A Qualitative Research into Components and Roles of the Service Level Agreements (SLAs) in UK Flight Catering:
Based on Comparison between Airlines and Flight Caterers

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ABSTRACT

This research aims to explore how a SLA (Service Level Agreement) is applied to the flight catering industry by interviewing the managers from the airlines, flight caterers and one logistics company. Findings show that the airlines focus on customer, whereas flight caterers pay attention to the needs of the airlines, while considering the SLAs. Thus, in contrast with the airlines, flight caterers has applied the SLAs across the broad area encompassing the supply chain among the flight caterers themselves, logistics and the airlines companies. In addition, the flight catering industry is unique in that its menu changes on a regular basis. The author recommends that menu changes by the airlines and the needs of passengers needs to be considered in conjunction with the supply chain across the companies involved including the airlines, flight caterers and logistics companies. It is recognised that this situation makes the SLA in flight catering more complex, compared to other industries. Therefore, as far as the SLA in flight catering is concerned, continuous communication and a review process is required.

Key Words: Service Level Agreement, Flight Catering, Airlines, Flight Caterer

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I. Introduction

Although there is comprehensive literature on Service Level Agreement (SLA) in the area of librarian, networks and IT industries (Galloway et al., 1996; Fawaz et al., 2004; Ford, 1996), little attention has been given to the concept of SLA and the insights that it can give to the hospitality industry.

According to Beaumont (2006), catering can be one of many areas, where SLA can be fundamental in case of outsourcing relationship. Among hospitality operations, flight catering has very complex operations, as Jones (2004, p.9) stated that "a large-scale flight catering production unit may employ over 800 staff to produce as many as 25,000 meals per day during peak periods." As it happens, in 2005, the conflict between Gate gourmet – a global flight caterers – and its staff caused a shortage of catering supplies on BA (British Airways) flights, which Gate gourmet serves. Consequently, BA cancelled all flights for a few days (BBC, 2005).

This example indicates how the SLA can be deeply involved in flight catering. Therefore, it can be noted that airlines and flight caterers have mutual interactions on a daily basis in conjunction with SLA. In view of this, the parties involved in the flight catering need detailed agreements in terms of specific elements such as hygiene, punctuality, product specifications, security, equipment control and waste management in addition to the legal contracts (Jones, 2004).

In line with this necessity, SLA has an important role – namely, to maintain the service between service provider and its customers. As a result, with regards to SLA, a variety of issues are taken into consideration. The issues include purpose of SLA, service availability, volumes, throughput and input deadlines, problem management, appraisal, service level monitoring, service level reporting, performance