

# Challenges faced by the virgin atlantic commerce essay



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Nowadays globalization has increased so competitions in business are very high because of making profits the demand increases through customers. There are lots of good smart phone applications, or app, available for smart phones to help every people to travel easier. People are addicted to travel in different places by flights, so they are looking for cheap rate. If this company decrease the flight charges their marketing in business will be in loss. One really good one is flight track. This flight land at fix time and gate number and even allow to see the geographical position of the flight on a map at any time. In this flight offers many facilities like food, water, drinks , napkins with free of cost travelers make wonderful journey for their trips on this flight. Many airlines such as southwest, jetblue and others have launched applications which let you book your tickets , lookup schedules and check in all in phones so customers can book tickets through online and tickets were posted in houses. A few days ago virgin Atlantic came out with app and is called “ JET LAG FIGTHER” which seems to have a lot of potentials for people. In some emergency case workers, families in serious can immediately book on this flight. This aircraft is fastest rather than any other aircraft.

#### TASK1

For years there's been something rather lonely about the British airline its very expensive travelers to travel. The food which they provide is not free of cost. The British airline which flies outside the comforting embrace of the big three alliances, despite the 49%stake owned by the Singapore airline a member of star alliances. That could set to change , though with virgin having now admitted to receiving a” number of lines of enquiry”. There's something rather inevitable about a deal for virgin. British airways are very

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expense this aircraft makes difficult to gain their profits. Its a big rival working ever more closely with American airlines and international air transport associations, virgins continuing survival as a lone operator just seems too shaky.

Leadership style is the manner and approach of providing direction, implementing plans and motivating people. Kurt Lewis (1939) led a group of researchers to identify different styles of leaderships. The three major style of leadership are

AUTHORITIAN OR AUTOCRATIC

PARTICIPATVE OR DEMOCRATIC

DELEGATING OR FREE REIGN

AUTHORITIAN-This style is used when leaders tell their employees what they want done and how they want it accomplished without getting the advice of their followers . Some of the appropriate conditions to use it is when we all the information to solve the problem. Some people tend to think of this style as a vehicle for yelling , using demeaning language and leading by threats and abusing their powers.

PARTICIPATIVE(DEMOCRATIVE)-This style involves the leader including one or more employees in the decision making process. However leader maintains the final decision making authority. Using this style is not a style of weakness, rather it is sign of strength that your employees will respect. This is normally used when you have part of the information and your employees have other parts.

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DELEGATING OR FREE REIGN-In this style leaders allow to make the decisions. However the leader is still responsible for the decisions that are made. This is used when employees are able to analyse the situations and determine what needs to be done and how to do it.

Leadership is “organizing a group of people to achieve a common goal”. The leader may or may not have formal authority. Students of leadership have produced theories involving traits.

1. situational, interaction, function, behavior, power, vision and values.
2. charisma and intelligence and among others

Sir Richard Charles Nicholas Branson is a British entrepreneur best known for his virgin group of over 400 companies

His first successful business venture was a magazine called student at age 16. In 1970 he set up an audio record mail order business. In 1972 he opened a chain of record stores. Virgin Records later known as virgin megastores. Branson's virgin brand grew during the 1980. Branson mainly has lots of business he earned more profit for virgin atlantic. He wants to continue his business for a long time. Once he caught arrested and charged selling in virgin stores that had been declared export stock. He settled out of court with uk customs and Excise with an agreement to repay the unpaid tax and a fine. Earning enough money from his record stores. Branson in 1972 launched the record level and a country estate in which he installing a recorded studio. He have lots of professional work and have good idea to build up the companies.

## DETERMINING ORGANIZATION DIRECTION

1. Through an interpretation of information gathered during environmental analysis managers can determine the direction in which an organization should move.
2. Important ingredients of organizational direction are organizational Mission and organizational objectives.

## DETERMINING ORGANIZATIONAL MISSION:

The most common initial act in establishing organizational direction is an organizational mission.

