

Southwest airlines case study

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Southwest Airlines (A)Case Study

1. In June 1971, air transportation was not seen to be the primary transportation tool because of all the time wasted from checking in, expensive price, and air time. Therefore, SWA was not only competing with other airlines, but also on ground public transportations. SWA had to come up with a marketing strategy that will convince people that they are different from Braniff and other airlines that were seen to be inefficient and poor punctuality. SWA utilize market positioning by evaluating all other airlines' characteristics and where they are being position in consumers' minds. Afterward, SWA had to create a new position that will be able to convince and persuade consumers. SWA strategically positioned itself to be the most obvious and fun airlines in comparison to others. This was the direction SWA went as they advertise and send out messages to the public. The primary factors positioning SWA were lowest fare, short haul, high frequency, point to point carrier, and fun to fly. SWA was able to crack the nature of typical airlines marketing problems by positioning itself to be more revealing and convincing to the general consumers.

2. The steps of purchase decision process are problem recognition, information search, evaluation of alternatives, purchase decision, postpurchase behavior. SWA recognized the problems in the existing airline service that were not met to consumers' expectations. The purchasing process went as consumers first discover their need to find a transportation to get to the destination in a timely manner. Then they further look into the values, cost, and services of the existing options. Consumers then assessing the values to decide with one match with their intention the most and

continue to look for alternatives. This is when product positioning will affect consumers' purchasing decision. A good marketing strategy will attract consumers in doubts. Consumers then proceed to make the purchase. Lastly, consumers evaluate their flying experiences. The factors could be ranging from if the price was reasonable, if the services were beyond their expectations, if the check in and flying time were efficient... etc. All these postpurchase behavior could be beneficial and detrimental to airlines. If consumers had a good flying experience, they would most likely fly from the same airline again and recommend others to do so as well.

3. Some segmentation existing regarding airline services were value-conscious consumers, small business executives, travel short distances, prefer low cost fares, and frequent schedules. Value-conscious consumers care about the services they get from the amount of dollars they invested. This is where airlines can get loyalty from consumers. Values that consumers care about could be ranging from the service and attitudes of hostesses on flight, the quality of the snacks, and the comfort during the flight. Different consumers will value different things. However, it is crucial for SWA to realize the important ones and make a marketing strategy out of them to target this group of consumers. The second segment is the small business executives. These consumers fly regularly and represent 89% of SWA's traffics. It is important to gain commitment from this segment. SWA offers exclusive supply of tickets and billing on the monthly basis are the strategy to keep this segment of consumers. Business executives can save tremendous amount of time by cutting down the costs of frequent purchase and payment of the tickets. The third segment is traveling short distances. Consumers in

this segment look for time saving efficient travel transportation. SWA attracts these consumers by simplifying checking process and waiting time for the flight. The forth segment is consumers who prefer the lowest cost fares. This segment is easier to deal with as SWA simply offers lower ticket prices than others within the region. Lastly, the segment of consumers who look for frequent schedules. SWA's strategy to contain these consumers is to shorten the time of planes resting at the designating airport and increase the trips a planes travel in a day.

4. Braniff and TI were not satisfying consumers' needs in the early 1971. This is why SWA saw the opportunities to create a well-established and consumers oriented airline to take over the market. The flights provided by Braniff and TI were usually crowded and hard to make reservation. There were a lot of cancelled flights and the routes were not direct flying. Therefore, consumers looking to travel usually have to stop at somewhere first, then their destination. The poor punctuation and services led consumers to step away from flying and look for alternatives transportations. In January 1973, Braniff came up with a new pricing strategy in which all tickets became half priced flying in the major routes of SWA. Such strategy actually increased the amount of consumers and passed SWA's number of passengers during that time. It can be seen clearly that price was the biggest factor in this industry.

5. The pricing strategy in marketing mix was utilized in favor of SWA. The lowest price fares not only compete with other airlines, but also ground transportations. SWA focuses on keeping the price down. Even when the market gets busy, it will resolve to add more flying schedule than raising the

price. The second marketing mix is the product strategy. SWA's product is simply travel. They are competing with all companies providing the same services. SWA's product strategy is to provide the most frequent, convenient, and low fares travel experience. Also, SWA emphasizes on direct nonstop travel from point A to point B unlike most of other transportations. The third marketing mix is promotion. SWA's promotion strategy is to differentiate itself from other airlines. They want to bring a whole different experience to the consumers. SWA emphasizes on having "fun" while traveling. The atmosphere SWA gives off to consumer is different from other airlines. Also, SWA wants to make every passenger to feel special and important. SWA's low fares, fast travel, and fun factors are the promotion strategy SWA aim to achieve and persuade consumers. Lastly, the place the SWA's service. SWA really cares about its passengers and conducted a survey to discover a more efficient airport for consumers. SWA reopened an old airport to fly simply because it was more convenient and closer to most of the passengers in the region.

6. I don't think SWA should match Braniff's deal. Braniff's company strategy revolves around the amount of passengers. However, SWA's strategy emphasizes on passengers' flying experience. The amount of passengers Braniff will take away from SWA with this deal will not be that significant. The flights will be packed and services will not be as good as SWA. Instead of matching Braniff's new price, I think SWA should come out with advertisements to persuade consumers that flying experience worth more than few dollars of discount. Also, SWA should have a good amount of loyal customer by now. The only consumers they need to worry about are in the

lowest ticket price segment. Since people from this segment care the most about pricing. I think SWA can have one day out of the week dedicated to a lower priced trip with the same services of regular price. This way, consumers from this segmentation will still be willing the travel from SWA.