

# A jetstar asia airways marketing audit tourism essay

[Environment](#), [Air](#)



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BUSTER**

## 1. Introduction

Jetstar Asia Airways is a low-cost budget airline operating in the South East Asian region. Its mother company – Australia's Qantas Airways – found it in 2003. Unlike Jetstar in Australia, Jetstar Asia is majority Singapore in which a Singapore investment company, Temasek Holdings Limited holds 19 per cent of shares, two Singaporean businesspersons possess 32 percent, and the remaining 49 per cent of shares belongs to Qantas Group. The company is known as an airline to offer low fares, all day and every day to South East Asia customers. It has received several valuable awards, such as “ Best Brand Experience for Low Cost Carrier” (2006), “ Best Low Cost Airline, Southeast Asia and Asia” (2006, 2008), “ Top 10 Airlines by Passenger Carriage” (2006, 2007), “ Best Asian Low-Cost Carrier” (2006, 2007). The first Jetstar Asia Airways' flight took off for Hong Kong on December 13, 2004. Jetstar Asia and Valuair Airways Limited were merged on July 22, 2005 (Jetstar, nd).

With a fleet of seven A320 aircrafts, Jetstar Asia now offers up to 126 weekly flights from Singapore to 17 destinations in ten Asian countries. It is planning to increase capacity by more three A320 aircrafts by early next year and add destinations in India and China.

This marketing study aims to provide the Jetstar Asia Airways' current marketing environment. It will use primary data and secondary data and analyse SWOT and PESTEL to make clearly internal and external marketing environment. Primary data is survey of 50 people who are concerning budget

airline. Secondary data is used from books, journals and websites. The report also discuss about the current market plan of Jetstar Asia Airways. From the audit process, recommendations will come out for improving Jetstar Asia Airways' marketing performance in existing competitive aviation environment.

## **2. Background**

Today, global aviation industry has been divided into three major categories (Lelieur, 2003). The first category consists of large network carriers, such as United Airlines, American Airlines, and Delta in the United States; Air France, British Airway, Lufthansa in Europe. The second one is the middle size carriers such as KLM and SAS in Europe. The final category is the low cost carriers, such as Jet Blue, Westjet in North America; Virgin Blue and Australian Airlines in Australia; Ryanair, EasyJet, and Air Berlin in Europe; Air Asia, Oasis Hong Kong Airline, Jetsatr Asia Airway, and Tiger Airway in Asia Pacific.

According to Weiss (2008, p. 84), “ Low-cost carriers, also known as a no frills or discount airlines, offers low fares in exchange for eliminating many traditional passengers services. These airlines have a lower cost structures than competitors. They often operate a single passenger class and fleet, reducing training and servicing costs”.

In recent years, the low-cost carriers (LLCs) phenomenon has become more popular in aviation industry. The low cost airline business has experienced surprising growth in term of passengers carried and aircraft ordered. LLCs

are likely to keep their price down thoroughly online booking as well as providing the minimum level of onboard services. They can be seen as a new big success in the world airline industry. According to OAG's Quarterly Airline Traffic Statistics (2007), low cost international flights have increased 20% year by year. Asia Pacific witnessed a dramatic growth in low cost sector, with an increase from 3, 900 flights and 600, 000 seats in 2001 to 61, 000 flights and 9. 2 million seats in 2007 (Abacus, 2008). The Asia Pacific low cost market now has accounted for 12% of all flights and all seats. Many Asian countries such as Singapore, Malaysia, India has opened up LCCs to attractive a large number of passengers. As an affirmation about Jetstar Airways' prospect, Geoff Dixon, CEO of Qantas Airways Ltd said: " We're very confident about the timing of the launch of this airline. I don't know where other airlines will end up but I can assure you Jetstar Asia will be around in four years' time and will be profitable, so Temasek and our other investors can be confident." (2004).

Jetstar Asia has announced its revenue increases 20% for the year ended 31 March 2008 (Jetstar, nd). These proves that low fares has become attract more travellers. The expectation of Jetstar Asia Airways about " the world's largest potential aviation market" is coming true.

### **3. External analysis**

#### **3. 1. The micro-environment**

##### **3. 1. 1 Description of the market**

###### **(i) The world aviation market**

According to the International Air Transport Association (IATA), the world's airlines are expected to lose US\$2. 5 billion in 2009.

