

Singapore airlines: business, marketing and operations

[Environment](#), [Air](#)



This paper study is based on Singapore Airlines (SIA), in this case study the project has discuss about the SIA's Business, Marketing and operational strategy, what are the changes is the SIA's facing in future, how this airline company has changed its strategy and how this airline from a small country-state with a population of about three million people, on an island no larger than the Isle of Man, earn a reputation for being ' the most constant money-making airline in the world, in spite of the various world-wide recessions.

The paper study also discuss about, how the Singapore Airline retained employees and the customers.

QUESTION 1: Evaluate SIA's Business, Marketing and Operational Strategies and assess their effectiveness in relation to the competition?

Over the last decade Singapore Airline has grown from a local airline into one of the world's leading passenger and cargo carriers. In an attempt to survive, many of the organization which is working in the same business tried to observe and investigate the approaches or strategy which are using by Singapore Airlines (SIA, 2007). Finally it became clear and understandable that SIA are more competitive because of its business and operations strategy.

The long term growth of a business design to provide and maintain shareholder value is called the business strategy.

So, this part of the paper contains the business, market and operation strategy of Singapore Airlines.

As we all know the SIA's has developed a status for being an industry innovator as well as doing things in a different way than its competitors who are in the same industry line, for example, As the study says SIA was the first airline to introduce free drinks, a choice of meals and free headsets back in the 1970s. Not only this, the Singapore airlines are the first who start a two year programme to install 'Kris World', that is a new in-flight entertainment scheme, for passengers in all three classes of its Megatop B747s. KrisWorld provides around 22 channels of video entertainment, around twelve digital audio channels, around ten Nintendo video games (Nintendo was best known for console industry and famous for home video game), and always alert the destination information and provides a telephone at each seat. By using this innovative ideas and creativity techniques the SIA's has done wonder in this airline business and earn a reputation for being the most consistent money-making airline in the world.

Not only this, SIA's has done many changes in the history of airline and they provide numerous innovative ideas and doing things differently than its competitors.

SIA's is the one who spend lot of millions in order to install KrisWorld movies; by doing this they had given an amazing entertainment to their customers while traveling and this lead to make them a different from their competitors and by adding this KrisWorld they are the first one to do so and this types of strategy help them a lot in becoming a number one in these business.

SIA is the first in the market for discoverer and performer of the mostly innovative live teletext news service (KrisNews) and also for an interactive in-flight shopping service for its aircrafts. These creative and innovative developments by SIA, eventually won numerous awards for the best air lines.

SIA was the first airline which bought a collection of finest chefs from all over the world to serve best in-flight cooking for its passengers as well as it was the first airline which tried to accomplish the wants of individual passengers by launch the special meal service with lighter and better options plus the unique in-flight meal service which is specially introduced for young flyers and enabled them to choose their desired meals up to 24 hours before the flight departure. Besides that, SIA started to update its menus monthly and even weekly to create an impression among its frequent travelers and also to keep track of flyers tastes. These were the main line of attack for SIA to compete among its competitors in the market and also to shore up its business strategy¹.

The main success of SIA's is Singapore's Changi airport, Changi is situated in eastern end of the Singapore. Changi airport is one of the world busiest airport

QUESTION 2: Using change management models evaluate how the company has changed; in strategic terms.

QUESTION 3: What challenges is SIA facing in the future. What should SIA's business and operations strategies be for the future and why? Provide justification for your recommendations.

As we know that SIA's is the one of the leading airport in the world but due to the large number of competitors in the world. SIA's have to maintain their top ranking in the future by maintaining their operations and business strategy and by developing more innovative ideas.

The challenges which a SIA facing in future is mainly due to their competitors, as we all know in airline business the profit is very less and its mainly because of growing airline industry, passengers have many choices to select the low fare flight, so they must provide the better facility in a lower price that may affect their capital turnover.

Recession is also the one of the factor for affecting then in future. Like in recession, there is a reduction in number of fliers.

In future there is my advance airplanes/crew because of the competition and so the availability of the best crew is very important.

There are more challenges that airline industry is facing like escalating costs and stiff competitions.

As this part of the paper contains that which type of business as well as operations strategies should SIA's makes for their future and which makes them different from there competitor's.

Before going to this we must know about the operations strategy, operations strategy is the total guide of decision made the management which leads to the long-term growth for any type of operations, it is the long term process. Basically operations strategy is the method or tools that help us producing

goods and services to the consumer's. Operations basically deal with the producing or delivering of goods.

This paper study discuss the competitive strategies of Porter, In 1980's Porter has argued that there is two types of competitive advantages which can be shared with either a broad or narrow competitive scope to create four well known business strategies: 2

Cost leadership,

Differentiation,

Focused low-cost, and

Focused differentiation

The Porter's four competitive strategies are shown in table below:-

Competitive Advantage

Lower Cost Differentiation

Cost leadership

Differentiation

ifY broad target

Low cost focused

Focused

differentiation

if narrow target

Cost leadership technique or strategy is normally used by the companies for generally generating the profit even though the low price of the product or the services offered.

In this strategy company mainly focused on the decreasing of price and retaining their old customer and generating the new one, so by applying this rule to the airline business SIA's have to take some initiative for lowering their prices in spite of that providing the full facility to their passengers. By doing this the SIA is always be a head from its competitor in present as well in future because doing this the high, medium and even low class passenger get attractive towards it and SIA's will make even more profit than earlier.

Differentiation strategy, in this strategy a company's offers a service that consumer's perceived it as a different and ready to pay a high amount or cost for that.

So, SAI have to innovate some new facilities like new entertainment programs while travelling and some advance technology features with some extra cost, and it must be different as well as a new thing for passengers so that they are ready to pay a high amount for it. Or do offering the old facilities but offered it in that manner that passengers are ready to pay a high amount. This type of innovation or creativity make them different from their competitor and good for future also.

Focus Differentiation strategy focus on a narrow sector and within that sector, they are attempting to achieve either a price advantage or differentiation. The principle is that the sector which is focusing must be better served by entirely focusing on it.

So, SIA's must use this strategy for be a top in their business by focusing in a small - small sector and offered better services to the passengers and then they will definitely be a head in the airline business.