industry. In order to address this issue, we consider of great importance that LATAM shares its new way of flying through a communication plan. Considering that the new way of flying changes the direction of the company, all publics are affected. However, the communication plan will be implemented through two PR campaigns, one focused on LATAM Pass passengers and the other focused on the media.

As passengers are the main audience of the organization, and the most affected by the pandemic, a direct communication plan will allow LATAM not only to provide information about its “New way of flying” but also to rebuild the relationship and trust in the airline and its services. Through a transparent and consistent communication LATAM will be able to effectively deliver its key messages and engage its passengers into the new way of travelling.

On the other hand, a communication campaign directed to media will be essential for LATAM to effectively reach other strategic publics and maintain its positive reputation. Since media is the main source of information related to COVID-19, it is of great importance for LATAM to establish active and open communication so that the selected media not only transmit the company’s policies and protocols but also empathize and supports LATAM’s initiatives.

The overall goal of the communication plan is to **“Create an understanding of LATAM’s new business strategy based on the concept “New way of flying”.** We consider of great importance that LATAM’s publics correctly acknowledge the airlines new safety protocols, flexibility policies and benefits included in the new business model. In face of the new demands of the aeronautical industry as result of the impact of COVID-10, LATAM managed to adapt its business model and we consider essential that it is correctly communicated to its publics, especially passengers, in order to overcome this crisis in the best economic and reputational way.

5.2 The Communication Campaigns

5.2.1 Campaign 1: LATAM Pass Members

The customers that are going to be addressed in the following campaign are the LATAM Pass program members. This means all customers that belong to the frequent passenger program of LATAM Airlines Group SA, through which it is possible to accumulate LATAM Pass Miles, Qualifying Points and Qualifying Segments, flying on all routes operated by LATAM Airlines and Associated Air Lines, as well as using the services of other affiliates (Latampass.latam.com 2020). LATAM's frequent passenger program is the fourth largest in the world in 2019 since it had 30 million members and exchange 7 million tickets. In Argentina, LATAM Pass counts with 6 million affiliates, who manage to keep their miles, points and benefits despite the cease of operations of the airline in Argentina (Ivachutta Carolina 2020).

LATAM Pass operates four different "Elite categories": Platinum, Gold, Black, and Black Signature. In Brazil, a fifth category, Gold Plus, was launched in 2019, serving an intermediate range between the Gold and Platinum categories. It is designed for frequent passengers on domestic flights, and it offers advantages such as: Priority Check-in and boarding; moving their flight to an earlier or later one on the same day, and upgrade coupons. Moreover, the program offers other advantages to its members, which vary based on the client's category within the loyalty program, such as cabin upgrades and the offer of LATAM+ seats, with additional space and other comforts (Latampass.latam.com 2020).

We consider it relevant to narrow the campaign to passengers who are members of the LATAM Pass program, since they are the ones who have frequent contact with the company, are loyal to it and have a special interest within the "New way of flying".

5.2.1.1 Objective 1

Raise awareness of LATAM's safety protocols, flexibility policies and benefits within the "New way of flying" in a 40% (12.000.000 members) of LATAM Pass members in the next 8 months.

The following objective is a cognitive type of statement as the communication plan seeks to provide information to passengers affiliated to LATAM Pass program regarding the airline's new safety protocols, flexibility policies and benefits within the "New way of flying".

Since information on airline policies after quarantine restrictions vary through country and is scarce in media, it is essential for LATAM that passengers have the necessary information in order to resume their flights and purchase new tickets safely and with confidence. Moreover, it is crucial for LATAM to provide relevant information to retain its loyal customers.

5.2.1.1.1 Strategy 1

Inform LATAM Pass members about the airlines "New way of flying" policies through the program's channels.

5.2.1.1.2 Tactic 1

LATAM's Instagram campaign "Volando con Benjamín Vicuña"

Since the beginning of the pandemic, LATAM has developed a special section on its website to provide all the relevant information on the Coronavirus. To deliver the information in a more entertaining and massive way, we will carry out a joint action with Benjamin Vicuña. The Chilean actor, and regionally recognized, is a frequent passenger of the airline and worked together with LATAM on other occasions such as the #ExperienciaLATAM and #UnboxingLATAM. In all the previous events, Vicuña represented those Premium Business passengers, therefore we consider him as a good figure to appeal to the exclusive LATAM Pass members.

The tactic implies that Benjamín Vicuña takes a LATAM flight from Santiago de Chile to Lima, Peru showing all the procedures and security protocols that are carried out within the "New way of flying". The actor will show in first person the measures taken by LATAM during all the stages of his flight, from the reservation and check in in the hotel in Chile till his arrival to Lima's airport. Moreover, through the experience, the actor will talk about the different benefits of flying with LATAM Pass miles. The video will consist of parts explained and showed by the actor, and other parts in which information will be provided by the airline while the video shows the Chilean actor in his flight.

The actor will be taken to the Hilton Garden Inn Santiago - Airport, Chile hotel where he will meet with the LATAM's communications team. At the hotel Vicuña will be given a travel kit (attached below) in which the actor will find all the necessary elements to fly safely and comfortably. In this first part he will show his LATAM Pass miles redemption process, ticket reservation and flight check-in. Once at the Santiago airport, the actor will tell about the security protocols during the dispatch of the bag and remotely check-in. Before boarding the plane, Vicuña will have a brief interview with Enrique Rosende, Vice President of Security at LATAM Airlines in Chile, where the processes for sanitizing and disinfecting the planes will be detailed. Once the interview is finished, the Chilean will board through his LATAM Pass benefits and will show the boarding procedures in order to respect the distance. Once in the plane, some restrictions and recommendations that passengers must respect while flying will be briefly described while the actor enjoys his flight. Once landed in Lima, the actor's disembarkation and his procedure to exit the plane will be shown. At the end of the video, the key message of the campaign "A new world. A new way of flying" and the LATAM logo with its motto #FurtherTogether will be shown.

The #TravelKit will special totebag to use when travelling, a special hydrating serum to avoid skin dehydration during flights, a water bottle, a special mug, hand sanitizer and a special facemask.



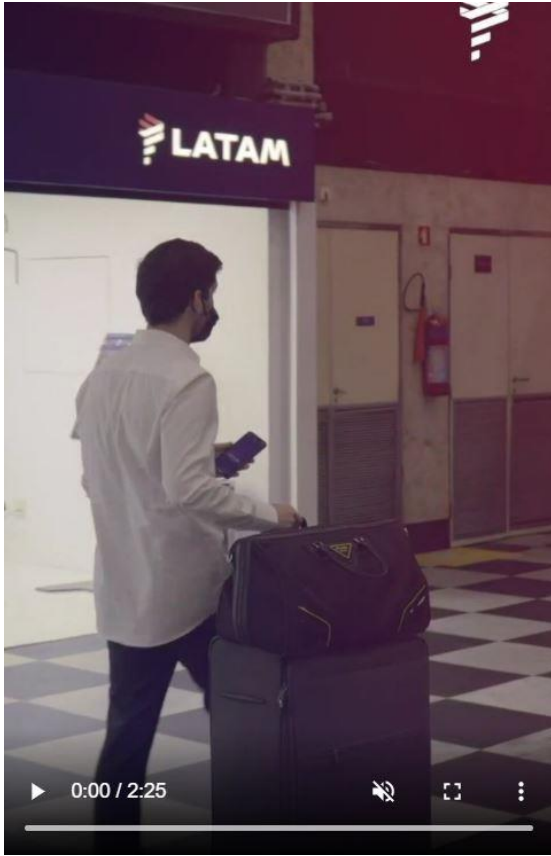
As the flight from Santiago to Lima has a duration of 3.40hs the actor will be accommodated at the Costa del Sol Wyndham Lima Airport hotel where he can rest and the next day he will be taken back to Santiago de Chile in a LATAM flight. In this section of the trip, it will not be necessary for the actor to perform but rather to rest and enjoy his flight.

The responsible of communication of LATAM in Chile will accompany Vicuña at all times to ensure that the actor has everything he needs and feels comfortable during the experience. In addition, the person responsible for communications will ensure that all key messages are mentioned by the actor and that the appropriate protocols are carried out.

The following tactic is part of the landing page of LATAM created especially to broadcast information of COVID-19 and will have 100% digital media coverage. The video will be post in LATAM's Instagram account which has 1.8 million followers, being the second most important social network of the airline after Facebook. Moreover, Benjamin Vicuña will post the final video in his Instagram account (2.2 million followers) and in addition will upload 3 Instagram stories: the first one will be a previous promotion, the second will be about the video with a "swipe up" option that links to the publication and the last one showing the back stage of the flight.

During the month following publication, some insights from the back of the campaign with Vicuña will be shown on LATAM's Instagram.

LATAM's promotional publication in Instagram will be the following:



latamairlines • Siguiendo

latamairlines
Volando con Benjamín Vicuña
¡Descubrí nuestra nueva forma de volar junto a @benjanvicunamori! El actor te mostrará todos los protocolos de seguridad e higiene de nuestros vuelos y las políticas de flexibilidad y beneficios que tenés con LATAM Pass.
Clickeá para el video.
#NuevaFormaDeVolar #LATAMPass

18,572 reproducciones

Agrega un comentario... Publicar

Vicuña's promotional publication will be the following:



benjavicunamori • Seguir

benjavicunamori
Descubrí la nueva forma de volar junto a @latamairlines
#Nuevaformadevolar #LATAMPass

Les gusta a latamairlines y 48,794 personas más

Se limitaron los comentarios en esta publicación.

We believe that this tactic will help LATAM to give visibility to its security protocols and flexibility policies within the framework of its "New way of flying". In addition, by dealing with an actor of

Chilean origin with a professional, successful and exclusive profile, the airline manages to reinforce the belonging of its frequent passengers of the LATAM Pass program.

Tactic Schedule

Tactic Schedule					
Activity	Date	Time	Location	Task	Required resources
1	02/11/20 WEEK 1	One week	Chile	Contact with Benjamín Vicuña and present a collaboration proposal	Human (LATAM Pass commercial and communication responsible) + Benjamín Vicuña´s Representative
2	09/11/20 WEEK 2	One week	Chile	Collaboration agreement and contract signing with Benjamín Vicuña	Human (LATAM Pass commercial and communication responsible) + Benjamin Vicuña´s Representative
3	16/11/20 WEEK 3	One week	Chile	Development of the idea of video, the storyboard and the resources required	Human (LATAM Pass communication employee) + Economic resources
4	23/11/20 WEEK 4	One week	Chile	Approval of the idea and plan	Human (LATAM Pass communication and commercial managers)
5	30/11/20 WEEK 5	Three days	Chile	Conversations with Benjamin Vicuña´s representative to define the agenda of the flight	Human (LATAM Pass communication and commercial responsables)
6	02/12/20 WEEK 5	Three days	Chile	Definition of filming day	Human (LATAM Pass communication and commercial responsables)
7	7/12/20 WEEK 5	One week	Chile	Planification of the recording flight and resources required	Human (LATAM Pass communication responsible)
8	14/12/20 WEEK 6	One day	Santiago de Chile – Lima	Filming day: Pick up Benjamin Vicuña - Hand in of #TravelKit - Starting filming in Hotel – Transport	Human (LATAM Pass communication responsible + Commercial responsible) + Recording

				to airport – Interview with Enrique Rosende - Flight – Arrival to Lima – Transport to Lima´s Hotel	team + Benjamin Vicuña + Benjamin Vicuña´s representative
9	15/12/20 WEEK 6	One day	Lima – Santiago de Chile	Return flight to Santiago de Chile	Human (LATAM Pass account responsible)
10	16/12/20 WEEK 6	Two weeks	Chile	Editing process by Renacen	Human (LATAM Pass communication employee)
11	29/12/20 WEEK 8	One day	Chile	Presentation of final video by Renacen	Human (Renacen representative)
12	30/12/20 WEEK 8	Three days	Chile	LATAM´s approval of video	Human (LATAM Pass communication and commercial managers)
13	04/01/21 WEEK 9	One day	Chile	Send video to Benjamín Vicuña with additional information for the Instagram post	Human (LATAM Pass communication responsible)
14	05/01/21 WEEK 9	One day	Chile	Video post in LATAM´s Instagram	Human (LATAM Pass communication employee)
15	05/01/21 WEEK 9	One day	Chile	Video post in Benjamin Vicuña´s Instagram and LATAM´s Instagram account	Human (Benjamín Vicuña + LATAM communication employee)
16	05/01/21 WEEK 9	One week	Chile	Promotion in Benjamin Vicuña´s Instagram stories	Human (Benjamin Vicuña)
17	12/01/21 WEEK 10	One week	Chile	Analysis of KPIs in LATAM´s account and Benjamin Vicuña´s account	Human (LATAM Pass communication employee)

Tactic Measurements

In order to evaluate this tactic we will the following Instagram KPIs (Rabo Olga 2020) after the launching of the video:

- Video reproductions
- Accounts reached: the actual number of people who have seen your post
- Impressions: the number of times the video post has been viewed during a selected period of time.