Industry revenues are expected to decline to US\$501 billion. This a fall of US\$35 billion from the US\$536 billion in revenues forecasted for 2008. This drop in revenues is caused by the economic crisis and the outbreak of the H1N1 epidemic. These aspects affect to the psychology of the travelers.

Yields will decline by 3. 0 percent (5. 3 percent when adjusted for exchange rates and inflation). Passenger traffic is expected to decline by 3 percent following growth of 2 percent in 2008. This is the first decline in passenger traffic since the 2. 7 percent drop in 2001.

## **Industry profits, US\$ billion**

**2006**

**2007**

**2008F**

**2009F**

**2006**

**2007**

**2008F**

**2009F**

## **Operating profits**

## **Net profits**

## **Global**

15. 0

19. 7

1. 1

3. 9

-0. 1

12. 9

-5. 0

-2. 5

excluding restructuring costs

3. 6

12. 9

-5. 0

-2. 5

## Regions

North America

7. 3

9. 3

-0. 3

3. 6

-2. 6

5. 3

-3. 9

0. 3

excluding restructuring costs

1. 0

5. 3

-3. 9

0. 3

Europe

5. 2

6. 4

1. 5

0. 7

1. 8

5. 4

-0. 1

-1. 0

Asia-Pacific

1. 8

3. 5

-0. 1

-0. 6



0. 9

2. 1

-0. 5

-1. 1

Middle East

0. 0

0. 0

-0. 1

0. 0

-0. 1

-0. 1

-0. 1

-0. 2

Latin America

0. 5

0. 4

0. 1

0. 1

0. 1

0. 1

-0. 1

-0. 2

Africa

0. 1

0. 1

0. 0

0. 0

-0. 2

0. 1

-0. 3

-0. 3

Source: ICAO data to 2007. IATA 2008-09 forecasts. Excludes “ fresh-start” items.

Asia-Pacific is the region most decreased in the aviation yield with the drop is forecast about US\$1. 1 billion

As this report demonstrates, the annual average growth rates of aviation in Asia-Pacific drop dramatically from 7. 5% in 2006 to -2. 5% in 2009 (forecast). All these information are uncomfortable to the airline firm in the Asia-Pacific area. It is probably because the aviation market shrank in the future.

### **Annual average growth rates, %**

**2006**

**2007**

**2008F**

**2009F**

**2006**

**2007**

**2008F**

**2009F**

### **Traffic volume (tkp)**

### **Capacity (atk)**

### **Global**

5. 3

5. 3

0. 9

-3. 6

4. 1

5. 0

2. 0

-2. 5

## **Regions**

North America

2. 7

3. 5

-1. 3

-4. 8

0. 5

3. 2

-0. 1

-5. 7

Europe

4. 9

2. 1

1. 1

-3. 6

3. 9

3. 5

1. 7

-2. 5

Asia-Pacific

7. 5

7. 8

0. 6

-2. 5

6. 7

6. 9

2. 3

-0. 5

## Middle East

11. 8

16. 4

7. 6

1. 2

12. 6

14. 5

7. 4

4. 9

## Latin America

-3. 4

9. 9

1. 5

-4. 1

1. 6

6. 9

3. 4

-0.2

Africa

7.0

4.5

-1.9

-3.6

1.8

5.8

-3.4

-2.5

Source: ICAO data to 2007. IATA 2008-09 forecasts. Domestic and international traffic. Includes passenger and cargo by weight.

## **(ii) Jestar Asia Airways market**

Jetstar Asia Airways operates as a low-cost airliner in South-East Asia. In a recent report, the Centre for Asia Pacific Aviation (CAPA) predicts that low-cost carrier will see increased demand in terms of both traffic-growth and earnings this year, compared to traditional airlines.

“ Stormy conditions in 2008 have already helped the low-cost segment gain a larger share of global aviation,” according to the CAPA report. “ Now

predicted “tougher economic conditions and lower fuel prices will give the sector a major “advantage in 2009.” (Sharjah, 2009)

According to Adel Ali, Chief Executive Officer of Air Arabia, the low cost model is uniquely attractive in these challenging economic times.

According to Chief executive officer of Jetstar Asia Airways, Chong Phit Lian, the low-cost carrier is currently filling about 70 per cent of seats, compared with about 60 per cent last year. In the dark time of the economic crisis, this is the good sign for the low cost budget airline like Jetstar Asia.

### **3. 1. 2 Competitors analysis**

Operating in the low cost airline market in the tendency of almost of airline firm extend the low cost field brings to Jetstar Asia many competitors.

