

An analysis of the current and future use of internet technologies of british air...

[Business](#), [Company](#)



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INTRODUCTION:

As the technology is changing and developing more and more, the way of doing businesses is altering. Particularly with regards to the internet age, companies now can be benefited from low cost and high speed technology without time and place restrictions. E-business is known to be as the process of sending and receiving information or data through the internet facility whilst receiving orders, placing orders and communicating with the company's staff (Andreu et al., 2010). Internet is now served as an essential business tool in order to perform efficiently and competitively worldwide. This report has discussed the current status and future projected use of internet technology by British Airways. British Airways Plc is the largest airline in the United Kingdom. Besides its scheduled services, company is also involved in the freight and mail carriage operations at the domestic as well as international level. British Airways have increased its competencies

across the globe by adapting internet technology to its core. The airline carries around 36 million passengers every year to almost every part of the world (CAPA, 2013). Company offers several value-added services so as to increase the customer base and attract more potential customers, despite providing basic services to its customers. British Airways has successfully incorporated strategies to use e-technologies effectively to become a leader in the airline industry. Company allows its customers to book a flight, including checking in, select seats, and many more, through internet for the convenience of customers (Chaffey, 2007).

Porter's five forces model presents that the competitive rivalry is very high. There are hundreds of companies that operate in the airline industry, like Virgin Airlines that place the fierce competition with British Airways.

Although supplier's power is high in this industry, British Airways uses collective bargaining so as to enhance their bargaining power. Buyer power is reported as medium since increased use of internet has enhanced the interaction and awareness among customers. Owing to intense competitive environment, and huge capital cost the threats of new entrants have been reduced. Moreover, the threat to substitutes is low as there are very few substitutes present in the market.

Recently, the company has earned huge profits by 20% which is accumulated to £620 million while facing the strong affiliation with increased fuel prices and intense competition from other airline companies (IAG, 2012). This increment in profit has resulted from investment in information technology which has boosted the profits of the company. The British airline has been investing in its development and maintenance of the website, BA.

com, which contributes to 33% of total sales in the United Kingdom and 80% of total sales outside the United Kingdom (British Airways, 2010). The IT system of the company is taken, as the core system to bring a difference in its operations and profits. British Airline has developed a convenient process to book tickets online through its website. This project is known as Customer-Enabled British Airline that has created ease for the customers. The development of e-ticketing has drastically declined costs and has made the operations even easier. 87% of the process of issuing tickets is managed through the online e-ticketing system (Computer Weekly, 2006). Moreover, British Airways also facilitates its customers by providing options like online excess baggage, online shopping basket to accommodate the shopping experience in holiday packages. British Airways have reported a huge improvement in quality of services and reduction in cost by 40% by running efficient IT operations (Pearce and Smyth, 2006).

E-MARKETING ANALYSIS:

Being one of the largest airlines, British Airways has been involved in efficient marketing strategy. Adaptation to the new technologies, the company has used internet technology in order to reach its all customers and convey the message. British Airways has maintained and improved its brand value ever since its foundation (British Airways, n. d.). It has been carefully making use of brand-led marketing to improve the brand image across the world. The airline has successfully developed the emotional relationship with its customers in which brand remains in the heart of customers despite its functionality. With this brand-led marketing strategy,

company has spread the message to its worldwide customers that the British Airways intended to be at the top (Mackenzie, 2013). Moreover, British Airways has employed the Enterprise Relationship Management (ERM) to support e-marketing activities in order to achieve objectives of meeting enduring satisfaction of customers and enhanced revenues. Also, it is the best source of delivering messages to customers regarding the long wait, or lost baggage. ERM also allows airline to tell the stories of success and rising above challenges electronically. These success or motivational stories are deep and rich which form an emotional relationship with its customers and influence their choice of preference in airline brands (PREEZ, 2014). The ERM process of British Airways has incorporated its channels and effectively linked the process to their advertisings on radio, television, direct mail, web and press. The company does not only operate with offline media, but it has enhanced its effectiveness by using email and boosted the overall ROI of the company. Company can easily reach its customers and improve their customer base in the worldwide platform by using the ERM process. Company has turned its communication into sale as it allows the purchase by single click. With this new implementation, company has increased its retention rate of its customers and created stronger customer base by targeting to its potential customers (DTA, 2009).