- Interactions: comments and likes
- Engagement on reach: all the likes, comments, and saves for the post divided by the posts' reach.

We will also seek to install a *Urchin Tracking Module* (UTM) in Vicuña's link provided in the "swipe up" tool of stories, in order to measure the number of people who entered the website from the Instagram story and which parts of the LATAM Pass site were visited and for how much time.

In this way, we will be able to measure the success of the action taken with Benjamin Vicuña and the reception of information that LATAM Pass customers receive.

5.2.1.1.3 Tactic 2

"#VueltaAlVuelo" LATAM Newsletter

Given the need for information regarding the new way of flying as consequence of the COVID-19 pandemic, LATAM developed a special section about Coronavirus on its website. This section contains all kinds of information regarding security and hygiene protocols, flexibility policies in purchasing tickets, benefits, cancelation of flights, countries restrictions, and more. However, this information is static and generic for any interested person.

Therefore, to respond to the specific needs and interests of the affiliated passengers, we will send a graphic piece of information as a newsletter via e-mail to all subscribers of the LATAM Pass program. The newsletter will be sent biweekly with updated information on the "New way of flying". The e-mails will be sent between 7:00 a.m. and 9:00 a.m. since that moment is when the majority of people starts its day, usually checks its phone with news or other relevant information and has time to commit to the content. Moreover, within the isolation context people spend more time in their devices and, because of teleworking, are using with more frequency their email accounts.

The LATAM Pass marketing database will be used as a source of the passenger's email. Considering that frequent flyers use their email to create their LATAM Pass account, the following channel is effective to reach all customers.

Each email will be personalized and start with the name of the receiver with a close and inviting tone of voice. Afterwards there will be a brief introduction reinforcing LATAM's key messages regarding the "New way of flying". These key messages are:

- "Nuestro compromiso es que el mundo siga soñando"
- "Seguimos volando por vos"
- "Hay un nuevo mundo. Hay una nueva forma de volar"

- “Estamos listos para volver a volar”
- “Seguimos con vos, volando con más seguridad y flexibilidad que nunca”
- “Seguimos juntos para que tus suelos lleguen más lejos”

Afterwards, the different content sections will be developed and will address the different topics related to the Coronavirus and the “New way of flying” that affects frequent passengers. All e-mails will have updated information and the latest news on:

- Safety protocols including requirements to fly, security protocols, hygiene of the airplanes, care of the crew and other collaborators, and more.
- Flexibility policies for the purchase of tickets, cancellation and rescheduling policies, etc.
- Frequent Flyer Benefit policies including redeem miles and points, benefits of elite categories, etc.

An aspect of each topic will be covered in the brochure since the objective is to provide simple, concrete and engaging information.

Finally, the key message of the campaign “Un nuevo mundo. Una nueva forma de volar” will be displayed in order to reinforce LATAM’s campaign. Moreover, the motto of LATAM will be displayed as a gentle reminder of LATAM’s mission of taking people “Juntos, más lejos”. The motto will be found within the pass line, a fundamental element of the LATAM Pass identity.

Below you can observe a mockup of the communication piece for the email based in LATAM Pass branding:



Hola XXX

¿Estás listo para volver a volar? ¡Nosotros sí!



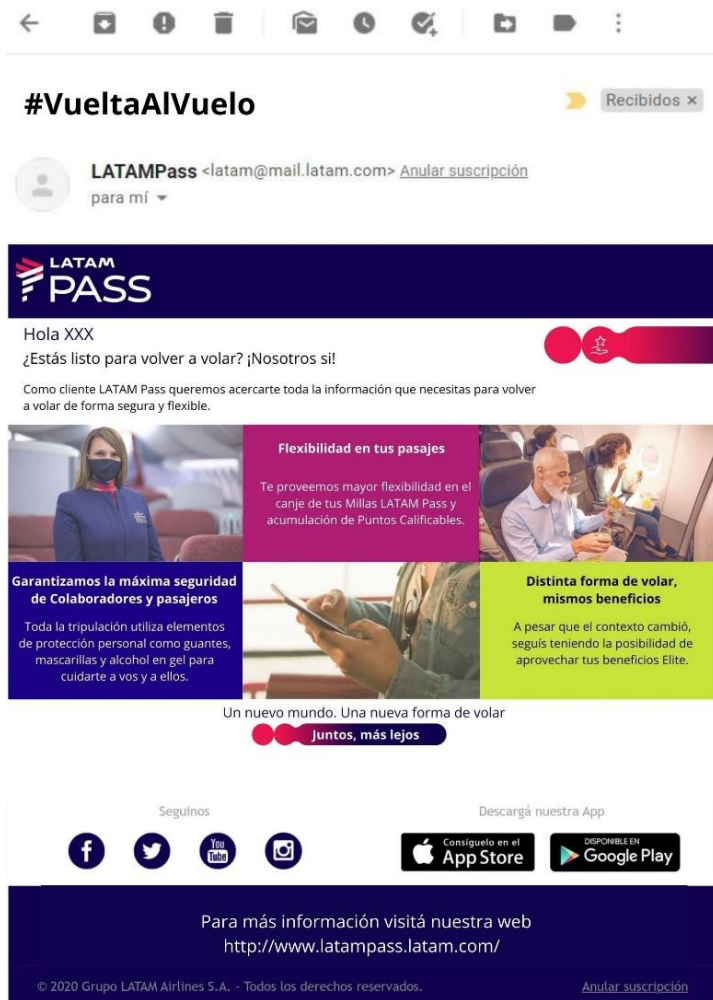
Como cliente LATAM Pass queremos acercarte toda la información que necesitas para volver a volar de forma segura y flexible.

	<p>Flexibilidad en tus pasajes</p> <p>Te proveemos mayor flexibilidad en el canje de tus Millas LATAM Pass y acumulación de Puntos Calificables.</p>	
<p>Garantizamos la máxima seguridad de Colaboradores y pasajeros</p> <p>Toda la tripulación utiliza elementos de protección personal como guantes, mascarillas y alcohol en gel para cuidarte a vos y a ellos.</p>		<p>Distinta forma de volar, mismos beneficios</p> <p>A pesar que el contexto cambió, seguís teniendo la posibilidad de aprovechar tus beneficios Elite.</p>

Un nuevo mundo. Una nueva forma de volar



At the end of the email, below the graphic piece of communication there will be a link to access LATAM social media networks and app download options. Moreover, the LATAM Pass web will be display and also unsubscribe options will be available. The overall look of the email will be the following:



We believe that the following piece of information is beneficial for the airline since it manages to reach its preferred customers massively and directly by providing them with clear, updated information of interest to them.

Tactic Schedule

Tactic Schedule					
Activity	Date	Time	Location	Task	Required resources
1	02/11/20 WEEK 1	Three days	Chile	Check the e-mail marketing database	Human (LATAM Pass communication employee)
2	04/11/20 WEEK 1	One week	Chile	Design the template for all newsletters	Human (LATAM Pass communication employee)
3	11/11/20 WEEK 2	One week	Chile	Plan the content for the biweekly newsletter	Human (LATAM Pass communication)

					responsible)
4	18/11/20 WEEK 3	Five days	Chile	Gather all information required for newsletter content	Human (LATAM Pass communication employee)
5	23/11/20 WEEK 4	Three days	Chile	Create image and text content for 1 st newsletter	Human (LATAM Pass communication employee)
6	26/11/20 WEEK 4	Two days	Chile	Approval from Communications and Commercial area	Human (LATAM Pass communication and commercial manager)
7	30/11/20 WEEK 5	One day	Chile	Send of the 1 st newsletter	Human (LATAM Pass communication responsible)
8	04/12/20 WEEK 5	Two weeks	Chile	Analyze KPIs	Human (LATAM Pass communication employee)
9	07/12/20 WEEK 6	Two days	Chile	Re-check the database in case people unsubscribe	Human (LATAM Pass communication employee)
10	09/12/20 WEEK 6	Three days	Chile	Create image and text content for 2 nd newsletter	Human (LATAM Pass communication employee)
11	11/12/20 WEEK 6	Three days	Chile	Approval from Communications and commercial area	Human (LATAM Pass communication and commercial manager)
12	14/12/20 WEEK 7	One day	Chile	Send of the 2 nd newsletter	Human (LATAM Pass communication responsible)
13	21/12/20 WEEK 8	One week	Chile	Analyze KPIs	Human (LATAM Pass communication employee)
14	25/12/20 WEEK 8	Five days	Chile	Re-check the database	Human (LATAM Pass communication employee)
15	28/11/20 WEEK 9	One week	Chile	Plan the content for the following month	Human (LATAM Pass communication responsible)

Tactic Measurement

To measure the following tactic, we will monitor the impact of the emails by analyzing different key performance indicators (KPI) frequently used in e-mail marketing.

The first and most basic KPI we are going to analyze is the *Open rate* which measures the percentage of users who have opened the e-mail. It is also helpful to see the exact number of openings and who were the ones who opened it. This tool is extremely useful to have an overview of the success of each email.

Also, we are going to analyze the *Bounce Rate* which measures the percentage of the total emails sent that could not be successfully delivered to the recipient's inbox. This metric helps the airline to make sure there are no deep issues with the emails.

We are going to measure the *Click to open rate (CTOR)* which analyzes the opening ratio of the link to the LATAM Pass website once the emails have been opened, that is, the level of engagement of the subscribers (Reasonwhy.es.com, 2020).

The *Unsubscribe rate* will be also measure in order to see the percentage of email recipients unsubscribe from the send list after opening a given email.

These KPIs are crucial for LATAM in order to analyze the actual interest of passengers on having more information regarding the "New way of flying" policies.

Objective Evaluation

In order to evaluate the major objective, we will develop a customer survey after the 8 months of tactic. The survey will be send by email to all LATAM Pass newsletter subscribers and will be also published in the LATAM Pass section in the corporate app.

