

Air asia swot analysis

Parts of the World, Asia



Analysis of the strength and weakness of the adopted strategies

SWOT analysis techniques that are useful to understand the company's strengths and weaknesses, specially to identify both open opportunities for you and the threats you face. Just using and creating the most powerful swot is, with little thought, it can help them be able to uncover the opportunities they are eligible to exploit. And by understanding the weaknesses of a company's business, they can manage and eliminate the threat that will be if the company is not catching. More from this, by finding themselves and its competitors using the swot framework, companies can start strategy handicrafts that help to distinguish themselves from pesain, by the way, companies can compete in the market widely.

Use of swot can use it in two ways - whether it is easy reader breakout helps people together to build "kick off" strategies, or a more powerful way for a heavy strategy tool. Not many are able to swap attribute analysis for alber s. Humphrey. Strengths and weaknesses in the often internal to company organizations, despite opportunities and threats generally relating to external factors. For this reason, swot sometimes called internal-external analysis and swot matrix sometimes called one ie-matrix.

The Air Asia Company also uses SWOT analysis to advance its company. The strengths and weaknesses that are taken into account from various branches are able to open the company for the benefit of lucrative profits. The best use of these strategies will be able to attract customers to use their aviation services. The strengths and weaknesses of the interconnected Air Asia

company will be analyzed by the company to be repaired and further enhanced. Among the companies that are focused on the company are the cheap fares that became the symbolic motto of the Air Asia company.

Among the strengths available in Air Asia company to attract customers to use their services are as follows:

1. Low Cost Model.

Low cost and fixed cost operations have become the focus of providing no extra air travel at much lower rates compared to other airlines. It can be seen that AirAsia companies have managed to provide lower prices for high passenger loads, market share and profits by eliminating high cost airline services, fly fleet standards, selling tickets to passengers directly, and minimizing labor, facilities and overhead costs or passengers are not reserved for seats, and do not accept food, entertainment, facilities, or access to the airport lounge.

In addition, Air Asia companies provide their successful negotiations for low aircraft lease rates, low long-term maintenance contracts, and low airport fees, allowing AirAsia to provide the lowest fares. Overall, AirAsia can reduce overheads and investment in equipment significantly if there is no side-service. Exhibit 4 shows that AirAsia has the lowest operating cost (29), compared to 29 other competitors (with the highest Air France at 184). We can see, the cost of AirAsia aircraft maintenance contracts is reported to be much lower than other airlines by contract lease charges for each aircraft decreased by more than 60% from 2001 to 2004.

AirAsia's high standards of security and maintenance allow AirAsia to earn a profitable rate on its insurance policy, increasing customer confidence.

Hence, this is a valuable, rare, irreplaceable and replicable capability of a longer competing company, which creates competitive advantage, especially in the cost of AirAsia.

2. Single aircraft type

The Air Asia Company is capable of handling one type of single aircraft in use as a company transportation. hali sebergini that allows AirAsia to have a great cost savings. this happens because simplified maintenance is made cheaper, minimized spare parts inventory, more infrastructure facilities, staffing requirements and lowered training that makes it easier to send pilots, and better terms of purchase can be negotiated.

Therefore, this source is a source of competence because it is rare, difficult to imitate by competitors. This suggests that AirAsia has the largest fleet size of 30 compared with its closest competitor in the low cost carrier industry with a fleet size of 15.

3. Flat organizational structure and effective staff policies

The bulk of AirAsia's sysutility costs pay salaries and benefits to employees of the company. As such, Air Asia airlines have implemented flexible working rules by streamlining administrative functions that allow employees to perform various responsibilities within a simple and flat organizational structure. In AirAsia's case, a better hierarchy has

improved communication from top and subordinates, resulting in an effective and focused workforce while increasing the company's profits.

AirAsia's deployment policy focuses on maximizing efficiency and productivity, as well as being able to maintain staff costs at a level that is in line with low-cost carrier industry standards. Although the salaries offered to employees are below the competition, all employees are offered various incentives such as productivity and performance-based bonuses, stock offerings, and stock options. It's a motivated worker, giving them a sense of 'ownership'.

4. Strong branding and marketing

Due to the aggressive and growing expansion, AirAsia has penetrated the potential market across the wide Southeast Asian regional network of 60 routes by the end of 2005. The Air Asia company, which started from 3 routes in Malaysia, started in early 2002, with quickly expanding its network of routes in Malaysia, covering all major destinations in Malaysia. Overall, AirAsia has a regional presence in Southeast Asia with countries such as Indonesia (Indonesia AirAsia), Thailand (Thai AirAsia). Shortly afterward, AirAsia became head of low-cost carriers in Southeast Asia, receiving fixed coverage from shops regional media.

As such, the airline can penetrate and stimulate potential markets by maximizing media coverage: promoting brand awareness without raising high sales and marketing expenses. In addition, Air Asia's aggressive marketing stimulated the potential market: an introductory promotional fare

in 2002 of US \$ 2. 50, attracting massive publicity and interest from travelers used for high prices; emphasizing the slogan of the airline, " Now Everyone Can Fly".

This resulted in Air Asia's profit in months after the start of its operations. Strong passenger growth and high passenger load can be seen from Exhibit 1 where AirAsia enjoys 45% average compound growth for sales over the period between 2001 and 2004. In addition, Air Asia's main sponsorship for Manchester United, which involves global sponsorship and advertising, continues to promote brands outside of the region. Air Asia can also increase current offerings along with profits with side income earned from additional services through provision of in-flight food and drinks, and online hotel sales, cars, and vacation reservations, as well as travel insurance and corporate travel services, as well as having credit cards branded itself, increasing brand awareness and value for customers.