Examine in the aspect of low cost airline field and operation area, Jetstar Asia has three main competitors: Tiger Airway, Lion Air, and AirAsia.

#### **Tiger Airway (Singapore):**

Fleet size: 10

Destinations: 27

Parent company: Tiger Aviation

Company slogan: Get The Real Deal

Headquarters: Singapore



Tiger Airways is a low-cost airline based in Singapore, with its primary hub at Singapore Changi Airport. This is the main competitor of Jetstar. While Jetstar Asia was not very successful in the market, Tiger Airways with its strong business model had managed to make an impact in the highly competitive low-cost market. Tiger Airways mostly served secondary cities. This helped it challenge the markets, which are ignored by the major carriers. In addition, Tiger Airways followed a strict no-frills model to offer the lowest fares possible to its passengers

## **Strengths**

## **Weaknesses**

- Low cost operations
- Good position in customers' mind
- Internet booking and e-payment
- Focuses on secondary city
- Intelligent strategic
- Fast development
- High reputation (win many awards for the low cost airline)
- Service resource is limited by lower costs
- Heavy reliance on outsourcing
- New entrants to provide the price-sensitive service

- Customer complaint
- Lack of destination
- Small fleet

## **Lion air**

Fleet size: 42

Destinations: 40

Company slogan: We make people fly

Headquarters: Jakarta, Indonesia

Lion Air is Indonesia's largest private carrier and Asia's first hybrid carrier, which offers both economy – and business – class seating, based in Jakarta, Indonesia.

## **Strengths**

### **Weaknesses**

- Low cost operations
- Diversity of destination
- Huge of fleet size
- Maintain free meal despite the low cost.
- Service resource is limited by lower costs

- Heavy reliance on outsourcing
- New entrants to provide the price-sensitive service
- Do not have e-payment.

## **AirAsia**

Fleet size: 75

Destinations: 66

Company slogan: Now Everyone Can Fly

Headquarters: Kuala Lumpur.

AirAsia is a low-cost airline based in Kuala Lumpur, Malaysia. It operates scheduled domestic and international flights and is Asia's largest low fare, no frills airline.

## **Strengths**

### **Weaknesses**

- Low cost operations
- Fewer management level, effective, focused and aggressive management
- Simple proven business model that consistently delivers that lowest fares
- Penetrate and stimulate to potential markets
- Multi-skilled staffs means efficient and incentive workforce

- Huge fleet size provide many destination
- Have 3 secondary hubs
- Internet booking and e-payment
- Service resource is limited by lower costs
- Government interference and regulation on airport deals and passenger compensation
- Brand is vital for market position only fixed with asia
- Heavy reliance on outsourcing
- New entrants to provide the price-sensitive service

Generally compare between Jetstar Asia and three main competitors we can recognize that Tiger Airway is the direct competitor and now is leading the low cost carrier in the South East Asia aviation market. However, recently, Tiger Airway has to face with some problems from the customers (Mathaba, 2009, Singsuply, 2009) because of their bad service. With the supply from the parent company, Qantas Airline, this is the time for Jetstar to challenge Tiger Airway.

### **3. 2. The macro-environment:**

#### **PEST analysis**

PEST analysis is a common tool for analysing an organisation's macro-environment to identify those factors that might increase the potential for

crisis. (Elliott, Swartz and Herbane, 2002). These include political, economic, social and technological factors and the analysis examines the impact of each of them on the business.

### **3. 2. 1 Political environment**

Singapore now is as a political stability nation. It has become the prosperous nation with a widespread network of trading links. So far, Singapore political stability has led to a high rate of economic growth. As one of Asia's most stable economies, many Singapore companies have developed well.

Singapore economic has been developing services industries such as wealth management and tourism, aviation industry. Singaporean airline industry plays a key role in Singaporean economy. It now includes mainstream Singapore Airlines and two low cost airlines – Tiger Airways and Jetstar Asia Airways. However, September 11th terrorist attack event in United States caused significant falling in travelling. Besides, the political instability in South East Asia region, such as Thailand, Indonesia, and Malaysia influenced negatively on aviation industry in Asia areas.

### **3. 2. 2 Economic environment**

“ The economic environment consists of factors that affect consumer purchasing power and spending patterns”.(Kotler and Armstrong, 2009, p103). These following analyses will show how economic factors have an effect on aviation industry.