The general service will include the following questions:

- Are you aware of all LATAM's safety and flexibility policies within the "New way of flying"?
- Check all the means by which the LATAM measures were reported:
 - LATAM Pass Newsletter
 - Volando con Benjamín Vicuña
 - LATAM's social media posts
 - Traditional media
 - LATAM Pass website

- Others
- Do you think LATAM provided you with all the necessary information to fly again

5.2.1.2 Objective 2

Make evident about LATAM's commitment with LATAM Pass affiliates in relation to safety, flexibility and benefits in an 25% (7.500.000 members) in the next year.

We consider the following affective-type objective is important for LATAM so that affiliated passengers relate to the company's commitment in providing a safe and quality service according to the new flying standards. Paulo Miranda, Vice President of Customers of LATAM Airlines, established:

"While our top priority remains the health and well-being of our customers and employees during this turbulent period, we don't want to forget the loyalty of our frequent flyers, the history we share and the time we've been flying together. We want to protect them and improve the conditions related to their miles and LATAM Pass category so that they can continue to enjoy their benefits when they are ready to travel again." (Aviaciónnews.com 2020)

To regain the trust of passengers, it is important that LATAM creates an impact on its loyal customers through communication and shows its true commitment to providing a safe and flexible service. Taking into account that the sustainability of the airline depends on the purchase of tickets, it is necessary that in addition to knowing the policies, passengers understand and appreciate LATAM's efforts.

5.2.1.2.1 Strategy 2

Demonstrate LATAM's compromise of taking care of its frequent flyers through the implementation of safety, flexible and beneficial policies within the "New way of flying" model.

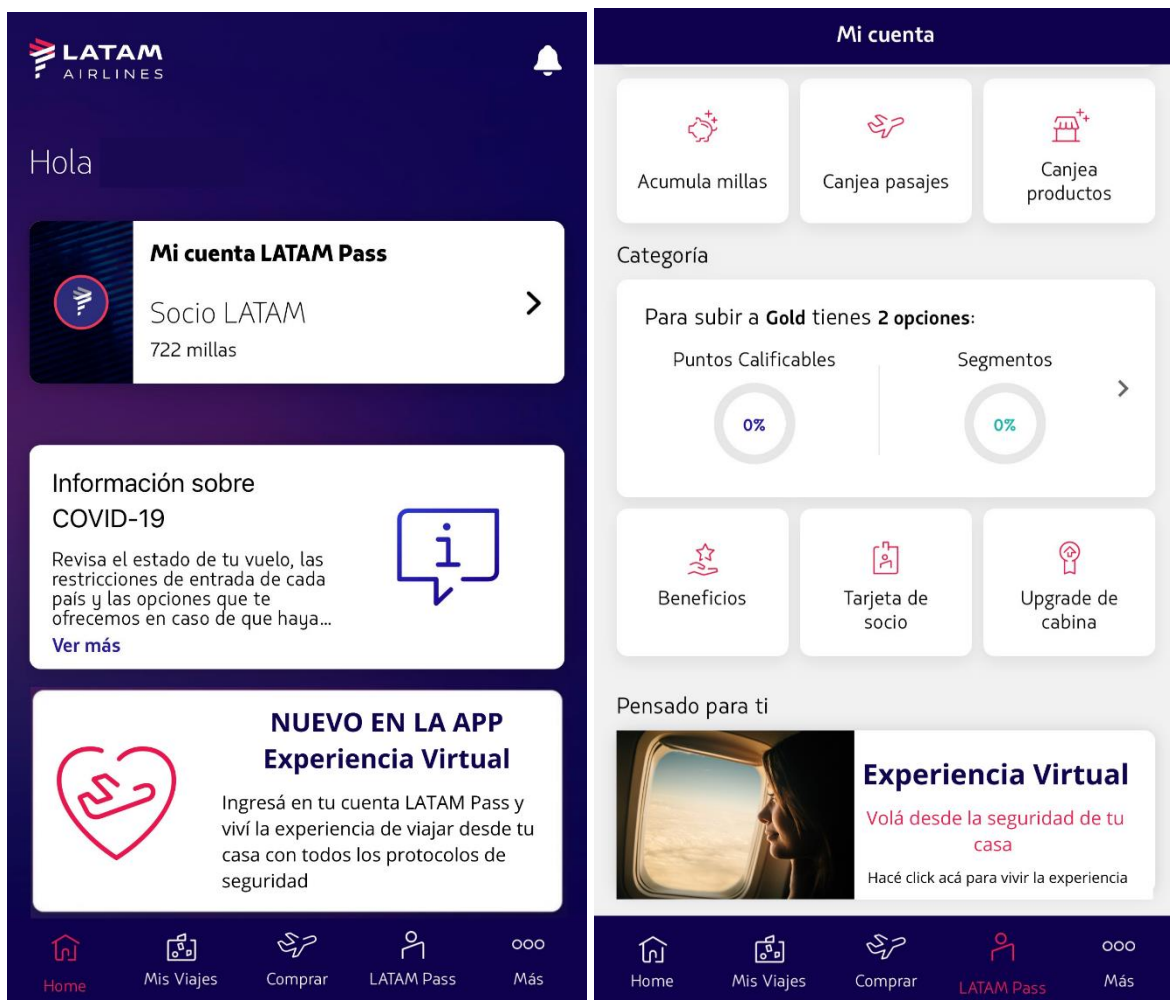
5.2.1.2.2 Tactic

"Fly from the safety of your home" LATAM Pass virtual experience

The idea of the following tactic is to provide an exclusive virtual experience for frequent flyers thorough the LATAM Pass app. This tactic aims to demonstrate the passenger LATAM's protocols and cares when flying in the new normal. Moreover, the objective is to show members that the company is still interested in offering unique experiences to its client and that it wants its passengers to "continue dreaming together".

Frequent passengers should enter the LATAM Pass section from the LATAM app and discover the "Flying from home" experience. Members will be able to access a 5-minute virtual reality 360 video that will simulate every moment of the flight: the process of entering the plane, take off, some minutes of the flight, the landing and departure of the plane. Throughout all the video the passenger will be able to "live" the flight by experiencing all the security protocols proposed by the company in its "New way of flying". The passenger will have the option of moving the screen at a 360 ° angle to visualize every moment of the experience: from the arrival to the airport, check in, boarding process, inflight and disembarking process. In addition, the video will be accompanied by the sound of each moment, which will make the experience even more real. This will allow the user to feel that they are traveling, but from the safety and comfort of their home. At the end of the video, the message "Together, accumulating experiences" will appear in order to reinforce the presence of the airline during the context of isolation.

The following graphic pieces show the presentation of the experience in the LATAM app. The first image shows the option to live the experience from the initial menu of the app, while the second shows the option to access the experience in the LATAM Pass section of the App.



The video will be compatible with all kind of devices such as smartphones and tablets for both iOS and Android operating systems. In addition, those who seek to truly feel inside the plane, will have the availability of using VR glasses to achieve an even more immersive experience.

The video will be produced by the UX (user experience) company Renacen. The company has great expertise in virtual experiences as it specializes in creating state-of-the-art software developments. They have more than 6 years of experience creating advanced user interfaces, seamless user experiences, 3D and Internet of Things (Renacen.com, 2020).

Tactic schedule

The tactic will be developed during November and January 2020-2021; however, the video will be available in the LATAM Pass during the whole year in order to reinforce LATAM’s commitment in being present in its preferred customer’s life in case they are still not ready to fly. Moreover, passengers can access the experience whenever they want to.

Tactic Schedule					
Activity	Date	Time	Location	Task	Required resources
1	02/11/20 WEEK 1	One week	Chile	Contract Renacen for development of video	Human (LATAM communication and commercial responsables + Renacen commercial manager) + Economic resources
2	09/11/20 WEEK 2	One week	Chile	Agreements on video content, resources requirements and budget	Human (LATAM communication and commercial responsables + Renacen creative directors) + Economic resources
3	16/11/20 WEEK 3	One week	Chile	Definition of recording scheme	Human + Economic + Technical resources
4	23/11/20 WEEK 4	Three days	Chile	Approval of content project	LATAM communication and commercial managers
5	25/11/20 WEEK 4	One week	Chile	Planification of the recording flight and resources required	LATAM communication responsables
6	02/12/20 WEEK 5	One day	Chile- Sao Paulo Saulo Paulo -	Filming day: the film crew takes the flight and films the whole experience – Film crew	LATAM communication and commercial responsables + Renacen film makers

			Chile	takes next flight to reshoot.	
7	03/12/20 WEEK 5	Two weeks	Chile	Editing process	Renacen
8	17/12/20 WEEK 7	One day	Chile	Presentation of the video	Renacen
9	18/12/20 WEEK 7	Three days	Chile	Approval of final video	LATAM communication and commercial managers
10	23/12/20 WEEK 8	One week	Chile	Test the video on LATAM apps	LATAM communication and IT responsables
11	30/12/20 WEEK 9	One week	Chile	LATAM's approval of video launching	LATAM communication and commercial managers
12	06/01/21 WEEK 10	One day	Global	Video launched in LATAM App	LATAM communication responsables
13	08/01/21 WEEK 10	Two weeks	Global	Promotion of video in LATAM Pass website, app and social media	LATAM communication and commercial responsables
14	22/01/21 WEEK 12	Two weeks	Chile	Monitoring Feedback	LATAM communication and commercial responsables

Tactic measurement

The following tactic will be measured through different KPI's provided by the LATAM app. The monitoring of the app will include analyzing the average monthly downloads and the unique daily active users. These measurements will be carried out monthly by the LATAM Pass communication team.

Moreover, at the end of the section we will carry out a satisfaction survey in order to measure the degree of engagement of the passengers with the experience and their perception of the safety that LATAM provides on its flights within the "New way of flying". The questions will be evaluated through emojis that demonstrate passenger satisfaction. Below you can see the graphic of the feedback survey:

Back

Feedback

Submit

¡Gracias por Volar con nosotros desde la seguridad de tu casa!

¿Como calificarías tu experiencia de "Volar desde la seguridad de tu casa"?



¿Lograste interiorizarte con las políticas de seguridad y flexibilidad de la Nueva forma de volar?



¿Como calificarías el compromiso de LATAM en brindarte un servicio seguro y flexible?



Sigamos, acumulando experiencias juntos



Objective Evaluation

In order to evaluate the overall objective, we will develop a survey in LATAM Pass section of the corporate app a year later. Taking into account that one of the tactics developed to achieve this objective was developed by this channel, we consider that it is pertinent to evaluate the objective in the same way.

The questions that we will ask will be the following:

- From 1 to 5, with 1 not being committed and 5 being totally committed, how much do you think LATAM committed to providing you with all the tools to fly safe and flexible?
- Do you consider that LATAM effectively communicated its security, flexibility and benefits policies within the "New way of flying"?
- As a frequent passenger, are you satisfied with the means through which LATAM communicated with you?
- From 1 to 10 evaluate how much the virtual experience "Flying from the safety of your home" contributed in your knowledge about the "New way of flying".

5.2.2 Campaign 2: Media

In relation to the second PR campaign that we would like to implement, we consider Media as a key public that functions as an intermediary between LATAM and its current and potential customers.

As we all know, COVID-19 has affected the airline industry in a lot of levels, leaving companies unable to operate for many months. Even though nowadays airports are reopening, we understand that the general worldview around how to behave on airports has completely changed: there are new threats and new opportunities that have arisen from 2020, and LATAM must take advantage of them.

In this context of uncertainty in relation to the new flying protocols and safety policies, the Media is one of the most strategic publics for LATAM, helping the company convey its key messages and sharing information about their commitment with safety and hygiene to current and potential customers. Due to this importance, we consider that developing a campaign for selected media is key in order to success.

