

Air asia

[Transportation](#), [Airlines](#)



I - Executive Summary December 2000, AirAsia was an insolvent subsidiary of deeply indebted Malaysian Conglomerate. Airline had only two planes. Tony Fernandes was a former managing director of Warner Music's Malaysian Operator. He assembled a group of small investors to buy AirAsia for 26 cents. AirAsia was known to have a first low fare in Asia. Within seven months of operation they all repaid all its debts. AirAsia earned \$8 million of profits on sales of \$66 million. AirAsia now can accommodate 20 cities with as low as \$16 from Kuala Lumpur to Senang. They are keeping prices low to maintain their regular fee from different cities. One of the competitors is Valuair, stated by a former SIA pioneer, 71-year-old Chin Beng Lim.

II - Statement of the Problem Finding a way to develop and to improve the capacity of the AirAsia, and developing a price for an affordable fare because not all people can avail the fare of airlines. For only seven months the airlines earned a profit of \$8 million on sales of \$66 million. That's why AirAsia was launched as Asia's first low fare. They are now expanding to Singapore and Bangkok in Thailand to accommodate more people and of course to develop the AirAsia and give a chance to others to ride an airline. AirAsia one-way fare as low as \$16 Kuala Lumpur to Penang. Singapore-Bali round-trip ticket on AirAsia is \$123 while Garuda charges \$305 Singapore Airline \$406 and Malaysian Airline System is \$654. There is still a big difference of price between the AirAsia and other airline competitors.

III - Objectives of the study Their objectives is to accommodate more people and let people experience fly above for an affordable price and AirAsia hope for staying growing competition and expand its market all over the Asia.

IV - Strategic Alternatives The first courses of Action: Is to give to chance to other people to experience the thrill above the sky and give more easiest travel for one place to another and by giving them an affordable fare.

The second courses of Action: Is to develop and expand its market and other initiatives way and how to handle or offer discounted prices by keeping cost to become affordable to people Third courses of Action: By expanding their airline company in different country all over the places in Asia, by having discounted fee like go holiday a service where customers can select the flight and hotel of their choice at an affordable price. Many people would encourage to avail this promo at the same time by increasing their profits.

V - Analysis and Conclusion AirAsia is establish itself as leading low cost carrier in Asia by offering experience at an affordable price and a safe and reliable trip. AirAsia believes that the group success in attracting guest and building customer loyalty will be determined primarily by its ability to consistently offer low fares. AirAsia believe that increasing flight frequencies is important to guest who chose airlines based on low fares and scheduling convince. AirAsia emphasizes high quality friendly had personal service despite its low fares and low cost carrier model. All employees are selected trained and encouraged to provide service consistent with the groups goals. The group has been able to maintain low insurance premium and maintenance cost strives to be honest and transparent in its interaction with third parties including guest, vendors, and creditors and believes that it has developed a reputation for its airorbit, engines, and other equipment and services.

VI - Recommendation to Managent AirAsia should atleast offer free meals to the passenger because some passenger can not afford to buy food even if it is in cheaper price because of their lack of financial budget and for the additional expansion for their company so that they can accommodate people not only in Asia but also in the world.