In recent years, global economic crisis has pushed the trade-service dependent countries into worst recession. The world travel market has also

been affected in this crisis. According to International Air Transport Association, due to economic recession, the global passenger traffic will decrease by 3% in 2009 and not growing above 4% until 2011 (IATA, 2008). Another major factor effects strongly on airline market, especially budget airlines, that is the increase in fuel price. From 2004, the oil price surge was a result of three main factors: increased demand, a small global excess of production capability, and the fear of supply disruption. The fuel cost increase caused of 36% rising of airline operating costs in 2008. The deadly combination of falling demand and high oil prices made a plunge of aviation industry's profitability, approximately losses of US\$10. 4 billion in 2008. At the same year, Asia Pacific airline industry incurred losses US\$ 300 million (IATA, 2009).

### **3. 2. 3 Social environment**

Trends in social factors are significant component of the PEST analysis for airline industry. Firstly, some factors such as advanced medical provisions and low ratio at birth have allowed people to live longer. The average age of the population has been increasing steadily. Thus, the products that airlines offer concerning to older and disabled passengers who need help at airports. Besides, traditional family structure has been changing in today modern society. The increase of divorce rate as well as number of single-parent family has become contemporary trend that travel industry has to do to accommodate. They can be promotional and product planning policies, which offer to those who are singles or one-parent family. Furthermore, the changes in the job market have impacts for airline marketing policies. Due to

work pressures, executives often have to make a day-return trip instead of two days. This has become more important for short-haul markets.

### **3. 2. 4 Technological environment**

As an advanced technology, Internet now plays an important role in airlines industry. All airlines have websites that allow customers to book air ticket online. In making reservation, customers can also select their seat.

Utilization of internet in aviation industry brings benefits for both airlines and passengers based on cost saving.

With PEST analysis as above, marketing environment of Jetstar Asia Airways has just evaluated to consider how the company operates in the today's changing environment.

## **4. Internal analysis**

### **4. 1. Segmentation – Target – Positioning**

#### **4. 1. 1 Market segmentation**

Jetstar has based on various variables to consider:

Geographic segmentation: Jetstar offers flight to various destinations, such as Bangkok, Ho Chi Minh City, Hong Kong, Kuala Lumpur, Manila, Phnom Penh, Siem Reap, Singapore, Taipei, and Yangon. (Jetstar, 2009)

Demographic segmentation: Jestar focuses on low-income customers, who want to travel to other countries for purpose visiting, business or studying. This segment is majority of the regularly travel by air and Jetstar can get a

profitability significant through a pricing strategy efficiently to retain loyal passengers and attract new customers.

Behavioral segmentation: Jetstar applies many promotion prices on special occasions to attract customers and Jetstar calculates the number of passenger in seasons. Especially, in summer occasions, Christmas and Happy New Year holidays, passengers have a lot of free time so that many people go travelling or come back their home.

Psychographic Segmentation: Passengers are willing spend much time to care about low-price and safety airline where they will go. Besides standard ticket price, Jetstar gives a lot of options ticket so that customers can be a flexible choice to reduce price, for examples: food, insurance, baggage, etc.

#### **4. 1. 2 Targets**

Among many competitions, Jetstar knows that they need to get a flexible strategy to achieve success and have a service closely with the highest customer satisfactions. Jetstar has many various target markets such as low fares, expand destinations, and increase flight frequencies, minimize operation costs, focused on customer services, optimize revenue and develop new revenue streams. Furthermore, Jetstar has a marketing strategy well through mass media and telecommunication systems such as internet, television, newspaper, etc. Besides, Jetstar invests in brand name to become a strong brand.



### **4. 1. 3 Position**

Jetstar is a low-price carrier in the world. Jetstar has become a favorite brand with low fare, low operation cost, high safety, servicing well and friendly in loyal customer in the world. However, to retain customer's mind, Jetstar has to face many completions carriers such as Lion air, AsiaAir, Tiger airways, etc through a flexible and lowest-price strategy.

## **4. 2 Marketing plan**

### **4. 2. 1 Product**

The product is the most important aspect of the marketing mix. The product strategies made by Jetstar Asia Airways are mainly aimed to reduce costs so that the company can provide low fares to customers, because in the downturn the number of people who prefer low-cost carriers is increasing.

Firstly, Jetstar Asia only launches routes whose flying distance are within five hours from Singapore, such as Hong Kong, Taipei, Bangkok, etc (Jetstar, nd). Because flying close, aircraft can return to base in one day. It can help to save many costs, including expenses of aircraft staying at foreign airports and expenditures spending on accommodation for crew, etc.