5.2.2.1 Objective 1

Inform *Clarín, La Nación, Infobae, El Mercurio, La Tercera and Las Últimas Noticias* Argentinian and Chilean newspapers about LATAM's policies regarding the "New way of flying" in the next 8 months.

We believe this is an awareness-type of objective due to the fact that the main focus of this particular objective is to raise awareness and bring information to media in relation to the current COVID19 context and what is LATAM doing regarding the "New way of flying".

We consider that, nowadays, the flying protocols of airline companies is not a topic that the media has been recently covering, and it is really important to focus on improving media awareness over this in order to approach current and potential clients. If media starts talking about the flying protocols that LATAM is currently implementing, it will function as a mean to approach customers and make them understand that flying in LATAM is an activity based on safety and flexibility.

We decided to incorporate in our objective the selected media that we will approach during the campaign in order to make it as precise as possible. Moreover, the criteria used in order to select those specific media is the importance of each newspaper in relation to its circulation and relevance in each country, as we have previously developed in our public inventory.

5.2.2.1.1 Strategy 1

Use LATAM's hygiene and safety specialists as a mean to inform selected media about LATAM's policies regarding the "New way of flying" in the next 8 months.

5.2.2.1.2 Tactic 1

Offering Media Interviews with the Selected Media in order to make the “New way of flying” an attractive topic for the agenda.

In relation to this objective, one of the tactics that we would like to implement is to offer exclusive interviews of LATAM’s industry specialists to share information to selected media regarding the “New way of flying”. The idea behind this tactic is to offer different experts that are related to the hygiene and safety protocols that will act as authorized voices that help media support information and introduce the topic into the agenda. We will offer valuable information to every selected media, aiming at achieving publications in 80% of the previously mentioned newspapers, having at least one monthly publication per country.

We will train our different specialist’s spokespersons –which will be specialist from the Safety Sector both from Argentina and Chile, as well as members from the Cabin crew in both countries - in order for them to gain confidence and feel prepared when approaching the media. As this is a campaign that will be implemented in two markets – Argentina and Chile – we decided to outsource the Media Training course to an agency that works on both countries: *Indicios PR*. This PR Agency, specialized in Institutional Communication and Media Relations, has won the 2016 Eikon Prize in the Category “Media Relations” (*Indiciospr.com* 2020), so we consider that they will be great partners for LATAM.

In a general overview, LATAM’s Communications Department will be in charge of selecting the most suited employees from the previously selected sectors, arranging with *Indicios PR* the most relevant topics to cover in the Media Training, and then reaching to every journalist that might be interested in having an interview in order to get information around this topic. The mailing that LATAM will use in order to reach journalist will be the following:



Hola _____,

En este contexto actual, en donde la experiencia de viajar en avión se ha revolucionado, te invitamos a charlar con especialistas de nuestro Grupo para descubrir mejor la **nueva forma de volar.**

Si estas interesado, contactate con nuestro equipo en comunicación@latam.com



However, it is important to mention that email it's not the only source that the LATAMs Communication Department will use. They will also contact journalist by a phone call to check if the email was received and if they are interested in participating in the activity.

After contacting every journalist and having done the proper Media Training, the Communications Department will be in charge of arranging every interview as well as accompanying both the interview and the interviewee if they had any inquiries.

Lastly, the Department will also be in charge of understanding the results of this tactics both in a qualitative and quantitative way. The rationale behind this is that media measurement requires quantity and quality: it's not only important to count only published news or the impressions achieved, but also understanding the presence of spokespeople, the quality of the coverage, and the prominence or dominance of the topic.

Due to the constant uncertainty provided by COVID-19, we are sure that some protocols or safety matters may change over the months, so the idea is to repeat the same bimestrial process (see tactic schedule) making modifications any time required in relation to spokespersons, topics, and information about LATAM's safety protocols. In relation to this, the Communication Department will be in charge of developing an external environment investigation every two months in order to understand what the most relevant topics in relation are to flying protocols that should be prioritized, as well as revising if there are any changes in relation to the permits to fly. We have seen that some

countries have been obliged to go back and return to quarantine of previous phases due to COVID-19 sprouts, so the Communication Department must be aware of this situation.

Tactic Schedule

Tactic Schedule					
Activity	Date	Time	Location	Task	Required resources
1	2/11/20 WEEK 1	One Week	Chile	Gather all selected media information and contact.	Human (work from Communication's department)
2	9/11/20 WEEK 2	One Week	Chile	Gather all the information from possible employees that could be spokespersons.	Human (work from Communication's department)
3	9/11/20 WEEK 2	One Week	Chile	Contact and Interview Employees that may fit the purpose of the tactic.	Human (work from Communication's department)
4	11/11/20 WEEK 3	One Week	Chile	Define the selected employees for this task.	Human (work from Communication's department)
5	16/11/20 WEEK 4	One Day	Chile	Meet with Indicios PR Agency and define the contents, date and time for the Media Training.	Human (work from Communication's department); External PR Agency: Indicios PR
6	18/11/20 WEEK 4	One Day	Chile	Invite and confirm assistance of all the selected employees.	Human (work from Communication's department)
7	19/11/20 WEEK 4	One Day	Chile	Provide all selected employees with a Media Training.	Human (work from Communication's department); External PR

					Agency: Indicios PR
8	23/11/20 WEEK 5	Two Days	Chile	Prepare and redact the mailing offering information about LATAM's safety protocols.	Human (work from Communication's department)
9	25/11/20 WEEK 5	Two Days	Chile	Send the mailing to Selected Media and contact them to check they received it and if they are interested in having an interview with LATAM's specialists.	Human (work from Communication's department)
10	27/11/20 WEEK 5	One Week	Chile	Gather all journalist's responses and schedule all interviews	Human (work from Communication's department)
11	04/12/20 WEEK 6	One Week	Chile	Be part of the different online interviews of selected media offering help both for interviewers and interviewees.	Human (work from Communication's department)
12	11/12/20 WEEK 7	One Week	Chile	Contact all the journalists who had done an interview and check if they need any extra information	Human (work from Communication's department)
13	18/12/20 WEEK 8/9	One Week	Chile	Start Media monitoring for publications	Human (work from Communication's department)
14	02/01 WEEK 10	One Week	Chile	Evaluation process: Clipping + ROIM	Human (work from Communication's department)

Tactic Measurement

We will evaluate this tactic by continuously monitoring and doing clippings on a weekly basis to understand the amount and quality of the coverage obtained by this tactic. Moreover, we will use the Return on impressions (ROIM) index, assuming that a certain number of impressions in the media will raise awareness and that it will affect the attitudes and behaviors of one part of targeted audiences.

As we have mentioned before, due to the changing environment provided by the current context, we will proceed to evaluate this tactic every two months, since the tactic will be continuing to provide media updated, new and relevant content.

5.2.2.1.3 Tactic 2

Special Webinar “Aeropuertos, Aerolíneas y Covid: una nueva forma de volar”

Another tactic that we would like to implement is to **offer the selected media the possibility to participate on an online webinar which will aim at informing the new airport and airline protocols**. We will partner with Aeropuertos Argentina 2000 and Nuevo Pudahuel in order to offer not only information around what LATAM is currently doing, but to also include information regarding the protocols that are taken inside the airport as well. This will add value to the experience and will give a 360° view of the process of going to an airport.

Under the concept “Aeropuertos, Aerolíneas y COVID-19: una nueva forma de volar”, we will invite all specialized journalists of selected media to participate in the webinar. It will last around 1 hour and a half and will be done in the afternoon (at approximately 19hs) and will include the airport and checking process tour, going from when a customer enters to the airport to when it arrives to the plane. Moreover, the webinar will be guided by two representative voices that will embody both organizations: Enrique Rosende, the V.P of Safety from LATAM Group, and Mariano Mobilia, Operations and Maintenance Director from AA2000. Lastly, it will include a segment for any questions or inquiries that participants may have.

Throughout the webinar, we will incorporate some of LATAM’s key messages in relation to the company’s commitment regarding hygiene protocols and safety measures, recommendations for potential flyers, and all the precautions that LATAM will take if there is any case of COVID-19 before and during the flight. The key messages that LATAM will try to convey are detailed in point 6, which includes the key messages of both campaigns.

The webinar is going to be built around a whole audiovisual experience in which the different specialists are going to be talking about the whole process and protocols around taking a plane while

journalists can experience all the trajectory on real time. The only difference is that they are going to be living and experiencing it from their homes.

The audiovisual experience will be produced by the UX (user experience) company Renacen. The company has great expertise in virtual experiences as it specializes in creating state-of-the-art software developments. They have more than 6 years of experience creating advanced user interfaces, seamless user experiences, 3D and Internet of Things (Renacen.com 2020). In this case, they will collaborate with LATAM in the developing of an audiovisual experience that will be played at the webinar.

Journalists will be able to access to the webinar through its computers no matter what operating system they have: we will offer an accessible webinar for everyone to enter and participate. Moreover, all the webinar's attendees will also receive a #TravelKit with special treats and goods to make the webinar a pleasant and different experience.

The #TravelKit will include products related with the new way of flying, combining traditional must-haves for any flight trip as well as new essentials. It will come in a box that will include the card that will introduce the elements of the press kit and will remind journalists of the date and time of the webinar. The general layout of the card is the following:



Inside the box there will be a special totebag to use when travelling, a special hydrating serum to avoid skin dehydration during flights, a water bottle, a special mug for each journalist, hand sanitizer and a special facemask. We have included a preview of how all the elements will be presented:



FRONT



CONTENT

We have also included a view of all the goods included in the #TravelKit individually:

FACE MASK



WATER BOTTLE



TOTE BAG



HYDRATING SERUM



HAND SANITIZER



COFFEE MUG



We will invite journalists that are specialized in tourism or that have been recently covering similar topics. We have developed a comprehensive list of some of the selected ones according to each specific media. We were only able to include Argentinian newspapers because many of the selected media from Chile require a subscription, so it was hard to identify key journalists.

- **Argentinian Newspapers**
 - **Clarín**
 - Diana Pazos
 - Grisel Isaac
 - Ernesto Azarkevich
 - Pablo Bizón
 - **La Nación**
 - Valeria Musse
 - Alejandro Rapetti
 - Nieves Guerrero Lozano
 - Andrea Ventura
 - Lucila Marti Garro
 - **Infobae**
 - Martina Putruele
 - Flavia Tomaello
 - Carlos Mira

The work from LATAM's communication department will start with determining the layout, structure and requirements that will be essential for the production of the audiovisual experience. For this, they will team up with Renacen, as they are used to this type of activities and will give clear and valuable insights for the elements needed for the webinar.

One representative of LATAM's Communication Department will travel to Ezeiza Airport in order to support any need or inquiry that might come up from the filming week. After the filming week, Renacen will edit all the content and prepare the Final Version that must be approved by LATAM before developing the full webinar.

Another aspect that the Communication Department will need to develop is the #TravelKit. For doing so, LATAM must define the most important elements for the clipping and contact possible packaging companies and choose the more suitable one for the tactic. Finally, they will be in charge of receiving the #TravelKit, making a quality check and sending it to each journalist.

Lastly, LATAM's Communication Department will contact all selected journalist before, during and after the Webinar. One of the most important contacts will be to invite journalist to the Webinar. We decided to include a mockup the mailing we will use for this tactic.



22/12
19 hs.



- Enrique Rosende, VP. de Seguridad del Grupo LATAM
- Mariano Mobilia, Director de Operaciones y Mantenimiento de AA2000

Moreover, the LATAM's Communication Department must be available for any inquiry that might come from the Webinar's information. They will be in charge of sending the survey to each journalist as a part of the evaluation process (further developed in the Tactic Measurement), and the media monitoring.

