

Example of research paper on however, delta airline has been reporting increasing...

[Education](#), [Sustainability](#)



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## **Business Model: Delta Airlines**

### **INTRODUCTION:**

Owing to increasing changes and competition in the overall business environment organizations are looking for different methods and techniques to create sustainable competitive advantage over other competitors in the industry. This creation of sustainable competitive advantage is important for the organizations in order to attract more customers and capture larger market share. One of the important elements in this regard is of the business model. The business model describes the process of value creation of the organization. It is highly important for the organizations to clearly formulate and describe their business model in order to make sure that all available resources are used in effective and efficient manner. Along with this the business model provides the organization and management with a guiding path or roadmap in order to fulfill or accomplish the overall objectives and targets.

In this report an attempt has been made to understand and comprehend the

concept behind the business model along with its importance and benefits. At the same time the report explores and analyzes the business model of Delta Airline. This in turn allows comprehending and understanding important factors behind the performance and growth of Delta Airline. At the same time this will facilitate in the process of understanding the concept and use of business model in more detail.

## **BUSINESS MODEL:**

Business model defines the two main elements associated with any organization; first, what is the core business of the organization and second, how the organization is able to generate money with the help of this business. The business model provides the organizations with an ongoing opportunity to create additional value of the customers and for the shareholders. At the same time the business model serves the purpose of being the roadmap for the success and growth of the organizations (Casadesus-Masanell and Ricart, 2009). The business model also allows the organization to communicate and articulate the overall business vision, mission, and logic to all its stakeholders including the suppliers and employees of the organization. This in turn makes it easy for the organization to achieve and accomplish its overall objectives and targets (Zott, Amit, and, Massa, 2010). The creation of sustainable business model has become essential in today's highly competitive and unpredictable business environment. The organizations are coming up with more sustainable business model in order to create competitive advantage over

other competitors in the industry and thus supporting the process of ongoing success and growth (Casadesus-Masanell and Ricart, 2009).

## **BUSINESS MODEL OF DELTA AIRLINE:**

The companies operating in airline industry have to come up with flexible and competent business model in order to respond to the unstable and unpredictable external environment and other related factors. According to Nair, Palacios, and Tafur (2011) the sustainable business model for the airlines should be flexible and this is only possible through the effective and effective utilization of the internal core competencies.

Overall airline industry is witnessing tough and troubling time because of the recent economic recession and financial crisis as evident from the image below:

(Delta, 2012)

(Delta, 2012)

The main reason behind the success and growth of Delta airline is its well thought and well implemented sustainable business model. According to S&P (2012) even if the Delta airline default it has a viable and sustainable business model which will survive and will make it easy for the company to regain its growth and performance. The company has been able to survive and progress in the airline industry because of an altogether different approach towards the business operations and business model. The management of airline has promoted the idea that all stakeholders should be made part of the overall success in order to generate additional value and create competitive advantage over other competitors in the industry. This

philosophy or idea of the Delta airline is presented in the image below:

(Delta, 2012)

Along with this the airline has been considerate about all external factors and elements which are causing trouble for the business operations including changing customer needs and preferences, increasing fuel cost, and many other as presented in the image below:

(Pratt Institute, n. d)

In order to respond to all these changing factors and elements the management of the airline has created sustainable business model in order to be more flexible and responsive. The business model of the Delta airline is presented in the image below:

(Pratt Institute, n. d)

It is clearly visible from this business model that the airline is trying to capitalize on the basis of each and every internal strength and external opportunity. The airline is creating value by reducing the overall costs and at the same time increasing the capacity and efficiency. Along with this the management of the airline is focusing on the creation of long term and strong bonds with the suppliers. This is further supported by streamlining the overall supply chain and renegotiating the contracts. The management of Delta airline, at the same time, is keeping a check on the competition in the industry in order to create a sustainable competitive advantage in the industry (Pratt Institute, n. d).

On the other hand Delta airline is capturing the additional value with the help of the consistent and integrated marketing communication strategies and programs. This is further supported by effective and efficient strategies

for the customer relationship management and customer retention. Along with this the airline has established enhanced and strong value proposition in order to attract more and more customers. All of these in turn have allowed the airline to create additional value not only for the customers but also for other related stakeholders and shareholders (Pratt Institute, n. d).

## **CONCLUSION:**

Hence, it can be concluded that it is highly important for the organizations to create and implement a sustainable business model which in turn helps the organizations in the process of value creation and creating competitive advantage over other competitors in the industry. The business model provides the organization with the required methods and techniques for integrating all available internal resources with all possible external factors and creating additional value for all stakeholders of the organization. Delta airline is one of the main examples of successful implementation of the sustainable business model. The management of the airline has been considerate about all internal and external factors and has come up with effective and efficient business model in order to create additional value for all involved players and parties including customers. This is the one of the biggest reasons behind the success and growth of the Delta airline.

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