The statement that describes the mission talks about the target market which in this case is families, geographic, domain of neighbourhoods. It also talks about its strategy to be profitable by providing good customer service through friendly and knowledgeable people. It is essential to look into external influences like labour, conditions, competitors, government rules while considering mission statement.

Company's mission statement should define stakeholders expected return along with the measurement of the performance of the company through those returns. The expected profit too should be included in the organization's mission. Moreover, the company should come to consensus as to what all areas should be measured like margin growth, efficiency, competitive cost position, product quality, market share etc.

A mission's statement sets the boundaries for how resources should be allocated and what strategic and operational goals should be set. The mission statement should acknowledge the company's strength and then inform employees where to direct their efforts in order to take advantage of those strength. It is often helpful to allow companywide input when creating a mission statement. Employees from throughout the organization can help identify the core values of the company. It is important to keep in mind that there will be a draft process involving in creating the mission statement. Employees can often provide invaluable insight on how to improve on each draft. In the end the mission statement should reflect the personality of the organization. Thus each company should be creative and unique in developing its own statement. Creating a mission committee that consists of members of management, frontline employees. Communicating the mission statement to customers to make them feel valued and important. It can be sending to customers in a mass mailing or posted or signs in areas those customers frequent. It sets the forth the goals of the organizations so customers know what to expect when doing business with the company.

Mission and vision statements give organizations a focus and a strategy for the future. Setting up meetings with members of management and frontline employees can often help uncover areas where the company does not meet the standard sets by the mission statement,

## SWOT ANALYSIS

Organizations should begin first by reviewing internal strengths and weakness. When analyzing an organizations strength is important to identify

distinctive competencies or strength possessed by only a few competing firms. These distinctive competencies often become the competitive advantage that is included in the mission statement. Distinctive competencies can be found in the financial resources, quality product and services, proprietary technology or cost advantage. Organizational weakness is skills and capabilities that prevent an organization from implementing strategies that achieve its mission. They can be problem with facilities, lack of clear strategic direction, internal operating problems, too narrow a product line, weak market image, or the inability to financial changes.

The next step is to identify external opportunities are circumstances in an organizations environment that if capitalized on will result in above normal increases in economic performance.

In conclusion mission statement provides a sense of direction and purpose. In times of change and growth they can be an anchor and a guide in decision makings. The benefit far outweigh the disadvantages and challenges when looking at the potential for increase in profitability and returns . Defining an organization by what it produce and who it satisfies are the main target towards creating a sound and stable mission statement. Setting a company apart from the competition is one of the biggest advantages.

### Task-3

There are two major components to your marketing strategy:

how your enterprise will address the competitive market place

how you will implement and support your day to day operations

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In today's every competitive market place a strategy that insures a consistent approach to offering your product it's all up to customers how much they required. It is of little value to have a strategy if you lack either the resources or the expertise to implement it.

In the process of creating a marketing strategy you must consider many factors. Of those many factors some are more important than others. Because each strategy must address some unique considerations it's not reasonable to identify every important factor at a general level.

If the market is very attractive and your enterprise is one of the strongest in the industry you will want to invest your best resources in support of your offerings.

If the market is very attractive and your enterprise is one of the weaker ones in the industry.

A cost leadership strategy based on the concept that you produce and market good quality product or service at lower cost than your competitors. These low cost should translate to profit margins that are higher than the industry average. Some of the conditions that should exist to support a cost leadership strategy include an ongoing availability of operating capital, good process engineering skills, close management of labor, products designed for ease of manufacturing and low cost distribution.

A differentiation strategy is one of the creating a product or service that is perceived is being unique ' throughout the industry'. The emphasis can be a brand image, proprietary technology, special features, and superior services,



a strong distributor network or other aspects that might be specific to your industry . This uniqueness should also translate to profit margins that are higher than the industry average. In addition some of the conditions that should exist to support a differentiation strategy include strong marketing abilities, effective product engineering, creative personal the ability to perform basic research and a good reputation.

