

Swot analysis: british airlines

[Finance](#), [Financial Analysis](#)



A British airway was the worst rated airlines in 1981 and was called Very Troubled airlines with severe losses, bad quality, overstaffed and very near to bankruptcy. But with the Survival Plan Initiated by John King, the chairman in 1981 changed the image and turned failure into success. The things which he did was simple following the SOOT analysis by analyzing the internal and external factors leading to failure and dissatisfaction. By 1990 British Airways was converted into a profitable entity. This could be done through SOOT analysis.

Definition of SOOT : A SOOT Analysis is a helpful tool which helps in analyzing the strength, weakness, Opportunity, and threats of any business venture and It helps in giving a direction to planning and assists in taking informed decisions too . Internal Factors: Strengths: It has international Operations and the employee productivity is very high. It has got strong presence on the busiest airport of Europe that is the London Heathrow International Airport. Strengths of British Airways : 1. Very strong Brand Image . 2. It has Openness Agreement along with international operations. . Skilled staff. 4.

Expansion of Aircraft fleet. 5. Economies of scale have been designed by using spare space in passenger aircraft for carrying cargo and give cargo services too. Weaknesses: Over the time it has witnessed a decline in the profitability. The employees are dissatisfied as they do not receive any post retirement benefits. The major geographic regions have not shown any growth for quite some time. Weaknesses of British Airways : 1. High cost of management with declining profits . 2. Labor strikes quite often due to

strong and powerful Employee Union . 3. Strike in Christmas which is the peak season for air travel.

External factors: Opportunities: British airways hold the reputation of globally known airline with its markets pning all over the world. It has shown good increase in its trans-pacific cargo airlines. The Asian -Pacific Markets have also shown great increase as Asian and Pacific tourism is getting a boost and international flights to Asia and Pacific countries have increased over the time. Emergence of new markets in Asia Pacific which can be tapped .

Threats: Due to steep rise in aviation fuels price, the cost of airline traveling has increased ND the recession is also affecting the tourism industry.

The other market players which have introduced low cost airlines tickets like Virgin airlines are posing the U. S. And the European zone. Due to down sliding economic conditions and recession since 2008 has caused downslide in the markets in the U. S. As well as * Rising prices of fuel for aircraft .

European regions. * High level competition from competing airlines which are offering lower cost . Changing consumer behavior . * Unstable political situations and Global economic crisis . Misalignments. Info