

Southwest airline: can luv rule the world

Business



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The organizational culture of the company thrives on excellent teamwork that promotes collective decision-making and shared learning. Being part of profit-sharing encourages the concept of 'big family' significantly forges a personal bond with the company that reflects in their committed work and improved productive outcome.

Continuous improvement and innovation in customer service is the hallmark of the airlines. The employees and staff are empowered to make decisions regarding the welfare of the customer on and off the flight. The company's strategy was to increase the number of customer service agents so that the passengers could get improved personal service and emotional support and security at the time of crisis. Grant (2007) says that analysis and identification of the changing preferences of the customer are important ingredients to gain leverage against their rivals (Grant, 2007). Southwest has been focused on its customer service and makes continuous efforts to update its products line with that of the changing public requirements. The company's stock ticker symbol is fittingly chosen as 'LUV'! Indeed, the company has been innovative in its new plans and features to meet the challenges of time.

While the management follows stringent regulations and strict time schedules, it has, at the same time, empowered its workforce to make decisions based on informed choices. Southwest prefers destination to destination flights which are preferred by customers and therefore are more popular. Its low-cost strategy has been successful because of its exemplary customer service, security features, and specialized short-haul flights. The high frequency of flights with emphasis on consistent on-time arrival and departure has considerably increased its credibility in the market.

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The company has judiciously exploited opportunities to improve and expand its service delivery. The company only flies Boeing 737 and therefore gets significant discounts and other facilities when it makes bulk purchases from the Boeing company. Its California operation was started when American Airlines and US Air scaled back from this route. The company bought planes and leased gates to start its operation and capturing 50% of the market in a relatively short time.

The operational cost of airlines is made cost-effective through various mechanisms like leasing gates in airports and using secondary airports of the cities to avoid congestion and delays. It also sells only 60% of its tickets through travel agents thereby saving on commissions. Through extensive use of technology, it has improved its efficiency and performance. One can therefore say that the competitive advantage of Southwest would be sustainable over a long period of time. (word: 557)