Secondly, the fleet of Jetstar Asia is consisted of only Airbus A320 aircraft (Jetstar, nd). The reason is that a single model aircraft can make training, maintenance and repair costs greatly reduce. Personnel, including pilots, mechanics and cabin crew can be deployed optionally without re-training, thus the company eliminates the deployment center and in-flight configuration can be exactly same.

Finally, since Jetstar Asia is a low-cost carrier, no free food and beverages are provided. Passengers may purchase food and beverages on board from the cabin crew. Jetstar Asia cancels free meal service in order to reduce the costs on expensive catering equipment and save the time on cleaning the aircraft. In this way, aircraft need less time to stay at airports; it reduces landing fees and even the company is able to add one more flight because of the time saved.

#### **4. 2. 2 Promotion**

Once the product has been made and the price set, it is important that potential customers be told about the product. Promotion can also be used for reassuring the consumer that the product is of good quality and persuading them to purchase the product (Kotler and Armstrong, 2009).

In order to make customers convenient to obtain detail information about Jetstar Asia Airways, including price of tickets, schedule of flights, new services and routes, etc; the company uses its website to broadcast all the kinds of latest information. In recent month, it can be found that Jetstar Asia shows a new advertisement on television. It describes a travel story of a girl. In the advertisement, the girl took trips to lots of resorts such as Bangkok, Bali, etc and all these resorts are the place where Jetstar Asia's flights can access. Although advertising on television cost the company millions of dollars, Jetstar Asia still confirms they can get benefits from the advertisement because it really attracts the public deeply. Jetstar Asia believes that it will encourage people to choose Jetstar Asia's flights for travelling.

Moreover, the company also provides tickets, which are in promotion to customers. For example, Jetstar Asia launched 44, 444 free seats promotion on flights between Singapore and 11 of its destinations in its 4th birthday celebration (asiatraveltips, 2008).

### **4. 2. 3 Pricing**

It is very important that the reasonable price is charged for a product. The major of low-cost carriers is providing low price tickets to attract more customers. Jetstar Asia sets a low price to increase sales and market share. The company consistently strives to offer the most competitive ticket price to customers. For example, the passengers who take Jetstar Asia's flights can expect to pay as low as a quarter of the current price for return tickets and sometimes it even suggests free of charge flights to certain destinations. The company also operates at budget terminals and secondary airports in order to cut costs as much as possible. Pricing strategies help Jetstar Asia become one of the biggest low-cost carriers in Asia.

### **4. 2. 4 Place**

Place decides where the product is to be sold. Compared with mainstream airlines, it is not necessary for low-cost carriers to have more channels to sell their seat; because more channels means it will cost more money. So almost all of flights are booked directly at Jetstar Asia's website, while only a few come from the travel agencies. This online marketing model helps to reduce operating costs. Jetstar Asia does not set up ticket centers and related equipments, so there are no printed tickets for customers. It can cut expenditures on printing and distribution of paper tickets.

## **4. 2. 5 Expansion strategies**

Besides the four P's strategies, Jetstar Asia also puts emphasize on the expansion strategies. Jetstar Asia Airways is planning to boost its fleet and operation as well as the company strives to expand into new routes.

In the coming 12 months, Jetstar Asia Airways has a plan to grow its existing capacity from Singapore by 46% by adding three more Airbus A320 aircraft (Govindasamy, 2009). The new planes will be used for new routes or expansion. Besides extending the fleet, Jetstart Asia has announced new services between Singapore – Phuket, and additional Singapore – Manila flights. The company will have scheduled flights to fly directly into mainland China with the launch of Haikou, from where travellers can easily access the resort town of Sanya. It is the first mainland China destination of Jetstar Asia (etravelblackboard, 2009). Extending the service to mainland China were part of the carrier's next strategic stage to build its low fare services across Southeast Asia under the Jetstar brand. This plan has also benefited from cutting unprofitable routes in South-east Asia, where competition is increasing with AirAsia and Tiger Airways.

Recently, Jetstar has announced that it will double daily A320 Singapore-Phuket services to Thailand's holiday resort center from 15th December. Beginning form 25th October, the existing daily Singapore-Manila will also increase by an additional three weekly services to a total 10 weekly return flights.

