

# Service strategy of southwest airlines

Environment, Air



Southwest Airlines is the fourth largest airline in the United States, flying more than 64 million passengers every year to 58 cities from the southwest and beyond. The company offers low fares to passengers, thereby achieving a huge market share in the airline industry. Although Southwest Airlines could be compared to Walmart in terms of its pricing strategy, the airline has not achieved Walmart's success thus far, perhaps because it does not fly everywhere in the world (Barlow, 2002). Southwest Airlines has relied on highly successful marketing strategies through its 30+ year old career. The company has partnered with highly lucrative organizations such as the NBA, with which it launched the Slam Dunk One aircraft in the year 2005 (“Southwest Airlines launches Slam Dunk One, an NBA-themed aircraft,” 2005).

What is more, the company's media campaigns to target the minorities, such as the African Americans, Hispanics and women – have proved to be highly successful (Churchill, 2001). Southwest Airlines does not only appeal to the minorities in the United States, but also to value-conscious and price-conscious businessmen and senior citizens of all races. The company markets itself as the only low-fare, short-haul, high frequency, point-to-point airline in America that is also fun to fly. Indeed, Southwest Airlines is famous for its humor on board (Barlow).

Besides, the company uses bad color schemes for its airplanes, only so that passengers would recognize Southwest planes while disregarding the faceless sort of aircrafts used by other carriers (Henderson, 1997). The airline is also known to use the word, love, as a promotional tool. While the word may appear strange in the context of an airline – in the case of

Southwest Airlines, all of the above strategies have been successful at building brand loyalty for the carrier (Colvin, 2001). The pricing strategy of Southwest Airlines is, of course, to charge the lowest possible fare while keeping its airline business profitable. In January 1995, Southwest Airlines became the first major carrier to introduce a Ticketless Travel option to all passengers.

By so doing, the company reduced its costs besides making it more convenient for its passengers to travel without the hassle of safekeeping of tickets. In the case of Ticketless Travel, passengers need only show up for a flight with a confirmation number. This confirmation number could even be obtained through the online reservation system of Southwest Airlines (Lam, 1999). Southwest Airlines has also introduced the automated ticket vending machine to sell tickets at the airport.

The airline is actually the first to sell its product through the ATVM, which is essentially used by passengers just like an ATM to purchase tickets by simply choosing a destination city and swiping a credit card. This makes it even more convenient for passengers to use Southwest Airlines as their preferred carrier instead of other airlines that require either online reservation or a phone call (Harrison, 1999). The frequent flyer program of Southwest Airlines is different from such programs used by other airlines. In the case of Rapid Rewards – Southwest Airlines' frequent flyer program – passengers may be rewarded for the number of trips taken rather than the number of miles traveled.

“ Three trips, and the fourth is free” is the way this program works (De Lollis, 2001). Additionally, this program does not only appeal to affluent passengers who are able to earn many rewards for miles traveled, but also to those passengers who approach the carrier mainly because of its low fares. These passengers have been invited by print and television advertisements used by Southwest Airlines to visit the website of the carrier for the best online deals. This strategy repels the competitive efforts of online ticket discounters, besides encouraging both the affluent and not so affluent classes of American society to travel with one of the best, and the cheapest airline in the country (De Lollis). There truly appears no end to the success story of Southwest Airlines.

Indeed, it is quite possible for Southwest Airlines to become the largest airline of the U. S. For this, the company must modify its target market to include a number of important destinations around the globe. It is recommended, however, for Southwest Airlines to begin with only a few foreign destinations in Europe and Asia before spreading its roots further. After all, low costs are of the essence!