

Business strategy of british airways

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According to the Annual Report, 2009, the main strategic intent of the BA this year is to become ‘ the world’s leading global premium airline’. A few main strategies of British Airways are identified; firstly, BA want to ensure that customers receive unique premium service whenever they fly with BA and no matter where they are, for example, they would like to improve the Terminal 5’s facilities and other lounges in different airports. Secondly, new produced will be launched, such as new aircraft, upgrade long haul’s flight business class seats and redesign First class cabin. Lastly, BA wants to work closely with BAA in order to improve baggage and punctuality at Heathrow Airport and to keep up their good reputation among customer, and continue being the leading airline in London (BA Annual Report, 2009).

British Airway External Environment Analysis Porter’s Five Forces In order to have a well - planned development of organisation future strategy, it is crucial to analysis the competitions within the industry, which may be threaten to the business. Porter (1980) developed a framework and proposed five forces that may affect the degree of competition with other competitors. These five forces are the threat of new entrants to the industry; the threat of substitute products; the power of buyers or customers; the power of supplier and rivalry among businesses in the industry (Johnson, Scholes, Whittington, 2008). Rivalry among competitors

Competitive Rivalry

BA is facing a very high competitive rivalry, as recent years, higher competition among the short haul flights, budget airline such as Easyjet and Ryanair have been very popular, the old- established airlines such as Virgin

Atlantic and Cathay Pacific have also been in a high market competition, according to Shaw (2004), they almost used the same models of aircrafts. Also the government has a strict control on the frequencies and the timing of the flight slot, and also strict pricing policy. Therefore, reputation of the airlines becomes more important for the customers to be loyal.