Tactic Schedule

Tactic Schedule					
Activity	Date	Time	Location	Task	Required resources
1	04/01/21 WEEK 1	Two Days	Chile	Gather all selected media information and contact.	Human (work from Communication's department)
2	06/01/21 WEEK 1	Three Days	Chile	Have meetings with both partners to determine the Layout, structure and budget for the tactic.	Human (work from Communication's department),

					Presence of Enrique Rosende and Mariano Mobilia + AA2000 and Nuevo Pudahuel
3	11/01/21 WEEK 2	One Week	Chile	Contact Audiovisual and Virtual Reality company Renacer in order to start producing the Webinar.	Human (work from Communication's department) + Renacer
4	18/01/21 WEEK 3	One Week	Chile	Define and hire extra elements that will be required for the filming week. Define all the equipment, workforce and resources needed in order to develop the webinar	Human (work from Communication's department)
7	25/01/21 WEEK 4	One Day	Chile	Contact and check that everyone involved has a way of transportation to the filming set. If not, schedule a taxi ride.	Huma (work from Communication's department)
8	26/01/21 WEEK 4	One Week	Argentina	Go to Ezeiza and film the whole webinar.	Human (work from Communication's department)
9	26/01/21 WEEK 4	One Week	Argentina	Participate and collaborate in any daily filming requirement: check attendance, revise the materials that were required are available. Assist the audiovisual company in general tasks.	Human (work from Communication's department)
10	02/02/21 WEEK 5	One Week	Chile	The hired agency must complete editing the whole	Renacer Agency

				virtual reality tour.	
11	08/02/21 WEEK 6	One Week	Chile	Define the elements that the #TravelKit will have and start negotiations with packaging companies	Human (work from Communication's department)
12	15/02/21 WEEK 7	Three Days	Chile	Revise the final version and check if any changes are needed.	Human (work from Communication's department)
13	17/02/21 WEEK 7	One Week	Chile	Define the best supplier to develop the #TravelKit. Reach them and give them 1-week deadline.	Human (work from Communication's department)
14	24/02/21 WEEK 8	One Day	Chile	Write the mailing invitation that will be sent to selected journalists.	Human (work from Communication's department)
15	25/02/21 WEEK 8	One Day	Chile	Contact the selected journalist and confirm addresses to send the press kits.	Human (work from Communication's department)
16	26/02/21 WEEK 9	One Day	Chile	Receive the press kits and deliver them through each journalist's direction.	Human (work from Communication's department)
17	01/03/21 WEEK 9	One Day	Chile	Send the Mailing of the event to each selected journalist.	
18	02/03/21 WEEK 9	One Day	Chile	Contact every journalist to check assistance as well as if they receiver the press kit.	Human (work from Communication's department)
19	03/03/21	One Day	Chile	Date of the Webinar. Be	Human (work

	WEEK 9			available and help with any further inquiry from journalists.	from Communication's department)
20	04/03/21 WEEK 9	Three Weeks	Chile	Evaluation Process: Media monitoring post-event, journalist's assistance, and ROIM.	Human (work from Communication's department)
21	25/03/21 WEEK 12	One Week	Chile	Develop a Report with all the results of this tactic.	Human (work from Communication's department)

Tactic Measurement

We will measure this tactic through different actions, such as:

- Media monitoring, in order to evaluate the amount and quality of publications done after this webinar.
- The percentage of assistance of the event versus the total of journalists invited, in order to understand if the event was appealing for journalists.
- A small survey for journalists to fill in after the webinar, asking questions such as
 - *Did you find the information of the Webinar useful?*
 - *Do you have any further inquiries?*
 - *Were you able to understand the new way of flying protocols and processes?*

We have included a quick overview of how the survey will look:

Back Feedback Submit

Gracias por participar en nuestro Webinar!

Nombre:

Consideras que la información recibida en el Webinar te es de utilidad?


🙄 😞 😐 😊 😍

Considerás que la información recibida en relación con los protocolos sobre las nuevas formas de volar fue clara?

🙄 😞 😐 😊 😍

Tenes alguna otra duda o pregunta?

Dejanos tus comentarios, estaremos encantados de ayudarte.



- Return on impressions (ROIM) index, assuming that a certain number of impressions in the media will raise awareness and that it will affect the attitudes and behaviors of one part of targeted audiences.

5.2.2.2 Objective 2

Be perceived by *Clarín, La Nación, Infobae, El Mercurio, La Tercera and Las Últimas Noticias* Chilean and Argentinian newspapers as a brand committed with customer's safety and flexibility in an 80% in the next 8 months.

This second objective can be considered an affective-type of objective since in this one we will be trying to establish a positive perception and opinion of LATAM's safety and security policies and protocols in the selected media.

We consider that it was important to establish this second objective because our focus it's not going to be on only raising awareness and informing the media over what LATAM is currently doing, but also building strong and positive positions with them. Having good relationships with media it's crucial, especially in this time where flying it's still not seen as an appealing activity, and that is why we decided to include this second objective.

5.2.2.2.1 Strategy 2

Validate LATAM's commitment with customer's safety and flexibility through tactics that expose LATAM's efforts and best practices in the next 8 months.

5.2.2.2.2 Tactic

“La Vuelta al Vuelo” Media Trip

In relation to this second objective, we will implement a tactic based on the concept “*La vuelta al vuelo*”. We will **invite selected tourism journalists of each selected media to experience the “new way of flying” in first hand**, being able to understand and face all of the new protocols in relation to hygiene and safety.

We will invite journalists that are specialized in tourism or that have been recently covering similar topics. We have developed a comprehensive list of some of the selected ones according to each specific media:

- **Argentinian Newspapers**
 - **Clarín**
 - Diana Pazos
 - Grisel Isaac
 - Ernesto Azarkevich
 - Pablo Bizón

 - **La Nación**
 - Valeria Musse
 - Alejandro Rapetti
 - Nieves Guerrero Lozano
 - Andrea Ventura
 - Lucila Marti Garro

 - **Infobae**
 - Martina Putruele
 - Flavia Tomaello
 - Carlos Mira

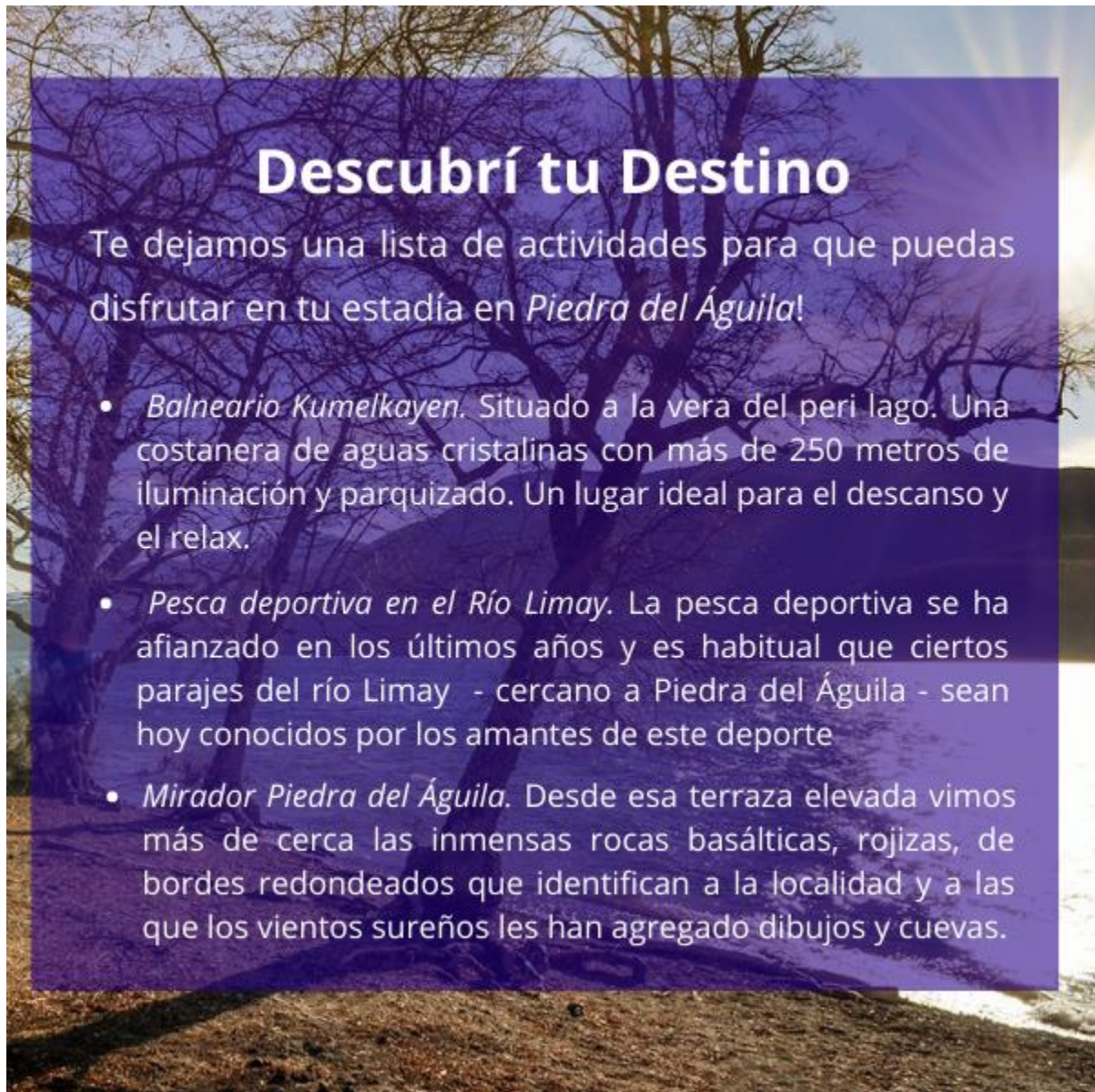
The idea behind this is that journalists live this new experience and can come across LATAM's efforts in their attempt to reactivate their flights, engaging readers and customers to choose the company to fly in this difficult time.

The journalist's trip will consist of a 4-day trip where LATAM will be taking care of everything. Journalists will be able to travel with LATAM to one national selected destination, which will be based on the destinations that the company works within the program "Cuido Mi Destino", one of the pillars of the Corporate Responsibility Programme.

Before the Trip, journalists will receive a #TravelKit with all the essentials to carry in their trip in order to have the best travelling experience as possible. The #TravelKit will come with a special card for each journalist to initiate the travel experience. The card will be as the following shown:



Another card that will be added to the #TravelKit will include information on the destination that the journalist will go, in order to give him or her ideas of places to visit in their 4-days trip. This card will be as the following model shown:



Descubrí tu Destino

Te dejamos una lista de actividades para que puedas disfrutar en tu estadía en *Piedra del Águila*!

- *Balneario Kumelkayen*. Situado a la vera del peri lago. Una costanera de aguas cristalinas con más de 250 metros de iluminación y parqueizado. Un lugar ideal para el descanso y el relax.
- *Pesca deportiva en el Río Limay*. La pesca deportiva se ha afianzado en los últimos años y es habitual que ciertos parajes del río Limay - cercano a Piedra del Águila - sean hoy conocidos por los amantes de este deporte
- *Mirador Piedra del Águila*. Desde esa terraza elevada vimos más de cerca las inmensas rocas basálticas, rojizas, de bordes redondeados que identifican a la localidad y a las que los vientos sureños les han agregado dibujos y cuevas.

