Problem identification case study example

[Business](), [Company]()

ASSIGN BUSTER

Background

The founder members of the Southwest Airlines were Herb Kelleher and Rollin King. The founders saw the need to respond to rise in capacity of customers travelling over the Texas routes. The carriers already in the industry were Brainiff International and American Airlines. The carriers did not have sufficient seats. This did prompt the southwest airlines to respond to the demand. There was also poor coverage of intermediate destinations in Texas by the former carriers. The relatively high demand for seats shoots the fare high. The federal regulations discouraged starting of a new airline company.

The southwest Airlines have been facing industry setbacks, cultural preservations and volatile industrial pact ices by the competitors. The government policy to intervene in the industry stifles free and fair competition among the industry players. Terrorists' activities threat the operations of the company. Government interventions like industrial bailouts would aid the company competitors who were in financial distress. The problem of insecurity poses a challenge to operations of the airlines. A soaring number of passengers and flights prefer the Southwest airlines. The on-time performance faces an implementation challenge in the company. Poor ranking of the company in terms of departure time is a hard nut to crack in the company management team. Due to security concerns, there is needed to enhance luggage checks. The luggage checks cause delays in the airport hubs. The need to boast the company network has led to the need to buy Air Trans airways. The competitors abuse court procedures to undermine the operations of the southwest airlines. The competitors sometimes gang to introduce low fair prices. This aims to make revenues bases of the southwest airlines unstable. For instance, a fair ticket of $13 is below the shutdown price. This initiate intended to place market barriers for non-entry of the southwest airlines. The request of regulatory permit is a major drawback to the airline. The regulation hinders desire to free expand the operations of the airline. The southwest effect is also dominant phrase. The company works hard to set a competitive pricing policy to outdo its competitors. A downward fare structure is in place. A reduction of almost 70% relative that of competitors is suggestive. This will enhance leading and a large market share for the company. The desire to remain relevant in the industry over a long period of time is crucial.

Recommendations

The Southwest Airlines need to formulate an operational strategy different from that of the competitors. The airline needs to have a flexible schedule to enhance customer convenience in its travel routes. The arrival time performance ought to be improved. The service levels need improvement. The flight schedules need extension to enhance service levels. There is need to regulate the flow of traffic in the navigation routes. While on transits, the passengers and employees need entertainment. The workers union contracts ought to have open clauses. The negotiability of contracts boasts workers morale. Creative delivery of announcements to the travelling passengers is also crucial. Some of the communication modes include singing of messages and the use of dialect.

There is imminent need to introduce ticket offers. The ticket offers will attract new customers and retain the existing travelling passengers through the southwest airlines. The expansion opportunities need to be realistic. A manageable growth rate in regard to aircraft capacity needs to be set. For instance, 10-15% is a manageable aircraft capacity.

In order to enhance market dominance, there is a need to form mergers and acquisitions with other airline companies. The formation of partnerships with other airline unions is crucial to have a fair share of the market. The provision to form reasonable unions will halt the striking rate among the airline employees. A good airline ought to have an efficient performance culture. This will boast customer confidence in the airline. There is need to give value to the customers value. High quality services will encourage customers to a make a repeated purchase of air travel services. For example, affordable fair for college students is a positive and encouraging initiative. Differentiated services for pleasure travelers are a good initiative too. Pleasure travelers' desire refreshments and other social amenities like checked baggage.

The blame game is not the way to go in the airline industry. The airline leadership should not blame its competitor for the challenges it is facing. It is destructive to avoid responsibilities for your own failures. An effective policy to enhance simultaneous communication is necessary. Effective communication through acquisition of new airlines, establishment of a revamped information system will boast growth efforts. Strategic positioning is significant in the airline industry. The southwest airlines are a niche player in the aircraft industry.

The pricing policy ought to be responsive of competitor's price plus the fixed costs of the airline. The shut down analysis is inevitable in this case. The shut down price will enable the airline to cover effectively all its fixed costs and set an elastic price for the airline.