On June 7, 2009, Jetstar Asia Airways launched a daily direct service to Penang in northern Malaysia, marking its 17th destination from Singapore and the fourth Malaysian city. With the new route, Jetstar's weekly flights between Singapore and Malaysia would increase to 88. Jetstar also operates to Kuala Lumpur three times daily, Kuching in Sarawak state daily and Kota Kinabalu in Sabah state four times weekly from Singapore. From October 1, 2009, Jetstar services on the Singapore-Penang route would be expanded to twice a day, or 14 times, weekly services (BusinessWeek 2009). Jetstar Asia also plans to launch new route to India. With those recently activities, Jetstar has noticeably expended its market share in the low cost segment. Jetstar Asia says that after the growth of its aircraft capacity, the company will definitely launch more routes and ensure more travellers who will benefit from low fares of Jetstar Asia Airways (Businessweek, 2009).

## **5. SWOT analysis**

" A SWOT analysis is an in-depth examination of key factors that are internal (strengths and weaknesses) and external (opportunities and threats) to a business" (Pinson, 2008, p. 33). SWOT analysis helps a business to concentrate on those areas that present the greatest opportunities and those competencies in which it is strongest. That business look into ways to diminish its weaknesses, develop strategies to defeat threats. The following analysis focuses on Jetstar Asia's SWOT.

# **SWOT ANALYSIS OF JETSTAR ASIA AIRWAYS**

## **Internal**

### **Strengths**

### **Weaknesses**

- Flexible ticket price structure
- Growth in market share
- One type of aircraft
- Performance
- Narrow flight-destinations.
- Limited fleet.

## **External**

### **Opportunities**

### **Threats**

- Strengthen competitive capability.
- Increase in short-haul travelling.
- Growth in Singapore tourism
- Increase of fuel price
- Unpredictable disaster factors
- Swine flu spread.

## 5. 1 Strengths

- Flexible ticket price structure: Jetstar Asia Airways has applied flexible ticket price structure that allows customers can choose any kind of ticket, depending on customers' demand. Customers can purchase which ticket with or without luggage. By this application, Jetstar Asia Airways desires to meet customers' diversified demands.
- Growth in market share: The Company is going to launch its first service into China on December 16, 2009 (BusinessWeek, 2009). After that, it will offer new destination in India. Moreover, with three additional A320 aircrafts, it will expand its current capacity by 46 per cent by launching twice daily services on the Singapore-Phuket route.
- One type of aircraft: Thanks to exploiting one type of aircraft – Airbus A320- Jetstar Asia Airways can save cost of fuel consumption, cost of maintaining other aircrafts and reduce cost of staff training, leading to lower operation cost. As a result, Jetstar Asia Airways can make up competitive advantage to lure more customers by offering low- ticket price.
- Performance: One of the most important factors affecting customers' choice in airline industry is on-time performance. Understand this; Jetstar has used the computerised Aircraft Communication Addressing and Reporting System (ACARS) to assure the accuracy of departure time and arrival time. In 2008 and 2009, Jetstar's on-time performance always achieved from 92% to 98% (Jetstar, nd).

## 5.2 Weaknesses

- Narrow flight destinations: So far, Jetstar Asia Airways has just exploited its aeronautic routes to 17 destinations across 10 countries in Asia Pacific (Jetstar, nd). Meanwhile, Tiger Airways has operating with 27 destinations, and Air Asia has 66 destinations. This can be seen weaknesses of Jetstar Asia in aviation competition to attain customers.

- Limited fleet: Due to the limited fleet of seven A320 aircrafts, Jetstar Asia Airways has some difficulties in expanding its market share to new destinations.

## 5.3 Opportunities

Jetstar Asia Airways has focused on not only individual passengers but also business travellers. It has set up several kinds of privilege services for business travellers to increase number of passengers year by year. From only 50 firms in 2004, now Jetstar has 400 corporations travelling with it (Baoying, 2009). More and more businesses, even multinational companies, are likely to choose low cost airlines to save their business cost that create potential low cost market for Jetstar Asia Airways. Besides, trend of short-haul travelling is increasing in number of Asian tourists; instead of long-haul holidays, because it enables Asian people travel more regularly in year. Focusing on these subjects, Jetstar Asia will catch more opportunities to expand its market share. In addition to this, in Singapore, two integrated resorts – the Marina Bay Sands and Resorts World Sentosa – will be opened in 2010. At that time, number of travellers visit Singapore will increase dramatically. There will be about 15 million visitors coming to Singapore



(integratedresort, nd). Such general trends as mentioned above will bring prospect for Singapore airline industry, including budget airlines and mainstream airlines.

## **5. 4 Threats**