We have also included a model of what the press kit will include:



In this case, the idea is to incorporate new elements that are different from the #TravelKit from our previous tactic in order to offer an added value for journalists. We have included a special mask and hand sanitizer as they are the new must-haves for any daily activity, but also incorporated useful elements such as a padlock, a notebook and a pen, a USB with all the information regarding LATAM's protocols and a special airplane pillow. We have also included images of all the selected goods that, altogether, will compose the #TravelKit:

FACE MASK



PORTABLE USB



AIRPLANE PILLOW



PEN



HAND SANITIZER



NOTEBOOK



PADLOCK



In relation to the timelines, we will implement this tactic after the webinar, as we consider that it would be interesting for journalists to experience the webinar from the comfort of their homes, and a few months later truly try the experience, giving an interesting continuity around both tactics.

In relation to the tasks of the Communication Department, they will be responsible of the organization of the whole trip, including the contact and arrangement with every journalist, the developing of the #TravelKit, and the overall experience of every journalist.

This will include the developing of a 4 day schedule for the trip, seeking to arrange engaging and interesting activities for journalists, as well as making their airport experience as pleasant as possible. Frequent contact will be fundamental to understand the needs and wants all journalists .

Tactic Schedule

Tactic Schedule					
Activity	Date	Time	Location	Task	Required resources
1	01/04/21 WEEK 1	One Week	Chile	Gather all selected media information and contact.	Human (work from Communication's department)
2	08/04/21 WEEK 2	One Week	Chile	Call selected journalists for this tactic and ask for confirmation, availability and selected destination.	Human (work from Communication's department)
3	15/04/21 WEEK 3	One Day	Chile	Organize the initiative dates in order for it to be in the	Human (work from

				same week.	Communication's department)
4	16/04/21 WEEK 3	One Day	Chile	Book all the tickets for every journalist and make a four-day reservation at the selected location.	Human (work from Communication's department)
5	19/04/21 WEEK 4	Three Days	Chile	Define the elements that the #TravelKit will have and start negotiations with packaging companies.	Human (work from Communication's department)
6	21/04/21 WEEK 4	One Day	Chile	Develop and Design the Card that will be inside the #TravelKit as well as the card will all the recommendations of activities to do in the selected destination.	Human (work from Communication's department)
7	22/04/21 WEEK 4	One Day	Chile	Develop an exclusive mailing with all the information that journalists need to know before going into the airplane.	Human (work from Communication's department)
8	23/04/21 WEEK 4	One Day	Chile	Define the company that will do the packaging and set a one-week deadline.	Human (work from Communication's department) + Selected Packaging Company.
9	26/04/21 WEEK 5	One Day	Chile	Receive the #TravelKit and quality check	Human (work from Communication's department)
10	27/04/21 WEEK 5	One Week	Chile	Send #TravelKit to all journalists.	Human (work from

					Communication's department)
11	04/05/21 WEEK 6	One Day	Chile	Contact each journalist to revise if they have received everything correctly.	Human (work from Communication's department)
12	05/05/21 WEEK 6	One Day	Chile	Inform the cabin crew of the selected flights that some journalists are going to attend the flight.	Human (work from Communication's department)
13	06/05/21 WEEK 6	One Day	Chile	Call every journalist before arriving to the airport to check they have everything needed. Call them after the flight to check everything is ok.	Human (work from Communication's department)
14	07/05/21 WEEK 6/7	Same Day	Chile	Day of the flight: Call the journalists before going to the airport to check they have everything and after to check they have arrived safely.	Human (work from Communication's department)
15	7/05/21 – 10/05/21 WEEK 6/7	Four Days	Chile	Be available for journalists. Help them if they have any inquiry or problem during their 4 day trip.	Human (work from Communication's department)
16	10/05/21 WEEK 7	Same Day	Chile	Inform the cabin crew of the selected flights that some journalists are going to attend the flight.	Human (work from Communication's department)
17	10/05/21 WEEK 7	Same Day	Chile	Day of the flight: Call the journalists before going to the airport to check they have everything and after to check they have arrived	Human (work from Communication's department)

				safely.	
18	11/05/21 WEEK 7	One Week	Chile	Start the media monitoring process to understand the amount of media coverage that the tactic produced.	Human (work from Communication's department)
19	18/05/21 WEEK 8	One Week	Chile	Established the results of the action in a report.	Human (work from Communication's department)

Tactic Measurement

This tactic will be evaluated through the quantity of journalists that will attend and participate in this activity, as well as the Return on impressions (ROIM) index, assuming that a certain number of impressions in the media will raise awareness and that it will affect the attitudes and behaviors of one part of targeted audiences.

We will also complete the measurement with Media Monitoring in order to understand the quality of the coverage obtained through this tactic.

Lastly, we will email a survey to each journalist in order to understand if they were able to understand the new flying process and if they have any other inquiry. Some of the questions included will be:

- *Were you able to enjoy your travelling experience?*
- *Will you share your travelling experience with LATAM with others?*
- *What aspects do you consider that LATAM could improve regarding protocols and customer's safety?*
- *How satisfactory do you consider your experience with LATAM?*

The look of the survey will be the following:

Back

Feedback

Submit

Gracias por participar en la Vuelta al Vuelo!

Te dejamos unas breves preguntas para que nos comentes cómo fue tu experiencia

Nombre:

¿Pudiste disfrutar de su experiencia de viaje?



¿Compartirías tu experiencia de viaje con LATAM con otros?



¿Qué aspectos consideras que LATAM podría mejorar en cuanto a protocolos y seguridad del cliente?

Dejanos tus comentarios en este espacio.

¿Qué tan satisfactoria considera su experiencia con LATAM?



6- Message/s

In relation to the concept of both of our communications campaigns, we would like to implement the same key messages that will be emphasized in all communications. All of them will be based around the objectives that were previously defined, based on the premises that they are cognitive and affective type of objectives.

Even though we will incorporate key messages in all communications, since our campaigns seek to relate with two different publics, we will explain certain variations that may be different between the two campaigns.

The main idea and message that we would like to incorporate in our campaign is “**A new world. A new way of flying**”. This powerful statement clearly defines the context in which LATAM, the airline industry and the whole world is operating: a new paradigm based on new needs and demands from our publics. Some of them are the need of being safe in levels that weren't as relevant before, such as in relation to hygiene and the evasion of disease contagion, and extreme flexibility due to a constantly changing environment. We consider that the statement “A new world. A new way of flying” is a good

guideline due to the clarity of it and how well it relates to the present world. That is the reason why this will be the key message of both campaigns.

6.1 Key Messages: LATAM Pass Customers

In relation to our first communication campaign, aimed at targeting LATAM Pass customers, the messages communicated will be based in the company's current situation but still responding to the brand purpose definition of the fidelity program which is "Together we create a world of possibilities to make dreams come true" (Latampass.latam.com, 2020).

As the context requires concrete information from the company regarding the "New way of flying", the messages in each tactic will have the objective to inform and show the company's commitment regarding the new way of providing its services to the loyal customers. The core themes on these messages will be security, flexibility and benefits. Some examples of messages are:

- Discover a new way of flying, with even more safety and flexibility
- We continue with you, flying with more security and flexibility.
- We will keep flying for you. We are gradually resuming our operation with the highest standards and safety protocols, a renewed flexibility policy with even more benefits and the support of the 90 years that we have been operating in the region.
- Today, we continue to take off as if it were the first time. Because we live in a new world, we have a #NewWayofFlying with more security and flexibility than ever, so you can buy and travel with complete peace of mind.
- Flying with you is what we like to do the most. Therefore, we are taking all the measures to take care of your health and make our trip safer for everyone.

Additionally, as the target audience of the campaign is very strategic for the company, we will still develop messages that reinforce the customer's exclusivity and importance as part of the LATAM Pass program. Through this messages LATAM will be able to support and strengthen the program's brand. Some of the messages mentioned will be:

- We're still together so that your dreams go further.
- Closer to flying again.
- We want to bring you home. Our commitment is to keep the world dreaming
- Are you prepared for your next dream? Feel free to dream it up.
- We look forward to seeing you on board when you are ready to fly again.
- Because our passion remains intact, we continue to accompany you with these contents to continue dreaming together, of flying far again.

6.2 Key Messages: Media

In relation to our second communication campaign, aimed at targeting specific media from the Argentinian and the Chilean market, we will be focusing on informing and sharing premises of the new way of flying as well as LATAM's commitment with safety and flexibility, the two major needs and requests from customers nowadays.

Concerning our first objective, which aims at informing selected media about the new way of flying the key message is going to be based on the idea of discovery, helping journalists to unveil the mysteries and inquiries of the new way of flying. Our main message from this campaign will be based on the idea of "discovering a new way of flying, in a safe environment".

The second objective, which is based on being perceived by those selected media as an airline fully committed with safety and flexibility. In this case, we will incorporate as key message the idea that LATAM will continue flying for you. The company is gradually resuming the operations with the highest standards and security protocols, with a renewed flexibility policy with greater benefits and with the support of the 90 years that we have been operating in the region.

During the different tactics, we will try to incorporate different messages related to this greater idea. Most of them will be related with the safety, such as:

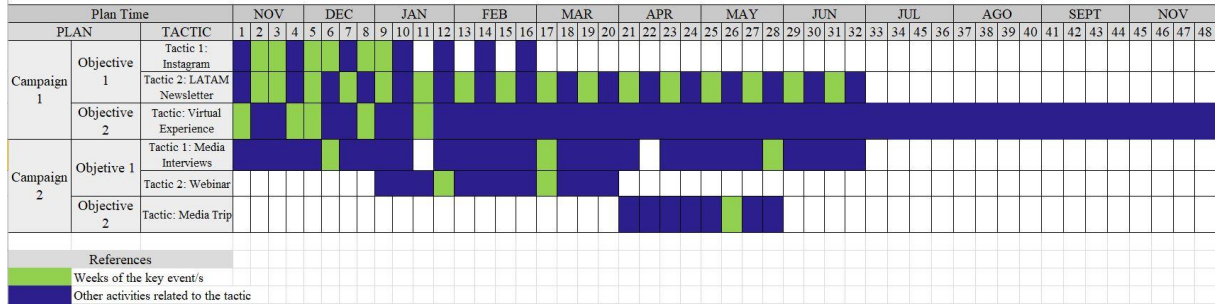
- For greater safety of our passengers and workers, the use of masks is mandatory on all our flights, both at the airport and on board the plane. If you are going to travel, remember to bring your own mask, as these will not be delivered at the airport. The use of self-made masks will be allowed.
- We reinforce to our crew the procedure of how to act and who to notify in a suspicious case during the flight.
- We have implemented communications on board according to the local requirement of some countries at the time of the arrival of our flights.
- We have delivered protection elements to our staff who receive international flights.
- We will maintain protocols for monitoring and medical care, if necessary, for collaborators who have been in contact with a confirmed case.
- We have implemented special cleaning procedures for aircraft in which a suspicious case is detected.
- We have improved the stock of personal protection elements inside the plane, which will be used according to the protocol if a suspicious case occurs.
- We have put alcohol gel in all the bathrooms on our planes.