WEB-DESIGN ANALYSIS:

British Airways is a worldwide recognized airline that specializes in all features by which its customers come into contact. These features can be the direct traveling experience, customer services in the lounge, or it can be

even online contact experience of customers through website. Today, in the internet era, people are seeking to work online by using the internet. Similarly, companies are seeking to carry out its operation online for the convenience of its employees. In this regard, customers and company come into contact by means of the website. As British Airways has integrated many of its operation online like ticketing, check-in activities, and booking. Company has developed an outstanding design of its website that appeals to its customers as well as brings handiness to use it with ease. Its website handles around one million page impressions on a daily basis, along with visitor's average record of 100, 000 daily (DSstar, n. d.). Company has used a decent combination of colors that are blue and white, and played with most ordinary corporate colors theme in the most influencing manner. By providing the optimum level of ease to its customers while visiting its website, all customers can use all tools available on the website without any restrictions and easy access to options they want to look. The website enables the company to tune up for online business processes to satisfy customer demands and evaluate the success of every page on company's website. Company has made most of the basic options available at its home page so that customers can find the answer of their every query. Company has developed a strong customer base all around the world by creating this comfort zone for its customers. With the compelling theme of the website, company has remained successful to attract potential customers and increased its revenues and profits with the greater margin. Counting in all the feature of best and appealing website, British Airways website is a user

friendly site that best satisfies the user needs and resolve the inquiries of customers.

BUSINESS-TO-BUSINESS (B2B) ANALYSIS:

British Airways does not only focus on the development of customer service department and technological advancement to increase its productivity, but also, the company has used business to business strategy to improve its operations in alliance with other companies. This approach has helped company to reduce operational cost, adapt expertise of other companies in which they lack, expand operations in other areas. In 2011, British Airways has presented first performance marketing program in the United States in collaboration with buy. at as a partner of the program. While working in collaboration with Neo@Ogilvy, a digital media agency, British Airways experiences successful implementation of global growth plan (McAuley, 2014). Company has developed greater brand awareness in new areas and built up new market by making such collaborations with other businesses. According to few journal articles, British Airways has decided to merge its digital media account into Zenith Optimedia so as to improve the effectiveness of business. These collaborations and partnerships have increased the marketing expertise of the business to conduct in different areas of the world. Moreover, British Airways has affiliated its move with Neo@Ogilvy to increase media attribution in its operations. British Airways has developed the Agency. com as its outstanding digital agency (Bearne, 2009).

INNOVATION AND CHANGE MANAGEMENT:

In order to become the most efficient airline, company has joint ventured with Iberia Airways. With the shared cost and revenue proportion, the company now provides flexibility in travel timings, improved connections between countries' services. British Airways has been striving for a number of years to bring change and innovation in its processes, operations as well as physical appearance that are more cost efficient for the company (Rath, Chaturvedi, & Das, 2011). Company has made available the new uniform for the staff of more than 25000 members that have helped to reduce the cost by 30%. This change will benefit the company in terms of cost as well as new smart appearance of the staff. Moreover, company has launched Online Boarding Pass together with innovative technology facilitating mail services and e-fax feature to save time and create convenience for customers. Now people can easily check-in online without waiting in the queue. To become more technological advance, British Airways has set up in-flight stimulator cells and technically advanced equipment in order to reduce cost and noise production. By bring this innovation, company has reduced 95% of energy consumption (British Airways, 2013). Company has persistently maintained its operations even in the times of adverse events by implementing an effective contingency plan for that specific period. Company has trained its employees and cabin crew to response in an efficient manner and provide the world's best customer service. Company has employed the technological changes and innovation in its operations and terminal facilities. Also, British Airways has introduced the major technological change in the year 2007 by implementing management solutions from Calidris (Mobility Techzone,

2007). This technology helped the airline to develop airline industry's first ever Order Data Stores (ODS) (Emmerich et al., 1997). ODS assisted the company to gather information about customers with the intention to improve the customer service and minimize the intensity of duplicate bookings.

CONCLUSION AND RECOMMENDATION:

E-business has shaped the art of performing business in a very new way by incorporating advanced technologies and managing change from the broader perspective (Amit and Zott, 2001). There are many grey areas in the operations and performances of British Airways that need to be resolved or fixed.

- E-business comes up with complex challenges such as security flexibility, timely processing, cost fault tolerance and many more that serve as the obstructions to utilize the e-business. Therefore, in order to perform well and develop an operation electronically, these issues need to be addressed.
- As the company introduces e-business, financial challenges need to be undertaken by government regulations in order to provide subsistence to British Airways. With the introduction of information technology in the system, the security issue is a major one to deal with as IT falls under security head. Company may become reluctant to use e-business as electronic operations threaten the confidentiality of the business processes and their data. Such issues should be overcome by using antiviruses. Also, company must be abided by restrictive laws so as to reduce the rate of cyber-crimes and copying of data or data theft.

- Put efforts to develop the system that supports eco-friendly environment.

For this purpose, paperwork must be reduced at the larger scale of business operations.

- British Airways has incorporated the use of electronic media to operate on the basis of differentiation. However, company can reduce the cost to a greater extent by executing mixed strategy in the business. For instance, Dell sells its products with improved quality at cheap prices. British Airways needs to implement mixed strategy to operate efficiently (Heracleous and Wirtz, 2012).

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