A focus strategy may be the most sophisticated of the generic strategies, in that it is a more intense form of either the cost leadership or differentiation strategy. It is designed to address a ' focused' segment of the marketplace, product form or cost management process and is usually employed when it isn't appropriate to attempt an across the board application of cost leadership or differentiations. It is based on the concept of serving a particular target in such an exceptional manner, those others cannot compete. Usually this means addressing a substantially smaller market segment than others in the industry, but because of minimal competitions, profit margin can be high.

## CUSTOMER SERVICES

The strength of the customer service function has a strong influence on long term market success. Factors to consider include.

. Experience of the customer's service manager in the areas of similar offerings and customer quality control, technical support, product documentation, sales and marketing.

The availability of technical to service your offerings after it is purchased.

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one or more factors that causes your customer support to stand out as unique in the eyes of the customer service.

Accessibility of service outlets for the customer.

The reputation of the enterprise for the customer service.

## PROFIT POTENTIAL

Potential for competitive retaliation is based on the competitor's resources, commitment to the industry, cash position and predictability as well as the status of the market.

The enterprises ability to construct entry barriers to competitions such as the creation of high switching costs, gaining substantial benefit from economic of scale , exclusive access to or clogging of distributional channels and the ability to clearly differentiate your offerings from the competitions.

the ability of the enterprise to limit suppliers bargaining power.

The availability of substitute solutions to the prospects need.

Market potential for new products considering market growth, prospects need for your offerings and the competition and the degrees of the prospect needs.

The freedom of the enterprise to make critical business decisions without undue influence from distributors, suppliers, unions, investors, and other influence.

## COST TO ENTER MARKET

This is an analysis of the factors that will influence your cost to achieve significant market penetration. Factors to consider include.

your marketing strength.

Access to low cost materials and effective productions.

The experience of your enterprise.

The complexity of introduction problems such as lack of adherence to industry standards, unavailability of materials, poor quality products, regulatory problems, and the inability to explain the benefits of the offerings to the prospects.

The effectiveness of the enterprise infrastructure in terms of organization, recruiting capabilities, employee benefit programs, customer support facilities and logistical capabilities.

Distribution effectiveness as measured by the history of relations, the extent of channel utilizations , financial facilities stability, reputations , access to prospects and familiarity with your offering.

Technological efforts likely to be successful as measured by the strength of the development organization.

The availability of adequate operating capital.

## PRODUCTION

The strength of the production manager including experience with personnel management, current and new technologies, complex projects and equipments, tools used by the manufacturing personnel.

Economies of scale allowing the sharing of production and the potential for vertical integration.

Technology and production experience.

The necessary production personnel skill level and or the enterprises ability to hire or train qualified personnel.

The ability of the enterprise to limit suppliers bargaining power.

The ability of the enterprise to control the quality of raw materials and product.

Adequate access to raw materials and sub-assembly production.

## TECHNOLOGY INNOVATIONS

Technology is an outgoing process and BA'S competition like virgin Atlantic is also in for the challenge . Virgin Atlantic airlines invested in innovative features that distinguish the company name. The use of information technology and internet are key factors in BA'S strategy success and efficiency of the organizations. British Airways recognized this opportunity and turned in to one of its strength.

On the other hand Technology advancements may also be a threat to the airline industry. As an example video conferencing may reduce business

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travel. Another example its internet bookings which are allowing greater price transparency thus leading to aggressive price battles between competitions, resulting in less profit marketing and leading to a less effective financial positions.

## MARKETING STRATEGY

BA lacks of a marketing strategy to win customer loyalty. A weakness that has to be addressed by the organization. It is argued that BA is growing thanks to the globalization and travelers needs rather than to the effectiveness of the marketing campaigns. Despite the great infrastructure hosted by the company. BA needs to carry out better marketing schemes to attract prospective travelers . The company suffers from a deprivation of strategic management strategy to keep its goal aligned with growing market trends to match needs of the future. Virgin Atlantic is being proactive and is currently reviewing it global advertising strategy in a move to increase its advertising effectiveness that could lead to an overhaul of its worldwide arrangement.