- The planes have an air recirculation system that renews the plane's air every 3 minutes thanks to HEPA (High Efficiency Particulate Air) filters, which capture viruses and particles.
- Our LATAM crew has a protocol for handling a suspected case, in line with the criteria provided by the World Health Organization, that is, for people with high fever, respiratory distress and / or who have visited any of the countries with confirmed cases.
- If you develop symptoms during the flight, you should immediately notify the crew. In addition, you must indicate if you were in a country with a confirmed case of coronavirus (COVID-19) during the last 14 days. On board, we have internal protocols in case of suspicion of an infectious disease.
- We have improved the embarkation and disembarkation processes to avoid crowds. In the boarding process, the passenger must scan their boarding pass avoiding contact with agents.
- We have adjusted our protocols to minimize interactions with passengers.
- Our crew will promote social distancing and guide passengers when boarding the plane and arriving at their destination to avoid crowds in the corridors.
- We adjust our protocols to minimize interactions with passengers.
- Our crew will promote social distancing and guide passengers when boarding the plane and arriving at their destination to avoid crowds in the corridors.
- As a preventive measure, to reduce interactions and points of contact, the delivery of rest items will be reactive, only when the passenger requests it. Items in the pockets of each seat will also be removed.
- At LATAM we are committed to our passengers, which is why we have increased flexibility in our policy for changes in flight dates and / or destinations. Check all the alternatives you have depending on the date you bought your flight.
- If your flight was canceled or rescheduled due to the Coronavirus (COVID-19) contingency, and you definitely will not be able to fly this year, rest easy because you will not lose your money. You can request the return of the ticket, boarding fees and additional services purchased with money, Miles or LATAM Pass Points.

7- Timescales

Bellow we attached the timescale of the whole campaign with the tactics developed above. Moreover, we develop a task dependency in order to highlight the most important activities within each tactic.

LATAM AIRLINES Calendar Plan



PLAN	TACTIC	ACTIVITY	DATE	KEY ACTIVITIES	
Campaign 1	Objective 1	Tactic 1	2	Week 2	Collaboration agreement and contract signing with Benjamín Vicuña
			3	Week 3	Development of the idea of video, the storyboard and the resources required
			7	Week 5	Planification of the recording flight and resources required
			8	Week 6	Filming day
			12	Week 8	LATAM's approval of final video
			14	Week 9	Video Post in Benjamin Vicuña's and LATAM's instagram account
			17	Week 10	Analysis of KPIs
	Objective 2	Tactic 2	1	Week 1	Ccheck e-mail marketing database
			2	Week 1	Design the template for all newsletters
			3	Week 2	Plan the conect for biweekly newsletter
			6	Week 4	Approval from Communications adn Commercial area
			7	Week 5	Send newsletter
			8	Week 5	Analyze KPIs
	Objective 2	Tactic	1	Week 1	Contract Renacen for the development of the video
			2	Week 2	Agreements on video content, resources requirements and budget
			4	Week 4	Approval of content project
			5	Week 4	Planification of the recording flight and resources required
6			Week 5	Filming day	
9			Week 8	Testing of video in LATAM app	
12			Week 10	Video Launching in LATAM app	
Campaign 2	Objective 1	Tactic 1	4	Week 3	Define the selected employees for this task.
			5	Week 4	Meet with Indicios PR Agency and define the contents, date and time for the Media Training.
			7	Week 4	Provide all selected employees with a Media Training.
			9	Week 5	Send the mailing to Selected Media and contact them to check they received it and if they are interested in having an interview with LATAM's specialists.
			10	Week 5	Gather all journalist's responses and schedule all interviews.
			11	Week 6	Interview's week.

Objective 2	Tactic 2	12	Week 7	Contact all the journalists who had done an interview and check if they need any extra information.
		13	Week 8/9	Control and Evaluation Process.
		2	Week 1	Have meetings with both partners to determine the Layout, structure and budget for the tactic.
		4	Week 2	Contact Audiovisual and Virtual Reality company Renacer in order to start producing the Webinar.
		5	Week 3	Define and hire extra elements that will be required for the filming week. Define all the equipment, workforce and resources needed in order to develop the webinar
		6	Week 4	Go to Ezeiza and film the whole virtual reality webinar.
		8	Week 5	The hired agency must complete editing the whole virtual reality tour.
		11	Week 6	Define the elements that the #TravelKit will have and start negotiations with packaging companies.
		12	Week 7	Revise the final version and check if any changes are needed.
		16	Week 9	Receive the press kits and deliver them through each journalist's direction.
		17	Week 9	Send the Mailing of the event to each selected journalist.
		19	Week 9	Date of the Webinar.
		21	Week 10/11/12	Evaluation and Report Process.
	Tactic	2	Week 2	Call selected journalists for this tactic and ask for confirmation, availability and selected destination
		3	Week 3	Organize the initiative dates in order for it to be in the same week.
		4	Week 3	Book all the tickets for every journalist and make a four-day reservation at the selected location.
		6	Week 4	Develop and Design the Card that will be inside the #TravelKit as well as the card will all the recommendations of activities to do in the selected destination.
		10	Week 5	Send #TravelKit to all journalists.
		12	Week 6	Inform the cabin crew of the selected flights that some journalists are going to attend the flight.
		12	Week 6	Call every journalist before arriving to the airport to check they have everything needed. Call them after the flight to check everything is ok.
		15	Week 6/7	Be available for journalists. Help them if they have any inquiry or problem during their 4 day trip.
16		Week 7	Inform the cabin crew of the selected flights that some journalists are going to attend the flight.	
17		Week 7	Day of the flight: Call the journalists before going to the airport to check they have everything and after to check they have arrived safely.	
18	Week 7	Start the media monitoring process to understand the amount of media coverage that the tactic produced.		
19	Week 8	Established the results of the action in a report.		

8- Brief

The following table is an executive summary that briefly summarizes the most important information developed throughout the work.

Brief	
LATAM Airlines Group	
Main airline group in Latin America and one of the largest in the world. LATAM Airlines provides passenger and cargo transportation services.	
Problem: Due to the changes in the industry as consequence of COVID-19, LATAM Airlines has the need to communicate the new business strategy based on the concept "New way of flying".	
Plan Goal: Create an understanding of LATAM's new business strategy based on the concept "New way of flying"	
Campaign 1	Campaign 2
LATAM Pass Customers	Media
Objective 1: Raise awareness of LATAM's safety protocols, flexibility policies and benefits within the "New way of flying" in a 40% (12.000.000 affiliates) of LATAM Pass members in the next 8 months.	Objective 1: Inform Clarín, La Nación, Infobae, El Mercurio, La Tercera and Las Últimas Noticias Argentinian and Chilean newspapers about LATAM's policies regarding the "New way of flying" in the next 8 months.
Strategy 1: Inform LATAM Pass members about the airlines "New way of flying" policies through the program's channels.	Strategy 1: Use LATAM's hygiene and safety specialists as a mean to inform selected media about LATAM's policies regarding the "New way of flying" in the next 8 months.
Tactic 1: LATAM's Instagram campaign "Volando con Benjamín Vicuña"	Tactic 1: Offering Media Interviews with the Selected Media in order to make the "New way of flying" an attractive topic for the agenda.
Tactic 2: "#VueltaAlVuelo" LATAM Newsletter	Tactic 2: Special Webinar "Aeropuertos, Aerolíneas y Covid: una nueva forma de volar"
Objective 2: Make evident about LATAM's commitment with LATAM Pass affiliates in relation to safety, flexibility and benefits in an 25% (7.500.000 members) in the next year.	Objective 2: Be perceived by Clarín, La Nación, Infobae, El Mercurio, La Tercera and Las Últimas Noticias Chilean and Argentinian newspapers as a brand committed with customer's safety and flexibility in an 80% in the next 8 months.

Strategy 2: Demonstrate LATAM's compromise of taking care of its frequent flyers through the implementation of safety, flexible and beneficial policies within the "New way of flying" model.	Strategy 2: Validate LATAM's commitment with customer's safety and flexibility through tactics that expose LATAM's efforts and best practices in the next 8 months.
Tactic: "Fly from the safety of your home" LATAM Pass virtual experience	Tactic: "La Vuelta al Vuelo" Media Trip
"A new world. A new way of flying"	

9- Conclusion

LATAM Airlines has proven for many years to be the most important airline in Latin America. Not only because of its number of passengers and cargo transported, but also because of its wide presence and good image throughout the region.

However, 2020 impacted the company negatively in economic, operational and reputational terms. The COVID-19 pandemic affected not only the direction of the airline but also the entire aeronautical industry that had to face new demands and challenges. In the face of the need to stay economically sustainable, LATAM modified its business model by increasing its security protocols, flexibility policies and benefits. The airline successfully managed to frame its new alignments within the "New way of flying" concept. This latest way of providing its service involved all LATAM audiences as it implied a paradigm shift within the organization.

We consider that in order to effectively implement its new business model and get acceptance from its publics in such restricted context, LATAM Airlines had to develop a communication plan. Although the company develop some communication actions, we identified two extremely important audiences for the organization that were not being covered adequately. On one hand, the members of the LATAM Pass Program, who represent the most important group of clients for the organization since they are loyal to the company. On the other hand, the mass media which are fundamental actors for LATAM in order to increase the visibility of their policies and support of the public opinion.

We believe the implementation of the objectives, strategies and tactics developed in this Final Major Project could help LATAM to consolidate its "New way of flying" business model in strategic publics, strengthen its positive image and fulfill its vision of being one of the best airlines in this new era of flying.

10. Appendices

Appendix 1: Interview to Michel Boyer, Comandante B-767 LATAM Argentina from 2005 to 2020.

1. *¿Cuáles crees que son los paradigmas que rigen el comportamiento de LATAM?*

Un paradigma que atraviesa a toda la empresa internamente es el slogan "Personas que cuidan personas". Este concepto se transmite de forma constante y directa a todos los empleados, en especial a aquellos que están en contacto con el pasajero sobretodo el corporativo, cliente objetivo de la empresa.

Además, la empresa con los años fue planteándose como objetivo el "Estándar 0", es decir tener 0 minutos de retraso en la partida del vuelo. En un comienzo el estándar era 10 minutos de aceptación, luego pasó a 5 minutos y, en el último semestre de las operaciones de LATAM Argentina, el objetivo eran 0 minutos de demora. Esta meta que la empresa se propuso planteó un ajuste en las tareas y funciones no solo de los pilotos, sino de todos los empleados que están detrás de un vuelo. Este es una de las metas que se propone la empresa para ser competitivo frente a las otras aerolíneas.

2. *¿Podrías describir un día normal trabajando en LATAM? Cuales son las rutinas de tu tarea?*

En la empresa hay áreas más rutinarias que otra. Sin embargo, en pos de alcanzar el "Estandar 0" cada una de las áreas comprende distintas rutinas, que en su conjunto hacen que el vuelo salga "on time".

Para lograr alcanzar la meta que propone la empresa, no solo yo debo hacer mi tarea en tiempo y forma, sino todo el personal de limpieza, catering, combustible, mecánicos, bodegas, tripulación y embarque debe llevar a cabo su rutina de forma efectiva. Toda la actividad de un vuelo implica un engranaje de rutinas para que el avión salga a tiempo.

En el caso de mi función una rutina diaria de vuelo sería: salir de mi hogar bien descansado, presentarme en la oficina de operaciones 1 hora y media antes del vuelo, presentarme al vuelo 1 hora antes de la salida y a partir de ahí todas mis tareas técnicas de chequeos previos al vuelo.

Además del servicio, la empresa vela por la seguridad tanto de los pasajeros como de los empleados. Por esta razón, la compañía establece rutinas de entrenamiento y chequeos médicos semestrales para los tripulantes que responden a los estándares requeridos por la Autoridad Aeronáutica. Los simuladores, psicofísicos y psicotécnicos son parte de la rutina anual de nuestra función.

3. *¿Podrías mencionar las actividades esenciales dentro de la culutral LATAM?*

Todos los años para fin de año la empresa promocionaba becas y media-becas para todos aquellos empleados que quisieran formarse en una Universidad. Además, promovían voluntariados de distintos tipos en los que participaban empleados de todas las áreas para ayudar a la comunidad. Estas acciones luego se publicaban en la página web de la empresa.

Por otro lado, a fin de año se realizaban eventos generales donde se reconocían a empleados de cada área y luego los reconocidos de cada filial competían dentro de la comunidad LATAM mundial por "el comandante estrella", en mi caso. Estos eventos luego dejaron de hacerse por temas económicos.

4. *¿Hay alguna historia, mito o persona que se inculque en la cultura LATAM?*

En la empresa no hay ninguna historia o personalidad que se destacara o comunicara constantemente. Los empleados sabemos quiénes eran los "Hermanos Cueto", dueños de la empresa, pero no porque se no lo comunicara explícitamente.

Las historias que si se relativizan son la de los empleados. Todos los meses la empresa citaba a algún empleado para que contara sobre su historia de vida dentro de la empresa y luego era publicado en la página web de empleados. También, se publicaban, en forma de reconocimiento, la historia de alguien por tener una actitud ejemplar.

5. *¿Crees que LATAM tiene algún símbolo cultural que la hagan única?*

Considero que el símbolo más representativo de la empresa es el logo. Una vez que se fusionaron LAN y TAM y ocurrió el cambio de logo, se le preguntó a cada uno de los empleados que eligieran entre 3 credenciales y logos. De todo el nuevo holding salió votado el actual logo de la empresa que significa el abrazo entre dos culturas: LAN y TAM.

6. *Describí la estructura de poder dentro de LATAM. ¿Cómo se distribuye el poder dentro de la empresa?*

La estructura de poder dentro de la empresa es bien clara, sin embargo hay muchos cargos que en caso de no necesitar trabajar en conjunto un empleado regular no conoce. En mi caso, tengo conocimiento sobre Roberto Alvo, CEO de la empresa desde marzo, ya que fue quien comandó y comunicó todo el proceso por el cual atravesó y sigue atravesando la empresa debido a la pandemia. Pero no cuento con el conocimiento de los puestos y personas de toda la corporación.

En el caso de LATAM Argentina, el liderazgo lo encaraba la CEO de la filial y de ahí para abajo el resto de la estructura. Uno como empleado operativo tenía conocimiento de aquellos gerentes y líderes que correspondían a su tarea. Sin embargo, los roles jerárquicos están muy bien definidos y se

los respeta a la hora de trabajar. En el caso de operaciones, dado que somos todos conocidos y colegas, la relación con los jefes era muy amigable y cercana.

7. *¿Cómo es el flujo de comunicación dentro de LATAM?*

En la empresa tenemos distintos tipos de comunicación según el tipo de información que se trate.

Mirando lo macro, hay un tipo de comunicación que se envía a todas las filiales por igual ya que compete a toda la empresa. En este caso el área de "Personas" envía de forma generalizada los anuncios que incluyen e involucran a todos por igual. Estos comunicados son sobre el aniversario de la empresa, incorporación de nuevos aviones, nuevas rutas, reconocimientos internacionales y otros logros importantes.

Ahora mirando lo micro, es decir mi área de operaciones, la empresa también divide la comunicación según los distintos tipos de información. En caso de información informal como nacimientos, cumpleaños, reconocimientos, etc se envían de forma general pero solo al área de operaciones. Es decir, que nosotros no sabemos los cumpleaños de los empleados de mantenimiento, tripulación u otra área. Esta información la provee un empleado del área de "Personas" pero exclusivamente para nuestro área.

Por otro lado, en el caso de la información técnica del área de operaciones, la comunicación se da de forma vertical hacia abajo, es decir del Director de operaciones hacia la comunidad de pilotos. Dentro del área tenemos dos flotas (flotas de pilotos de Airbus 320 y flotas de pilotos del Boeing 767), y la comunicación también puede variar si es general para ambas flotas o si es personalizada para solo una flota. En caso de tener una inquietud personal, nosotros tenemos la disponibilidad de hablar directamente con el jefe de la flota o el Director de operaciones. En ese sentido la comunicación es muy abierta y directa ya que uno como empleado puede hablar regularmente con el jefe. Sin embargo, no podemos sobrepasar sobre su cargo. En caso de tener una inquietud sobre una falla de mantenimiento por ejemplo, uno debe informárselo al jefe directo y él lo comunicará al área de mantenimiento.

A su vez, dentro de los canales de comunicación hay un canal anónimo donde uno está obligado a hacer reportes sobre seguridad para el área de seguridad operacional en caso que los haya.

8. *Describí los sistemas de control y recompensas dentro de LATAM.*

En operaciones, teníamos un sistema de control bastante estricto en lo que respecta a la seguridad operacional. Durante el último semestre de las operaciones argentinas, los pilotos teníamos un app en la que la empresa cargaba datos digitalizados sobre cada vuelo demostrando los errores desde la salida del destino A hasta la llegada del destino B. Si esos errores eran graves y no se respetaban los

parámetros de seguridad establecidos por la empresa se le llamaba la atención al responsable. Estos controles eran llevados a cabo en todas las filiales y a fin de año se comparaban los resultados de cada modelo de avión, filial por filial, demostrando los desvíos y errores de pilotaje que comprometían a la seguridad operacional. Estos sistemas de control servían para encontrar oportunidades de mejora en cada filial no solo en las operaciones sino también en otras tareas como la instrucción de los pilotos, los chequeos técnicos, mantenimiento y selección de personal capacitado.

Además, en pos de cumplir con el "Estándar 0" había un estricto control en el cierre de puertas y despegues. En el centro de operaciones de Ezeiza, había un monitor colgado donde se podían visualizar todos los vuelos del momento y se analizaban los porcentajes de cierre "on time". En nuestro caso, éramos la única filial de todo el holding que en su manual de anuncios tenía un comunicado específico por retrasos por huelgas o conflictos sindicales.

En relación a los sistemas de gratificaciones, en marzo de cada año se le daba un bono de productividad a los pilotos, por sobre su sueldo, dependiendo de la productividad económica de las operaciones del año anterior. El porcentaje del bono dependía de la evaluación de productividad de cada filial.

También, se le entregaba a todos los empleados una caja de fin de año. Sin embargo, por problemas económicos y sindicales dejaron de entregarlas.

9. *¿Crees que en LATAM predomina un approach cultural más local o predomina la cultural regional? ¿Qué elementos son compartidos en toda la organización?*

Uno de los grandes problemas que tuvo la empresa en el momento de fusión con TAM fue la diferencia de culturas. Desde mi punto de vista creo que nunca se logró unificar la diferencia de la cultura latinoamericana-hispana con la brasileña. Es más, se diferenciaron aún más las personas, tareas, funciones y métodos de trabajo. Uno podía darse cuenta rápidamente cuando estabas trabajando con un brasileño o no.

Sin embargo, hay una cultura corporativa construida y consensuada entre LAN y TAM que se baja a todas las filiales, sin importar el país de operación. En el caso de Argentina, hay una cultura local aboral muy fuerte dominada por las formas de trabajo, los tratos, la cultura del país en sí, sin embargo la cultura de holding es la que manda y cada filial debe adaptarse a los métodos, procedimientos y procesos establecidos por la "cultura LATAM".

Appendix 2: Interview to Carolina Ivachutta Head of External Communication LATAM Argentina.

1. *¿Podrías contarnos un día normal trabajando en LATAM?*

Los días suelen ser bastante dinámicos, dependiendo de la situación y cuál es el contexto en el que trabajamos. Por lo general, tenemos una reunión de equipo diaria para plantear el escenario a trabajar y los temas relevantes a tener en cuenta. Generamos instancias de relacionamiento interno y externo.

2. *¿Podrías mencionar actividades que son fundamentales para la cultura LATAM?*

La cultura del Grupo LATAM tiene como propósito “Cuidar que los sueños lleguen a su destino” y para ello se basa en 3 guías de conducta: Seguridad, Ser atento y Eficiencia. Cada uno de sus 30 mil empleados, independientemente de la función y rol que cumpla en la Compañía.

3. *¿Hay alguna historia, evento o personalidad especial para LATAM?*

En lo que respecta a la cultura corporativa, la compañía reconoce a sus empleados, una vez al año con una ceremonia.

4. *¿Crees que LATAM tiene algún símbolo cultural (pueden ser personas, actos, eventos)?
¿Podrías describirlos?*

Nuestro propósito: Cuidar que los sueños lleguen a su destino. Eso nos lleva a ofrecer a nuestros clientes y colaboradores un servicio de excelencia y diferenciador.

5. *¿Cómo funcionan las estructuras de poder de LATAM? ¿Cómo se distribuye el liderazgo?*

El Grupo LATAM cuenta con un comité directivo, integrado por el CEO del holding, y los vicepresidentes de cada área de negocio (comercial, recursos humanos, finanzas, seguridad, operaciones y mantenimiento, clientes, legales, asuntos corporativos); luego cada filial (Brasil, Ecuador, Colombia y Perú) cuenta con un gerente general, y un gerente en cada una de esas áreas anteriormente mencionadas.

6. *¿Cómo fluye la comunicación LATAM? ¿Cómo organiza LATAM a sus empleados?*

Los canales de comunicación con los colaboradores son diversos, ya que a diferencia de otras industrias, nuestros empleados están en 12 provincias del país, es por ello que hemos implementado formas de comunicación virtual para llegar a cada uno de ellos. Como medios de comunicación tenemos instancias presenciales, instancias virtuales (meet, streaming), mail corporativo, intranet, app y eventos.

7. *¿Podría describir los sistemas de control y los sistemas de recompensa de LATAM?*

LATAM cuenta con un sistema de evaluación de desempeño, donde da seguimiento de las metas pautadas para cada colaborador durante el año. Hay dos instancias, una intermedia, donde permite dar

feedback al empleado y reforzar sus oportunidades y debilidades, y la instancia final que es la foto del recorrido anual por cada empleado. Además cuenta con un portal de reconocimiento, en el cual cualquier empleado del holding puede reconocer a otro según el valor que lo identifique en su gestión.

8. *¿Crees que LATAM tiene un enfoque más local de la cultura o hay elementos regionales que se comparten en todas las filiales?*

LATAM es una empresa multicultural, está presente en más de 140 destinos con sus vuelos; traslada y representa su diversidad a través de su servicio. La elección de catering en los vuelos es una muestra de diversidad cultural, está pensado y elaborado con los elementos (materias primas) de cada país donde la compañía vuela.

9. *¿Qué cosas crees que se dan por sentado en LATAM? (me refiero a aquellas cosas que están internalizadas por todos los miembros de la compañía, formas de hacer las cosas compartidas entre todos, etc)*

Las guías de servicio detalladas en la respuesta 2.

Appendix 3: Latin America Economic Outlook. First quarter 2020. BBVA Research, 2020.



Appendix 4: Communication Swot Analysis proposed by Francesco Lurati and Alessandra Zamparini, both professors of the Faculty of Communication Sciences of Università della Svizzera italiana (USI) in Lugano, Switzerland

	Factors	Strengths	Weaknesses
Internal	Communication execution	S	W
	Relationships		
	Identity		
	Reputation		
	Factors	Opportunities	Threats
External	Competitors' communication weaknesses and strengths (communication execution, relationships, identity, and reputation)	O	T
	Social, cultural, technological, economic, environmental, and political trends and topics		
	Stakeholders' characteristics		

Figure 1 Factors considered in a communication SWOT analysis.

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