## MAKING STRATEGIC PLANNING MORE EFFECTIVE

Rigby has found there is no co relation between satisfaction with financial results and the number or type of strategic management tools used by an organization. The connection between strategies and business results is not perfect because reality usually interference.

Reality may interfere internally as when a company is unable to execute its intended strategy, or externally as when events such as competitive

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response, technological innovation or societal trends affect the business environment. As a result of this weak connection the planning process has a limited ability to influence the strategic direction of the enterprise . Most planning process does not work very well.

Simpson offered some tips on what planners could do to improve the effectiveness of the planning process. He suggested minimizing the size of the planning function, expanding participation in the planning process, and keeps planning as far away from finance as possible. He noted that a large planning staff tends just to create work and that is important for managers of the functions and business unit to do their own planning . In this way they do the thinking have the insights and are invested in the implementation and results. The business needs to ' own' their plans and against having the corporate planning staff review and critique and an operating department plans. While reducing the size of the planning staff . Planning must become non-elitist and less exclusionary, understanding what business they are in and what value the organization adds. The organization is purpose and strategy flow from the business data.

#### THE THREAT OF TECHNOLOGY

Common practices of good management, according to Professor Clayton often sow the seeds of eventual failure; because they are biased towards incremental improvement rather than radical change . He identify two types of technological change, very few established companies have managed to stay top of the change and stay ahead of upstairs competitors. Adopting these disruptive technologies would have caused currently lucrative product

lines to become obsolete more rapidly . Companies stumble in the face of technological change for all kinds of reasons, including complacency and arrogance. Failure may be the price of success as companies become captive to once successful paradigms.

The gap between what the market requires and what technology is providing creates opportunities for the introduction of radically new technologies. Discontinuities occur when a new technology gives the market smaller, cheaper products with fewer features, less performance or lower quality. Disruptive technologies will not have all the features valued by the mainstream market but may very well serve the needs of the significant portion or an emerging the ability to record.

#### TASK-4

#### LEADERSHIP SKILL

Having this process in place is vital to the organization because the individual identified in the plan will eventually be responsible for ensuring the company is able to tackle future challenges. These ' high potential ' candidates must be carefully selected and then provided training and development that gives them skills and competencies needed for tomorrows business environment.

Another reason it's important is because these high potential will one day become the leaders of the company. This is why their development needs to incorporate a broad range of learning opportunities in your organizations.

The individuals should also exposed to as much of the working environment

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as possible that they gain a good understanding of what the company requires to remain successful.

Succession planning is one of those initiatives that many companies don't find the time to start until it's too late. If you don't address succession planning now your organization may end up facing the burden in the middle of a crisis.

Finally organization understand the need to manage the development of their high performers are step ahead of their competitors. The effort required to establish a development program for future leaders is worthwhile because it creates motivated and capable groups of employees that are ready to move forward in the organization when the need arise. Succession planning is not something a well run company consequences is not being prepared to replace key personnel will have a major impact on organization's ability to achieve its goal and strategic targets. The succession planning needs to be consider as part of the company's strategic planning process because it deals with projecting future changes by anticipating management vacancies and then determining how to meet these challenges.

The group turnover is in billions consisting of over 200 companies. The differences in approach from a typical multinational company are:

1) LONG TERM PLANNING-The group is privately held and in the decision making public investors are not involved. Hence the decision is taken from the long term growth perspective. The group does not need to focus on short term profit to show performance in the stock market.



2) COMPANIES OPERATE INDEPENDENTLY-The group is loosely structured under common brand name . The private companies run safely.

3) Containing company wise risk-When a company grows beyond a specific size, the company is divided in two or more. These keep company manageable and while minimizing the impact of its failure in the group.

4) NEW PRODUCT IDENTIFICATION -The group identifies new market and product based on the analysis of the existing market. The existing market for the new market is frequently either a monopoly or oligopoly.